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Media Convergence: Concept, Discourse and Influence

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Thesis Submitted in Fulfilment of the Requirements for the Degree of Doctor of Philosophy

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Declaration

I hereby declare that the work presented in this thesis is my own and has been developed under the joint supervision of both Professor Petros Iosifidis and Professor Jean Chalaby and any other assistance as stated and referenced in the thesis accordingly.

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Abstract

This thesis examined media convergence in terms of its concept, discourse, and influence. Based on the examination of Korean case, it was argued that media convergence was an ambiguous concept. And as the concept was not clarified enough, the term seemed to be easily manipulated with liberal ideology to form ‘convergence discourse’. The discourse accelerated the spread of media convergence, and in particular, it justified deregulation and the reform of media policy system. However, despite a rather exaggerated expectation for the development of media convergence, the actual impact of media convergence on Korean broadcasting and telecommunication markets was restricted. More specifically, the change was limited to happen in network and device levels in media value chain. Furthermore, the overall changes in legal and jurisdictional systems in broadcasting and telecommunication were also limited. Interestingly, the development of media convergence caused divergence as well as convergence, in relevant markets and policy fields. Furthermore, the newly integrated broadcasting-telecommunication agency in Korea, KCC, brought some side effects. First, it introduced competition-oriented style and the marginalisation of sector-specific policies. Second, it prompted the concentration of power and the deterioration of political independence in media governance. Third, it brought about organisational conflicts between broadcasting and telecommunication agencies. However, notwithstanding the prevalence of competition-centred approach of KCC, the sector-specific regulations in Korean newspaper, telecommunication and broadcasting were generally maintained. More precisely, despite of the overall deregulation trends in the fields, broadcasting was still a more complicated and tightly regulated area, compared to newspapers and telecommunications. All those examinations of Korean media in the last decade show that there can be a strong inertia in the markets and the policy fields of media, even when the expectation of new technology is high.

Abbreviation

CJHV: CJ Hello Vision

CP: Content Provider

DMB: Digital Multimedia Broadcasting

DPS: Double Play Service

FTC: Fair Trade Commission

IPTV: Internet Protocol Television

KCC: Korea Communications Commission

KCSC: Korea Communications Standards Commission

KCT: Korea Cable Telecom

KISDI: Korea Information Society Development Institute

KOCCA: Korea Creative Content Agency

KPF: Korea Press Foundation

KT: Korea Telecom

MCT: Ministry of Culture and Tourism

MIC: Ministry of Information and Communication

MPP: Multiple Programme Provider

MSIP: Ministry of Science, ICT and Future Planning

MSIT: Ministry of Science and ICT

MSO: Multiple System Operator

MSP: Multiple System Operator and Programme Provider

OTT: Over the Top

PP: Programme Provider

QPS: Quadruple Play Service

SKT:SK Telecom

TPS: Triple Play Service

VOD: Video-on-Demand

VoIP: Voice over Internet Protocol

Part I

1. Introduction

Digitalisation and the development of transmission technologies brought considerable changes in media technologies. Digitalisation meant that the data process technology in media could be simplified. As analogue signals could be translated into digital signals, traditional media such as newspaper, film, radio and television could be handled in a single digital format. This meant that any kind of digital media contents could be seen in any digital device, technically. For example, the introduction of smart digital media such as smart phone changed the way people communicate and use media contents. By using the smart device, which can be described as a connected mobile computer, people can make a phone call, browse the internet, buy something and enjoy loads of media contents in their hands. Moreover, by using smart device, people can participate in group video chatting and meetings, and can produce audiovisual contents and share them online with others. Therefore, digitalisation technology simplified traditional methods of media production and consumption. When it comes to the matter of transmission, the development of transmission technology increased the speed and scale of data transmission. This enabled digitalised media contents to be transmitted in any single digital network. Compared to analogue system where different media had to use different modes of transmission, it meant a significant degree of simplification in media network. Consequently, the development of digitalisation and transmission technology brought more simplified environment in media. This meant that the technological difference between analogue media became less significant than before.

In this background, the concept of media convergence was emerged. The concept describes these simplification trends in media, which was based on the technological developments presented above. But the development of media convergence was not limited to the technological levels. Its development affected industries, market and policy fields, too. But the process of development was not a simple. In the process of development, various stakeholders in media, such as government, business, and civil societies were involved. This research is to investigate how those stakeholders reacted in the process, and what practical results were made by the development of media convergence. To this end, the thesis will examine the concept itself, some relevant discourses in the policy debate, and its influence on media markets, governance systems and actual media policies.

1.1. Research gaps

There are at least three research gaps in the field of media policy studies regarding media convergence. Firstly, there have been little interest in the concept of media convergence. Most of relevant studies focused on governance reform issues and converged regulator's policy styles. However, the more fundamental analysis can be made by examining the relationship between its concept and practical results of media convergence. Indeed, as shown in Frank Webster (2014)'s *Theories of the Information Society*, a concept in communications policy can lead to considerable changes in actual media policies. Particularly, as will be discussed in Chapter 4, the concept of media convergence has not been defined clearly, and this might have caused the confusions in understanding the phenomenon. Therefore, this thesis tries to fill the conceptual gaps in media policy studies, by examining and clarifying the concept of media convergence.

Secondly, the studies on the ideological aspect of media convergence was not followed up well so far. Some studies pointed out the ideological aspects of the concept and relevant discourses by examining some Western countries' cases. But those were mostly relevant to the early stages of discussion on media convergence in around the early 2000s. But the changes in those discourses after this period was not examined well. Furthermore, those studies were mostly related to Western countries including the US, the UK and some European nations. Thus, it could be meaningful, especially for comparative media policy studies, if the scope of examinations on convergence discourse can be expanded by examining another national case. Therefore, this thesis introduces Korean case on the convergence discourse, to generate more empirical evidence in the field of media policy studies.

Thirdly, most of studies on media convergence dealt with governance reform and converged regulator's policy styles. However, there have been little researches on other important fields of media, such as media markets and actual policies and regulations. Particularly, it seems that there was no research done for the quantitative examinations of the impact of media convergence on media markets. Therefore, this thesis investigates the overall impact of media convergence on Korean broadcasting and telecommunication markets. Moreover, while some studies discussed the overall tendency of converged regulator, the actual legal and jurisdictional changes in media policy seems not been studied specifically. Therefore, the thesis tries to fill this gap by analysing the precise changes in media policies. In addition, as the examination of convergence discourse of this thesis does, the thesis contributes to the abundancy of empirical evidence by analysing South Korean media markets and policies regarding media convergence.

A Korean case study on media convergence

As noted above, this thesis is a case study on media convergence in South Korea. Case study is “an empirical inquiry that closely examines a contemporary phenomenon (the case) within its real-world context” (Yin, 2015:194). Case study aims for “analytic generalisation” of knowledge (*ibid.*,200). However, this is not about generalising a specific case (sample) to population. If knowledge from a case study can be generalised to population level, there needs lots of more cases. Instead, case study normally aims to “analytic generalization which consists of a substantive proposition or other principle or set of principles, derived from a case study’s findings and then claimed to be applicable to other situations.” (*ibid.*) In other words, the case study involves “the detailed examination of an aspect of a historical episode to develop or test historical explanations that may be generalizable to other events” (George and Bennett, 2004:5).

Therefore, in general, this thesis aims to practically examine how and to what extent the media convergence happened in Korea. In so doing, this study tries to find a general tendency shown in the process of media convergence. Particularly, as said, this research focuses on the influence of media convergence on media markets and policies. Accordingly, it aims to draw a general principle that shows correlation between media convergence and media market and policy, putting more weight on media policy field. Thus, what is basically assumed in the thesis is that the study of Korean case could be worth examining for other countries that are considering media policy reform in reaction to the media convergence. Indeed, the following examinations of this study seems to reveal many useful points that are worth thinking about before the reform of media policy systems. Korea experienced some valuable trials and errors in the course of media policy system reform which was caused by media convergence development. Having said that, the findings of this research seems to be helpful for other post-war new democracies in Asia, such as Japan, Taiwan and Indonesia, as they share political and cultural similarities to Korea in modern politics and media system (Gilley, 2014). Moreover, when it comes to academic area, the findings of this thesis would be helpful in understanding how and to what extent a new technology can affect media markets and policies.

1.2. Purpose, research question and methodology

There are three purposes in this thesis. The first one is, as found above in the discussion of research gaps, the examination and the clarification of the concept of media convergence. Therefore, the thesis asks, ‘what were the definitions of media convergence in previous literatures, and how it can be more clarified?’ By answering this question, the thesis will examine the problems of the concept and will establish more clarified and practical definitions of media convergence. The

second purpose is to analyse the ideological aspects of media convergence and the meaning of discourses shown in policy discussions. Accordingly, the following research questions can be asked: ‘What was the ideological character of the concept of media convergence?’, and ‘what convergence discourses were there in the process of media convergence development in Korea?’ The third purpose is the investigation of actual influences of media convergence on the market, governance system, and policies. Thus, it can be asked, ‘to what extent the broadcasting and telecommunication markets and policy structures were changed due to the introduction of convergent media?’ and, ‘to what extent media convergence brought the changes in actual media policies?’ In so doing, the thesis will examine the practical influences of media convergence on media market and policy.

In terms of methodology, this thesis implements qualitative textual analysis as a main method. This is to investigate the meaning of concept and discourse of media convergence. Accordingly, a range of documents including white paper, media agencies’ reports and work plans, and previous literatures will be examined in the following chapters. Furthermore, to get more specific and informal information on each subject of the thesis, semi-structured face-to-face interview was conducted. By doing so, some informal and in-depth information regarding the issue could be learned. Furthermore, as the thesis aims to see the degree of influence, it used quantitative approaches too, by referring to media market reports published in recent years in Korea. More details will be discussed in Chapter 3.

1.3. Results of research

The results of this research can be presented under three categories, as set in the purposes of this research: Concept, discourse and influence. The followings will briefly show the summaries of findings from main chapters.

Firstly, the thesis found that the concept of media convergence had four problems, which were ambiguity, overlapping character, exaggerated presumption and paradoxical description. In examining those problems, the thesis suggested a framework of media value chain in understanding the concept. Furthermore, on the basis of the review of previous literatures and practical observations, the thesis clarified that the concept is relevant to the network and device levels, rather than whole media, as content and platform levels seemed not evident regarding media convergence, in terms of its definitions as well as practices. Thus, it can be said that this thesis would contribute to the understanding of the concept of media convergence by suggesting more clarified definitions based on practical examinations.

Secondly, this thesis confirmed that the discourse of media convergence affected the policy discussion in Korea. As in other countries who adopted policy convergence, there was similar convergence discourses in the policymaking process of Korea. There were two kinds of convergence discourses. The first discourse was the social belief that the media convergence is expanding so quickly. And the second was that because of the rapid expansion of media convergence, there needs a policy system reform as well as more flexible regulations in media. Particularly, the second type of convergence discourse seemed to be related to liberal politico-economic ideology, as it consequently made competition law to be at the centre of the media policies, while sector-specific principles were marginalised. However, in Korea, there was rather dramatic changes of discourse after a reorganisation of policy system and authorities. More details will be discussed in Chapter 5. Therefore, in terms of convergence discourse, this thesis would contribute to the abundance of empirical evidence, by presenting Korean case. As the part is linked to what was found in some Western cases, such as the US, the UK, and some European countries, it can be said that the research has provided new knowledge in comparative media policy studies.

Thirdly, this research examined the degree of influence of media convergence on media markets, governance and actual policies, respectively in different chapters from Chapter 6 to 8. As noted earlier, despite of interests in the impact of media convergence, the actual impact of media convergence seems little examined in academia so far. But studying the practical impact of a phenomenon can significantly extend the scope and scale of knowledge on the phenomenon. This was why the thesis investigated the actual influence of media convergence on markets, governance and policies.

When it comes to the influence on media markets, the results showed that there were some significant convergent media such as IPTV, bundle service and smart phone, but in the perspective of whole broadcasting and telecommunication, the impacts were limited. This was true, especially when compared to what expected by the concept itself as well as the convergence discourse. The concept and discourse of media convergence presumed that the blurring between analogue media would be expanded very rapidly. However, it has been more than 30 years since the concept was first introduced, but there were no remarkable examples regarding the convergence in content and platform levels in media. But on the other hand, it was confirmed that in network and device levels, there were some practical models of media convergence. Chapter 6 will discuss it in more details by examining Korean broadcasting and telecommunication markets.

With regard to media governance, media convergence brought about the integration between broadcasting and telecommunication agencies. This was called as policy convergence. However, the process of policy convergence was not simple, and it provoked huge social conflicts between government, business and civil society. Particularly, it was confirmed that all of policy agencies wanted to expand their authorities and systems over media policies. This resulted in long-lasting

conflict between broadcasting and telecommunication sectors, which continued almost a decade. Even after the integration of those two organisations, the conflict was not reconciled. However, the telecommunication side grabbed the hegemony within the converged institution. Meanwhile, policy convergence caused the decrease of political independence in Korean PSBs. But civil societies including Korean PSB workers successfully managed to raise the issue of political independence to the political discussion and the public. This resulted in actual changes in media governance and policy. When it comes to the structure of media policy system, Korea tried to merge everything in a single institution as it adopted policy convergence, but they had to distinguish regulatory policies and promotional policies afterwards. Accordingly, it seems that the differences between the principles and the forms of media agencies are crucial, so that there can be a strong resistance while merging those two different media agencies. Chapter 7 discusses the governance issues in more details.

Lastly, this thesis examined the influence of media convergence on actual media policies. The result showed that the media convergence caused convergence as well as divergence in overall legal system and agencies' authorities. Also, it was found that the converged agencies' policies were highly influenced by media convergence particularly in its early days of establishment, but the influence diminished due to the organisational changes of the agency. In terms of sector-specific regulations in Korean broadcasting, telecommunication and newspaper, those regulations were generally maintained in the last decade, despite of the apparent deregulation trends. In addition, it was found that broadcasting regulation has always been more restricted than that of newspapers and telecommunications. More details will be discussed in Chapter 8. Some practical recommendations for media policy, which are based on all of those examinations above, are presented in Conclusion chapters.

1.4. Contribution of research

With those examinations above, it is believed that the thesis contributes to the studies of media business, media governance and media regulation. At least three points can be presented.

Firstly, it clarified the concept of media convergence, and it contributes to the conceptual understandings of media convergence. Moreover, it also reminded the importance of clarification of a concept in media, for it can hugely affect media policy practice as well as the way of studying media phenomena.

Secondly, it generated new empirical evidence by examining South Korean case. It showed the recent changes in the markets and policies of Korean broadcasting and telecommunication, in relation to media convergence. For example, it presented some empirical evidences for the turf

war between media policy institutions, and the creation of iron cage (from capture theory) by showing the coalition between policy agencies and media industries. Furthermore, in examining the policy convergence in Korea, the thesis was able to spot that the elite theory and the theory of regulatory state can be applied to the case, as the power of government was generally maintained throughout the reform process. Moreover, it introduced the detailed media regulations of South Korea by examining its newspaper, telecommunication and broadcasting regulations. It seems rare to see a study which investigated sector-specific regulations of Korean media, with its overall trends in the last decade.

Thirdly, as will be discussed more specifically in Conclusion chapter, the thesis suggested some useful recommendations for better practice in media policy. For example, it emphasised the significance of media-related concepts, for this can affect many following results in media business and policies. Indeed, the clarification of concept cannot be over-emphasised, for when it is loosely examined and defined, it can be easily manipulated as a social discourse by politico-economic ideologies that are prevalent in that time. Furthermore, it was suggested that the promotional and regulatory policies are better to be divided into separated policy agencies, for these principles are incompatible. Therefore, it would be better to establish a dedicated regulator for media regulation, while allocating promotional authorities to government-related agencies. Korean case showed that the regulatory principles were better achieved by dedicated regulator, not by a converged one, while promotional policies can be best achieved by government department. Furthermore, it was recommended that PSB can better serve its role and public interest when it is specifically legislated in relevant Act. That is, as in the case of Korea, when PSB is not clearly defined in the law, its values and policy principles can be marginalised in the process of social discussion such as Convergence Committee. Therefore, if a society wants a desirable PSB system, it may need to establish a good legal foundation for the institution. The legislation could include which broadcasters are the PSBs, and what is their remits and responsibilities. Also, when it comes to the political independence of PSB, it would be helpful to make special measures to inspect the informal interruption from the government to PSB. This is because the informal aspects can be more crucial than formal aspects regarding the actual degree of political independence.

1.5. Thesis overview

This thesis consists of two parts and nine chapters. Part I discusses the theoretical backgrounds and methodologies used in the thesis. Accordingly, Chapter 2 reviews previous researches in media studies relevant to media convergence and policy. Most of the studies are related to the US, the UK and some European countries. In this chapter, the findings from these studies and academic

gaps are discussed. More specifically, the chapter reviews previous studies regarding media convergence's concept, discourse and influence. Those three subjects make the explanatory framework of this thesis, so the rest of thesis will be examined by each subject of the framework. Chapter 3 discusses the methodology of this thesis. Before introducing this thesis' methodologies, the chapter examines the methodologies of previous studies presented in Chapter 2, to find the best combination of methodologies for this thesis by reviewing theirs.

Part II discusses specific subjects by using the framework and methodologies established in Part I. Precisely, Part II consists of Chapter 4 to 9, including Conclusion as the last chapter of this thesis. Part II generally examines Korean cases regarding media convergence's concept, discourse and influences. Particularly, Chapter 4 examines the concept of media convergence. By examining previous studies, reports, and other relevant documents in the UK, EU, the US and Korea, the chapter discusses the definition of concept and addresses some problems regarding the concept. Furthermore, on the basis of the discussion, it presents more specific and clarified definition of the concept. In Chapter 5, the discourses found in the process of policy convergence in Korea will be examined. The Convergence Committee's white paper and KCC's work plan will be analysed, to see whether similar discourses, which were found in other national cases, existed in Korea too. In addition to this, some peculiar points from Korean case will be presented as well.

From Chapter 6 to Chapter 8, the influence of media convergence on Korean media markets, governance and policy will be analysed, respectively. Chapter 6 investigates the changes in Korean broadcasting and telecommunication markets since convergent media were introduced. Thus, it presents the actual model of convergent media appeared in Korean markets and analyses its impact on the two markets by examining its revenues and other relevant figures. Moreover, it shows how traditional media and convergent media such as smart phones and tablets are used in Korea, by introducing statistics from relevant market reports. Chapter 7 examines the influence of media convergence on policy governance system. It shows the process of the convergence between the policy agencies in broadcasting and telecommunication sectors, and the patterns shown by main participants in the discussion. Furthermore, it discusses the political independence issue that was prompted by the integration of media agencies. As the matter of PSB's political independence became a big social issue after the organisational convergence, the matter of political independence is discussed in the chapter as well. Also, the hegemony struggle between broadcasting and telecommunication agencies within the converged agency, KCC is examined. In Chapter 8, media convergence's influences on legal system, jurisdiction of media agencies and actual media policy output are analysed. In so doing, the changes in media-related laws and agencies' authorities on broadcasting and telecommunication policies are examined. Furthermore, KCC's broadcasting and telecommunication policies in 2008-2017, and the sector-specific regulations in Korean newspaper, telecommunication and broadcasting are examined. More precisely, four categories of media

regulations including entry, ownership, competition and content regulations are examined, to see the influence of media convergence on those sector-specific regulations.

The next chapter reviews previous studies which examined the concept, discourse and influence of media convergence. As noted above, those studies are relevant to the US, the UK and other European cases in general.

2. Literature review

This chapter reviews three groups of literatures that are relevant to media convergence. The three groups of literatures are categorised according to the three purposes of this thesis, as presented in the Introduction chapter. Therefore, firstly, it examines the studies on the concept of media convergence. Secondly, it reviews the discourses related to media convergence. Thirdly, it reads the studies relevant to actual influence of media convergence on media market, governance and regulation. In examining those group of literatures, this chapter provides the landscape of media convergence studies since 1970s. In so doing, the research gaps that this thesis is to fill in will be presented.

2.1. Studies on the concept of media convergence

With the developments of digital and transmission technologies in media, the concept of media convergence was firstly presented by De Sola Pool in 1983 (Jenkins, 2006). The concept was welcomed by media industries, policies and academic fields, and it became “the catchword of the 1990s” (Vick, 2006:26). Indeed, there were many studies which dealt with media convergence, particularly between in the 1990s and 2000s (e.g. Blackman, 1998; Dwyer, 2010; European Commission, 1997; Fielden, 2012; Gibbons, 2005; House of Lords, 2013; Iosifidis, 2002; 2011; ITU, 1997; Jenkins, 2006; Latzer, 2009; Lunt and Livingstone, 2012; Michalis, 1999; Noll, 2003; OECD, 2004; 2013; 2016; Starks, 2014; Van Cuilenburg and McQuail, 2003; Vick, 2006; World Bank, 2007). Most of these studies are conducted in European background, and in many cases, these are relevant to the regulatory reforms including changes in media governance structures and content regulations. Particularly, in 2002, JMM (The International Journal of Media Management) published a special edition that is dedicated to the discussion of the future of media convergence. In this edition, the concept and impact of media convergence were discussed.

Most studies above presented the definition of media convergence on their own. But those definitions were quite different to each other, and it makes difficult to understand the term in comprehensive manner. And sometimes it overlaps with existing concepts, and sometimes it was presented in a paradoxical context. The term itself also contained ambiguity, for the term is quite relevant to a presumption of the future. Accordingly, there are four problems which makes it difficult in understanding the term comprehensively and clearly. In the following part, these problems will be briefly discussed, and Chapter 4 will discuss them further in detail.

The first is that the broadness of the concept, as the concept is too big to be a proper concept. In other words, when we include the term ‘media’ in a certain concept, then it is supposed to be a

general phenomenon in overall media sectors. But in most cases, sectional approaches were taken in the explanation of concept. That is, as many described the concept in regard to the different parts of media, the definition tended to be different from one to another. Precisely, the concept of media convergence was addressed as the blurring phenomenon which makes some lines between different media to be meaningless. But the problem is that there are so many different 'lines' within different 'levels' of media value chain. However, as the concept describes that any lines in general media would be blurred because of media convergence, it becomes difficult to capture what it exactly describes. For example, if one defines the concept mainly in the perspective of media provider, s/he tends to focus on what happens in a provider's side in the name of media convergence. On the contrary, if another describes the phenomenon in an audience's perspective, the definition tends to be more related the convergence of media device and usage. In addition, as the term was used to describe convergences in various sectors in media, including technology, industry, market and policy sectors, it could be even harder to catch the clear meaning of the term. Indeed, the convergence happened in industry has to be different to one that happened in policy area. All these complexities in media attributes to the difficulties in understanding media convergence. Therefore, as Garnham (1996:106) argued, the use of a big terminology such as 'multimedia' or 'media convergence' can make it difficult to give necessary attention to the various results that would result from digital technology. In line with this, Blackman (1998) also mentioned that, although the use of big concept can make it easier to understand a certain media phenomenon, there can be disadvantages of using the shorthand concept such as 'media convergence', because the concept describes too many things at once.

The second problem of this concept is its overlapping character with other existing concepts. As the term illustrates the phenomena that shows a merging between different things in media, it can overlap with the existing terms that are used to demonstrate something that is merging with another. For example, the concept overlaps with vertical and horizontal integrations, as well as merger and acquisition (M&A) between media firms, when it is used in relation to the industrial sector within media. Furthermore, the concept has quite similar notion with that of telematics or mediamatics, as the term describes similar phenomenon that those concepts bring in. Thus, the lack of originality in its concept seems contributing to the difficulties in identifying the concept correctly.

The third problem is the ambiguousness attributes from the presumption which is a crucial part of the concept. Indeed, the concept of media convergence contains strong presumption that the blurring between existing media would develop further in the future. Although it does not specify on which part and to what extent the development would proceed, it seems quite clear for the concept that the blurring would proceed more and more. However, due to its strong characteristic of presumption, the concept could not have any tangible, or physical form that can

be clearly recognised by its readers. As will be examined later in Chapter 4 and 5, this character of the concept contributed to the emergence of certain social discourse.

Last but not least, the fourth problem of this concept is that the concept is frequently presented in paradoxical contexts. That is, the term is used in describing diverging trend as well as converging trend. For example, when a broadcasting network and a telecommunication network are converging into a single digital network, this can be called as convergence, for this demonstrates two different networks are being integrated into a single network. But in many cases, the term media convergence was also used to describe what is actually divergence, such as multiplatform, OSMU (One Source Multi Use) and contents spin-offs. For example, it is often exemplified that if a broadcaster offers online VoD (Video-on-Demand) service (which is an interactive data service) or newspaper-like articles on their website, then it can be called as an example of media convergence phenomena. However, these particular cases are showing something diversified rather than converged. That is, if something is converged, then it should mean that some separated things have been integrated and accordingly the number of relevant objects has to be reduced. When it comes to the broadcaster's example above, their contents are provided in different platforms and styles due to the development of digital and transmission technologies. But in many cases, this diverging trend was also depicted as media convergence. This paradoxical presentation of the concept seems to obstruct clear understanding of the concept.

As briefly examined above, there have been some problems regarding the concept of media convergence, due to its broadness, overlapping character, presumption and paradoxical presentation. Yet, there has been little effort for the discussion on these problems in the concept of media convergence. But after almost twenty years of its popularity in media studies, now it might be able to establish more clarified version of it. The newly updated concept needs to be based on the examination of previous studies, as well as what has actually happened in media during last twenty years. In Chapter 4, the concept of media convergence will be investigated more thoroughly. The chapter will examine how the concept was presented in previous studies and relevant policy documents, and then it will present more clarified concept of media convergence. The chapter uses the framework of 'media value chain' to understand the concept more specifically and more comprehensively. The next part will examine studies that analysed social discourses that emerged in the process of policy discussions regarding media convergence.

2.2. Studies on media convergence discourse

Some studies captured how social discourses were formed in relation to media convergence. Discourse is 'a class of text' in which the meanings of various texts are entangled, and accepted

naturally in social relations (Chalaby, 1996). According to Deacon et al (2007:152), ‘discourse’ is “speech or writing seen from the point of view of the beliefs, values and categories which it embodies; these beliefs constitute a way of looking at the world, an organisation or representation of experience – ‘ideology’ in the neutral, non-pejorative sense.” Thus, there are two dimensions of discourse: “language in social life” and “relationship between language and social structure” (*ibid.* 151). By examining these together, it enables us to understand what ‘ideological’ aspect is represented in a language form. Moreover, Deacon et al (2007:151) argued, “most significantly it enables us to focus not only on the actual uses of language as a form of social interaction in particular situations and contexts but also on forms of representation in which different social categories, practices and relations are constructed from and in the interest of particular point of view, a particular conception of social reality”.

According to some studies focused on the discourse made within the context of media convergence, there can be two discourses. The first discourse was that media convergence is developing rapidly, and it will be expanded throughout the media. As examined above, the term itself is ambiguous, for it is not a concept which is based on what exactly happened in the name of media convergence. Rather, it focused on the possible changes in the future. In other words, the concept contains a strong characteristic of projection, which predicts what might happen in the future. But for some reasons, a social consensus has been formed that media convergence would only develop further and further and there might be no boundaries for its development. Some studies captured this point, arguing that this is not a scientific reasoning, so we need to be cautious about this discourse on media convergence.

The second discourse is related to the first one, for it was made on the presumption of the first discourse. For it was thought that media convergence would happen fast and wide, another discourse followed that it is better to be prepared as soon as possible to maximise the opportunity caused by media convergence. That is, as the existing regulatory systems are becoming meaningless so quickly, it was believed that it is necessary to loosen or discard existing old regulatory systems, so that they can prepare for the radical changes coming to media sectors. However, the thing is that this discourse was mostly relevant to economic success of a media company as well as the economic success of the country where the media company located. In other words, this discourse was almost nothing to do with various values and principles regarding public interests, but it only stressed economic interests. Accordingly, the discourse was often appeared in the context which promotes a move towards deregulation, reform and competition. The convergence discourse was mostly based on an ambition to establish a successful global media companies that export media contents to all around the world. As a result, many thinkers concerned about the marginalisation of other values in existing policies and governance. In other words, they showed concern about the imbalance in media policy principles. More precisely, the following two

parts review these two types of convergence discourses that were appeared in previous studies on media convergence.

2.2.1. Convergence discourse 1: A predetermined future?

As Fagerjord and Storsul (2007:28) argued, “in policy documents and business plans, and to a large extent in academic writings, the convergent development has been seen as predetermined. The question of whether or not convergence will take place has not been posed, instead the conclusion that digitalisation will cause convergence on all the dimensions [...] has been taken for granted”. For example, international organisations such as Office for Economic Co-operations and Development (OECD), International Telecommunications Union (ITU), and European Commission (EC), saw technological convergence as a rapidly-growing phenomenon that requires an urgent response. Those organisations were active players who disseminated ‘convergence discourse’. As noted above, convergence discourse means that ‘media convergence is bringing big and rapid changes in the media environment, and therefore we must actively respond to convergence quickly’.

In particular, the OECD is one of the most active international organisations that have emphasised the rapid ‘change’ caused by media convergence. They consistently stressed changes caused by digital convergence through their reports on media convergence in the last decade. Interestingly, they rarely mention continuity in existing media environments. It is understandable that they are more interested in business opportunities and industrial developments than the different values in media policies, because they are an organisation that was made to promote economic cooperation between some economically developed countries. It is clear, however, that they at least have a narrow ‘economy-oriented’ view on the media. And the problem was that these reports had a potential to influence on the decision makers in the member states. Particularly, OECD (2004) stressed the fast changes that are caused by digital technology in the report called ‘The Implications of Convergence for Regulation of Electronic Communications.’ In this report, they said: “Digital technologies and the diffusion of new transmission technologies have increased the number of platforms capable of providing video transmission, and have also altered the traditional characteristics of broadcasting, such as lack of interactivity and the concept of broadcasting as a ‘one-to-many service’” (OECD, 2004:3). Examples similar to this can be easily found in one of their report published in 2013 as well: “The television and broadcasting sector has been undergoing significant technological and structural changes [...] Convergence is changing the way in which consumers use communication services and consume content, as it is available on new platforms and on various wireless portable devices. [...] The penetration of new technologies and the dynamic effects of convergence are changing the way that consumers access

and view audiovisual content. [...] Convergence has added further uncertainty to business planning [...] Technological evolution and the emergence of new products and services have rendered media markets more competitive” (OECD, 2013:5-6).

However, as time passes, the attitude of OECD towards technological aspects of media convergence was changed to be more realistic than before. Rather than disseminating the ‘fast change in media’ discourse, they narrowed down their focus to the ‘network level’ of media convergence. In one of the most recent papers on media convergence, they specified that: “The primary purpose of this report is to examine the effects of network convergence and its policy implications” (OECD, 2016:5). Moreover, their definition of digital convergence has changed to be more explicitly than in the past: “Digital convergence in this report refers to ‘the shift towards IP-based networks, the diffusion of high-speed broadband access, and the availability of multi-media communication and computing devices” (*ibid.*)

In the meantime, this type of ‘convergence discourse’ can be easily found in European Commission’s Green Papers as well. For example, in Convergence Green Paper published in 1997, they mentioned that: “Convergence is not just about technology. It is about services and about new ways of doing business and of interacting with society. The changes described in this Green Paper have the potential to substantially improve the quality of life for Europe’s citizens; to better integrate Europe’s regions into the heart of the European economy, and to make businesses more effective and competitive on global and national markets” (European Commission, 1997:ii). Later, they published another Green Paper, which was named as ‘Preparing for a Fully Converged Audiovisual World (2013)’. In the Green Paper they said: “Lines are blurring quickly between the familiar twentieth-century consumption patterns of linear broadcasting received by TV sets versus on-demand services delivered to computers. Moreover, with every smartphone enabling converged production as well as consumption, there might be a future shift from ‘lean-back’ consumption to active participation [...] As convergence will become gradually more tangible over the next decade, it may have an impact on future legal instruments including Audiovisual Media Services Directive (AVMSD)” (European Commission, 2013:4). Therefore, it can be said that OECD and EC were institutions that promoted the recognition of a fast-changing media environment that is caused by media convergence.

Therefore, as Hesmondhalgh (2013:156) argued: “International policy bodies are pushing the global cultural industry landscape in the direction of conglomeration and commodification, with convergence increasingly accepted as technologically-driven fact rather than a product of policy in itself [...] Convergence functions as a self-fulfilling prophecy: policy change is both brought about by perceived convergence and, at the same time, is likely to accelerate it.” Indeed, they commonly saw that the progress of media convergence was so fast, and this will change media environment quite quickly. However, as Roger Silverstone (1995) argued that, “yet we know that

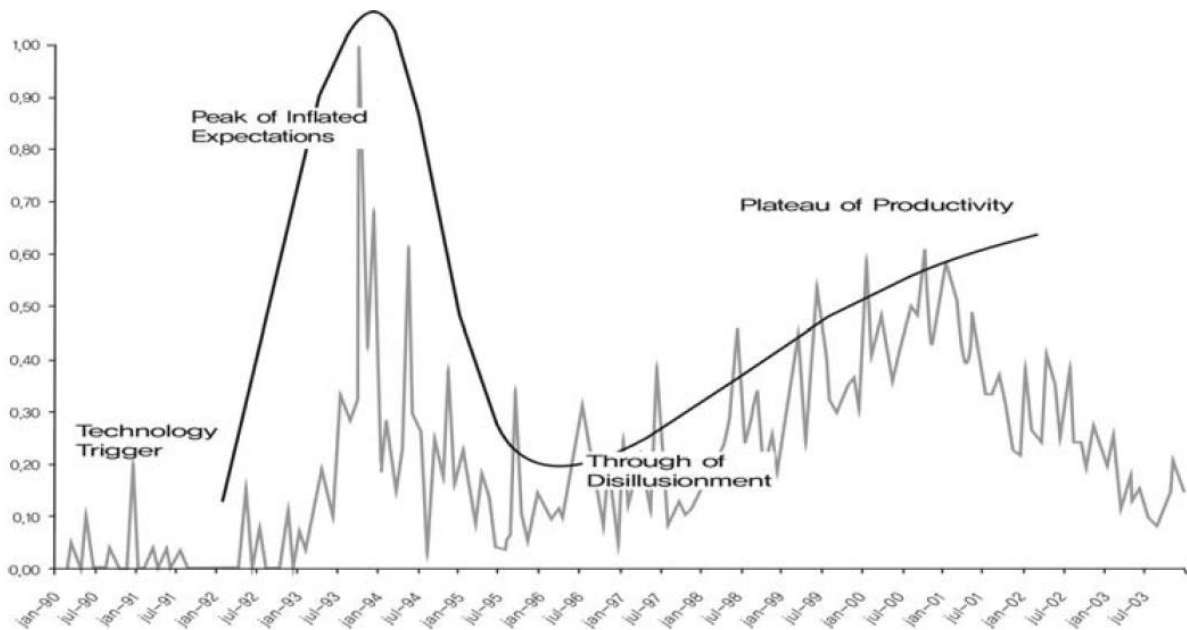
the future of media and information technology, both in general and in specific areas, is neither certain nor predictable. We also know that technological change is neither determined in its development nor determining in its use [...] We know that human beings, social beings, have the capacity to engage with the products and services of electronic media and information technology in multiple ways: rejecting, accepting, transforming, moderating both the meaning of objects and supposedly objective meanings according to need, resource and circumstance” (Silverstone, 1995:11). In line with this, Noll (2003) also argued that it had been hard to judge whether the prediction is worth accepting. He said: “We were urged to join in the high-tech multimedia-mania, or risk being left behind in a cloud of semiconductor dust as the broadband wagon rushed down the communication superhighway. Yet all the hype was confusing and separating the sense from the nonsense was a mighty struggle” (Noll, 2003:12).

Convergence Hype Cycle

In addition, Lind (2004, cited in KISDI, 2008) studied the stages of socio-cultural development of the concept of media convergence. He argued that the socio-cultural development stage of convergence is divided into four stages. He examined lots of articles related to media convergence from Reuters and Dow Jones magazines between 1990 and 2003. Based on the number of articles related to media convergence, he found that the popularity of media convergence has dramatically changed as time passes. According to him, the first stage can be called as ‘technology introduction period’ (1970-1991). In this period, people are interested in new technologies and try to understand what the technology is. The second stage refers to the ‘excessive expectation’ period. It is the period when the boom is first made with great expectation and imagination (1992-1995). In this period, governments and corporations have a fantasy about convergence and actively promote the convergence between media. The third stage is called as ‘overcoming fantasy’ (1996-1997) period. It is a time of disappointment and scepticism because the previously elevated illusion is not realised in practice. The fourth stage is ‘productivity improvement’ period (1998-2003). This is due to the emergence of the Internet, which leads to a second convergence development but to a more gradual and sustained growth than in the first boom.

Based on this examination, Lind (2004) presented the ‘Convergence Hype Cycle,’ which he says is very similar to the pattern of Gartner's Hype Cycle. The Gartner’s Hype Cycle shows that the development of new technology forms a sloping L-type graph, rather than an S-shaped curve which is formed in general commodities. In summary, Lind (2004) presented that new technological terms such as media convergence can evolve through different stages (KISDI 2008:33-34). The following graph shows how the term media convergence populated from 1990 to 2003.

Figure 1 Convergence Hype Cycle



Source: Lind (2004:11, cited in KISDI (2008:34))

2.2.2. Convergence discourse 2: Deregulate, reform and compete

As examined above, media convergence was seen as a predetermined future. Therefore, media convergence became one of the key themes in media business, media policy and the media studies between the 1990s and the 2000s, (see George, 2010; Vick, 2006; see also Marsden and Verhulst, 1999; Levy, 1999). Yet, at the same time, a group of liberal ideologies was emerged as another key themes in media too. They were a group of liberal thoughts, namely, neoliberalism, marketisation, privatisation, etc. Media convergence was in the middle of those politico-economic ideologies which emerged in 1980s and 1990s. In this environment, media convergence was frequently quoted within the context of liberal ideology. Thus, as Fagerjord and Storsul (2007:28) argued, "strong economic and political interests" brought media convergence into an important position in media policy decision-making. More precisely, media convergence was often presented as a fairly good reason to liberalise media market and to remove old traditional regulations in media.

Neoliberalism, information society and media convergence

David Hesmondhalgh (2013) investigated 'neoliberalism' emerged in cultural policy since the 1980s. According to him, a long economic recession in globe throughout the 1970s was a trigger for the change in cultural policy, as it made capitalist states abandon state intervention which had prevailed in post-war period. Instead, marketisation and neo-liberalism were emerged as prevailing

ideologies in cultural policy. Marketisation, according to Hesmondhalgh (2013:127), refers to “the permeation of market exchange as a social principle”. And neo-liberalism can be defined as “the view that human needs are best served by an unregulated free market” (*ibid.* 99). Therefore, marketisation and neoliberalism have similar goal, which is to adopt free market principle into media policy. As both marketisation and neo-liberalism pursues vibrant market and unfettered competition, it highlights ‘privatisation’ and ‘de- or re-regulation’ of media. Privatisation means the transfer from public company/institution to private company/institution. Deregulation means the removal or reduction of existing rules. Re-regulation has almost same meaning with deregulation, but it highlights “the introduction of new legislation and regulation which favoured the interests of large, private corporations” (*ibid.* 127).

Meanwhile, David Harvey (2005) argued that neo-liberalism and the information society were closely related. ‘Information society’ discourse was emerged since the 1970s. Many countries tried to establish an information network society, because it was believed that the ‘information’ would be the next currency within global network infrastructure. This prediction formed ‘the vision of information society’ and affected cultural policymaking, despite of the ambiguity of its concept (Webster, 2014). Meanwhile, he argued that the success of neo-liberalism depends on ‘information’, for sufficient information is essential in maintaining competitive market. He said, “neoliberalism requires technologies of information creation and capacities to accumulate, store, transfer, analyse, and use massive databases to guide decisions in the global marketplace” (Harvey, 2005:3). Furthermore, according to him, followers of information society also wanted neo-liberalistic free market approach in media policy, as they worried about that regulations could be the barriers for the development of information society. On the basis of this relationship between neo-liberalism and information society, Harvey (2005) argued that this is why most of policies relevant to information society resulted in deregulation and marketisation of media, while promoting the growth of IT companies.

Meanwhile, ‘media convergence’ was thought as a significant factor that affects the way information is consumed. For the vision of information society was to establish a network system where information and knowledge can freely flow, media convergence technology was welcomed as they would help distributing substantial information, anywhere, any time (Castells, 1996). The strong link between information society and media convergence can be found in European Commissions’ Convergence Green Paper as well. Examining the paper, Iosifidis (2002:32) noted: “The overall objective of the Green Paper was to support, rather than stifle the process of change and innovation. It was viewed by the EC as a mean to achieve the European Information Society. Faith on convergence to create the information society appears very strong, and regulatory reform is viewed as a precondition to encourage convergence”.

Media convergence and cross-ownership deregulation

Furthermore, the tight relationship between media convergence and deregulation was frequently addressed in relevant studies. Precisely, it was argued that there was convergence discourse that promoted deregulation in cross-media ownership. In other words, they saw media convergence was used as a rhetoric for market consolidation. So, they argued that there was convergence discourse in media policymaking process, and the discourse encouraged vertical integrations between media companies and the overall concentration in media markets. Furthermore, some theorists argued that there was a social discourse that justified the consolidation in media markets. According to Silverstone (1995), “technological convergence, it is presumed and argued, requires industrial convergence and without the coming together of telephony, video and computing no economically successful future can be guaranteed” (Silverstone, 1995:11). Furthermore, Dwyer (2010) argued that the process of media convergence has a correlation with the consolidation in the media industry. He said: “the process of media convergence is inevitably tied to relentless industry consolidation and sectoral cross-ownership, and to the prevailing ideological and policy framings that underwrite it. There is abundant evidence that convergence discourses are continuing to play a strongly legitimating role in relation to media industry consolidation as much at the level of common-sense ideologies as in policy-making contexts”. In a similar vein, Blackman (1998) also argued that “convergence is promoting a trend towards vertically integrated companies and alliances.” Furthermore, Tim Dwyer (2010) also argued that there is a tight relationship between media convergence and consolidated ownership:

“Convergence is a new media ideology too: that is, a way of thinking that facilitates the operation of neoliberal global markets. Media owners in the twenty-first century strive to continuously expand their output across media platforms. In this sense, the economic and ideological dimensions of media convergence work together in the interests of a further consolidated ownership base (Dwyer, 2010:2-3)”.

In addition, Noll (2003:13) also mentioned that “companies have merged and acquired one another in the name of convergence and the supposed synergies that would result.” However, he showed the case of M&A between America Online (AOL) (a telecommunication firm), and Time Warner (a broadcasting and film conglomerate), and he argued that such an industrial convergence was not always successful as expected.

A rhetoric for reform

Meanwhile, some studies captured that the convergence discourse promoted media policy system reform (see Collins and Murrone, 1996; D’Arma, 2009; EU, 1997; Fagerjord and Storsul, 2007;

Iosifidis, 2002; ITU, 1997; Latzer, 2009; OECD, 2004, 2013, 2016; Van Cuilenburg and McQuail, 2003; Vick, 2006). Particularly, Fagerjord and Storsul (2007) argued that the term media convergence was used as a rhetoric by people who wanted to change media policy system. They said:

“In order to inform people, politicians, and practitioners about the relevance and impact of media change, it is useful to have metaphors and pictures that are easy to communicate. Convergence has served as such a simplifying metaphor [...] convergence is used as a rhetorical tool in order to facilitate reform. The concept communicates a media landscape undergoing significant change. This has been instrumental in convincing politicians, regulators, investors and other market players that their strategies need to adapt” (Fagerjord and Storsul, 2007:28).

Therefore, it seems that convergence discourse propelled the advent of policy convergence and systematic reforms in media policy. Accordingly, it can be said that policy convergence was not the natural result that was caused by market convergence, but it could have been the result of the convergence discourse. However, as Garcia-Murillo and MacInnes (2002:58) argued, “it is important to clarify that agency and regulatory convergence are not a precondition for taking advantage of the opportunities provided by convergence.” In this context, Van Cuilenburg and McQuail (2003:202) also argued that, “there are reasons for redrawing boundaries, but no necessity to have only one regime for different kinds of service”. Bearing these in mind, Chapter 5 will examine whether the convergence discourse was formed in the process of policy convergence in Korea.

Rise of competition law

Meanwhile, as a result of the prevalence of liberal ideology, competition was regarded as the most important policy goal in convergence era. In other words, it was often argued that sector-specific regulations need to be replaced by competition rules. For example, World Bank (2007:3) argued: “It will be essential in the era of convergence, even more than it is now, to ensure that policy and regulation enables free and fair competition and supports the full play of market forces.” However, there has been many criticisms on such a competition-centred perspective. Many studies argued that the existing sector-specific regulations are still valid despite the changes caused by media convergence (see Feintuck and Varney, 2006; Gibbons, 2005; Iosifidis, 2002; Just, 2009; Lunt and Livingstone, 2012; Michalis, 1999; Vick, 2006). Those studies all together showed the concerns about losing sector-specific regulations which have served various public interests such as content diversity and protection of minorities in society. However, not many studies investigated to what

extent the competition law actually replaced existing sector-specific law afterwards. Therefore, it can be said that there is an academic gap between those concerns and the examination of actual results. Thus, to fill the gap, the thesis will examine the actual changes in media policy system and policies, in Chapter 8.

2.2.3. Conclusion

This part examined literatures relevant to convergence discourse. From this, it was possible to expand the understandings on media convergence. The thesis categorised convergence discourses into two groups. The first convergence discourse was formed because of high expectation that media convergence will progress fast. And the second convergence discourse was related to deregulation and market concentration. Moreover, it was shown that the discourse was affected by the predominant politico-economic ideology in that period, which was neoliberalism. Some studies found the strong link between liberal ideas and media convergence. That is, in many cases it was found that the concept of media convergence was used to promote neoliberalism and deregulation. And some argued that it was due to the prevalence of neoliberalism ideology in the period of time, particularly in 1980s and 90s. Indeed, neoliberalism was so powerful in that time in some developed Western countries. Therefore, it is agreeable that media convergence formed a 'convergence discourse' in conjunction with some politico-economic ideologies such as marketisation, privatisation, and neo-liberalism that significantly affected the world of media since the 1980s. However, as Weiss (2012) argued, it would be difficult to make a desirable analysis of what is specifically happening in society, when adopting grand theories such as neoliberalism. Of course, it is true that grand theories such as neoliberalism and globalisation are good theoretical tools to facilitate the interpretation of social phenomena on a broad and long-term basis. However, in order to understand the social phenomenon related to media convergence more specifically, it is necessary to pay attention not only to the grand theories but also to the 'small but important' changes and continuities that actually happens in the media market and policy area. Therefore, the thesis has put its focus on both grand theory and small details of the phenomenon as well.

Moreover, those relevant studies often missed the conceptual aspect of the term 'media convergence' itself and fell into the 'neoliberalism reductionist approach'. However, this thesis sees the conceptual weakness of media convergence was a significant reason why it was affected by external factors such as ideologies. Therefore, it can be argued that the strong attachment between liberal thoughts and media convergence was rightly captured, but the ambiguity of the concept was also responsible for the attachment between media convergence and neoliberalism. To put more specifically, it can be addressed that if a concept is not clearly defined, it can be manipulated by any dominant ideology in that period of time. Or, in a different point of view, it

could be guessed that a concept could be ‘emerged’ when it has a good link to the predominant ideology. That is, because the concept could support the prevalent ideology in some social dimensions, it could be widely acknowledged in that time. But no matter which point of view is correct, it can be argued that the clear definition of a media concept is quite important, so that the concept is not misled in the society.

The discussion of convergence discourse has given a good framework for the analyses in this thesis. This increased the scope of analysis in this thesis. Accordingly, in Chapter 5, the thesis analyses what kinds of convergence discourses were shaped in Korea, and how they can be compared to the cases examined above.

2.3. Studies on the influence of media convergence

Some studies examined how media convergence influenced on different levels of media. There has been a good consensus among studies about the process of development of media convergence. According to them, media convergence develops through four steps (see Iosifidis, 2002; ITU, 1997; Jenkins, 2006; Latzer, 2009; Michalis, 1999; van Cuilenburg and McQuail, 2003; Singh and Raja, 2010). These four steps are technology convergence, industrial convergence, market convergence, and policy convergence. These steps are usually developed from technology to policy convergence, like a chain reaction. That is, technological convergence leads to industrial convergence, and then industrial convergence brings about market convergence, and then market convergence causes policy convergence. Therefore, it could be said that policy convergence can be regarded as the most advanced level in the process of media convergence development. In this part, we will examine some actual examples of media convergence in these four levels of development.

2.3.1. Technological convergence

Firstly, there is technological convergence that sets an initial stage in the process of convergence. As noted in De Sola Pool’s definition of media convergence, technological convergence is enabled by the digitalisation and the development of transmission technology. For example, a cable TV company can provide telephone as well as TV service using a single digital network. Also, a converged device enables the audiences to watch various digital contents using a single digital device. For instance, a media user with personal computer or smart device such as smartphone and tablet PC can get literally all media contents on these devices.

2.3.2. Industrial convergence

Secondly, as technological convergence proceeds, industrial convergence is occurred. Industrial convergence can be understood in following two categories: Vertical integration and horizontal integration. Due to the emergence of digital technology, the way of production, storage and distribution of media content has been simplified, compared to the analogue era. Digitalisation has enabled the production, storage and distribution to be done in a single digital mode. Therefore, now a media company or even an individual who has a capacity to make and distribute digital contents, he can technically run various media businesses which were quite difficult to manage together in the analogue era. In other words, in a digitalised world, a media company can easily manage different media businesses than before, and this makes them more converged than the past.

Meanwhile, vertical integration means the integration between different media firms that operate within a media value chain. Vertical integration is a frequently used strategy to reduce transaction cost in a media value chain and obtain know-hows from an existing company (Albarran 2013). For instance, a media company that produces audio-visual content may want to reduce transaction cost and increase their control on how their contents are shown to the audience. As a result, they may want to buy an existing distribution industry by merger and acquisition (M&A). Perhaps, they may want to just establish an additional distribution company by and for themselves, but it would cost them a lot more, compared to M&A. Likewise, a distribution company may want to have a production company, for they want to reduce cost and to have right contents their customers want to watch. If they establish an affiliated production company or do an M&A with a production company, they will find it much easier to secure audio-visual contents they want to distribute. Furthermore, vertical integration is relevant to ‘economies of scope’, as the expansion of the company’s scope over multiple industries brings economic advantage in such as production, distribution, marketing and branding (Picard 2011b:78).

On the other hand, industrial convergence can be also relevant to the horizontal integration between media companies. Horizontal integration means the integration between media companies in the same level within a value chain. For example, network company and another network company may want to be merged, so that they can increase their dominance in the market. This is a natural process in media, as ‘economies of scale’ is a key for success in the industry. More precisely, in media business, the production cost for an original copy is much higher than the cost of reproduction. In other words, while the production cost for the first copy is very high, its reproduction cost is almost zero (especially when it is copied in a digital format). Thus, it is important for media companies to sell as many copies as possible, to maximise profit. Therefore, media companies are highly likely to put its effort to secure as many audiences as possible. In this process, horizontal integration happens between similar companies. This leads to the increase of

consolidation in a media market (Picard, 2011b:79). Like vertical integration, the horizontal integration has been a common practice in media markets.

2.3.3. Market convergence

Thirdly, market convergence is occurred, as industrial convergence makes the boundaries between existing markets blurred. A typical example of market convergence is bundle service market. For example, telecommunication companies can provide broadcasting as well as telecom services to customers by combining such as landline telephone, mobile phone, internet broadband, and broadcasting services. This is called ‘Quadruple Play Service (QPS)’, as it combines four different media and communication services. And if three different services are combined, it is called ‘Triple Play Service (TPS)’. And if two different services are integrated into a single service product, it is called ‘Double Play Service (DPS)’. For example, a Pay TV broadcasting company such as a cable television can provide TPS service, by offering telecommunication services such as the Internet broadband and VoIP (Voice over Internet Protocol) telephone service in addition to their existing broadcasting service. Therefore, a combined telecom-broadcasting market can be made, as there is virtually no difference between those services. In other words, the barriers between existing two markets have been disappeared, as a result of industrial convergence. Therefore, market convergence can be understood as the immediate result of industrial convergence. Therefore, two media that operated in two separated markets now should compete in the same market, and it can be called as market convergence.

2.3.4. Policy convergence

Finally, the changes in market prompts policy convergence. In general, policy convergence stands for the organisational integration of traditionally different media policy agencies (Garcia-Murillo and MacInnes, 2002:58). This could be exemplified as the integration between a government ministry and an independent media regulator. The most typical policy convergence occurs between broadcasting and telecom agencies. Furthermore, broadly speaking, policy convergence can also include the integration of traditionally different media-related laws (e.g. broadcasting law and telecommunication law) (*ibid.*).

Clarification of terms: Policy convergence and regulatory convergence

It seems necessary to clarify some definitions regarding policy convergence before we examine studies that dealt with policy and regulatory convergence examples given in this part. Basically, there are two different kind of policies in media policy: Promotional policy and regulatory policy.

Promotional policy includes such as the research and development (R&D), the education for media workers, and the financial support for media companies, etc. More precisely, promotional policy includes conducting government-supported researches on specific media technologies and services. Furthermore, it can also include supporting the penetration of newly adopted media devices and services such as digital TV and 4K TV, and the export of media contents, and so on. As these examples show, promotional policy aims for the development of a whole, or a specific part of the media industry. Those activities are usually supported by government spending. Therefore, this policy activities are led by a government agency which is relevant to media industries.

On the other hand, regulatory policy includes permissions and impositions of the rules, such as the limitation of the consolidation level regarding media ownership. In other words, regulatory policy is aimed at restricting excessive expansion of private interests and promoting public interests (Napoli, 2001). Thus, it can be said that regulation generally means mainly imposing specific restrictions on operators. Typically, there are four regulations in media. Those are entry regulation, ownership regulation, competition regulation and content regulation. First, the entry regulation allows entry only to operators with the ability and responsibility by setting the conditions for entry into the media market. Second, ownership regulation is used to limit the excessive market concentration by setting ownership limits. In other words, it is a tool to secure sufficient diversity such as the diversity of public opinions in the market. In addition, ownership regulation sets regional boundaries in which a company can operate or, it sets the upper limit of revenue share or rating share in a certain media market. Third, competition regulation is applied to ensure fair competition among business operators by imposing rules that restricts anti-competitive behaviour. Lastly, Content regulation is a policy to secure diversity of contents and to prevent distribution of socially undesirable or harmful contents. For example, public service broadcasting is a medium where the strictest content regulation is imposed. For instance, the limit of times on a specific TV genre that a channel can air is predetermined every year. This is to prevent an excessive provision of a popular genre such as drama and entertainment, as well as to meet the remit the channel is given (Hanretty, 2012).

Due to the difference between policy and regulation, policy convergence and regulatory convergence are used differently in this thesis. That is, if a policy convergence involves both promotional and regulatory policy agencies, then it could be called as 'policy convergence'. However, if a convergence is only relevant to regulatory level, it could be called just as 'regulatory convergence'. Therefore, policy convergence can be understood as a broader concept than regulatory convergence. Thus, for example, if a government department and an independent regulatory agency are merged to manage not only promotional but also regulatory policies, it would be more appropriate to express them as policy convergence rather than regulatory convergence. It can be more clarified by presenting some examples. When it comes to Ofcom in

the UK, it only involves the convergence between regulatory agencies, as its government makes promotional policies. Therefore, the cases like Ofcom can be more specifically called as 'regulatory convergence.' Most of cases in European countries that adopted media convergence in policy level are relevant to regulatory convergence. The reason is that the integration between broadcasting and telecommunication often involves regulatory organisations only. Therefore, in many cases, relevant European studies use the term 'regulatory convergence', instead of 'policy convergence' (see Latzer, 2009). Indeed, in some European countries, regulatory convergence is a more common case than policy convergence. Therefore, most European studies related to this policy convergence category have been approached from the perspective of regulatory convergence rather than policy convergence (see Iosifidis, 2011; Vick, 2006; Latzer, 2009). Thus, in European background, the word 'regulatory convergence' may be more familiar than 'policy convergence'.







However, there are many cases that can be more adequately categorised as 'policy convergence'. For example, Federal Communications Commission (FCC) in USA and Ministry of Internal Affairs and Communications (MIC) in Japan are media agencies that oversee both promotional policy and regulatory policy (World Bank, 2007). As its name hints, Korean KCC is quite similar to American FCC. KCC was a policy convergence case, as it was set to conduct both promotional function and regulatory function. However, Interestingly, both policy convergence and regulatory convergence can be observed in Korean case, as the country changed the areas of responsibility of old KCC, by reducing the authorities that was given to the KCC when it was first established in 2008. The first KCC was a policy convergence case that integrated the promotional and regulatory policies of the broadcasting and telecommunications sector. It literally had all responsibilities and authorities in media. However, since 2013, KCC has been reformed to be an organisation that controls only the regulatory domain of broadcasting and telecommunications. Therefore, now KCC can be understood as an example of regulatory convergence, rather than policy convergence. More details of how this happened in Korea will be examined in Chapter 7.

How policy convergence is made

As the market convergence proceeds, policy duplication occurs. For example, cable TV only operated in TV market in the past. They were overseen by broadcasting agency only. But as cable TV service goes beyond the boundary of broadcasting, it becomes difficult to decide who should control cable TV's non-broadcasting services. As a result, the need for an integrated agency is addressed, to oversee both sectors. As mentioned above, a typical example of policy convergence is the integration between broadcasting and telecommunication agencies. The following table summarises the media regulations that have been applied differently over the traditional media. However, it was predicted that the difference between these media regulations will gradually

disappear because of media convergence. Therefore, it was argued that an integrated media regulator would be needed in preparation of media convergence era (World Bank, 2007).

Table 1 Regulatory Asymmetry across the Communications Industry

Regulatory features	Services					
	Data networks	Wireless telephony	Wireline telephony	Cable television	Broadcast radio	Broadcast television
						
Market entry	Usually open entry is the norm	Difficult due to spectrum constraints	Depends from country to country	Depends on jurisdiction	Difficult due to spectrum constraints	Difficult due to spectrum constraints
Focus of carriage regulation	QoS	Spectrum and QoS	QoS	QoS	Spectrum	Spectrum
Content regulation	Typically absent	Typically absent	Typically absent	Variable: from mild to strict	Strict	Very strict
Level of competition	Typically competitive	Oligopolies	Monopolies or oligopolies	Monopolies or oligopolies	Monopolies or oligopolies	Monopolies or oligopolies
Emergency service access	No	Yes	Yes	In some countries, one-way information	In some countries, one-way information	In some countries, one-way information
Numbering issues	IP addresses	Phone numbers, portability	Phone numbers, portability	Channel numbering	-	Channel numbering
Spectrum licensing	Only in case of licensed broadband wireless, market oriented	Yes, with entry fees and annual charges, often through markets	None	None	Typically administered	Typically administered
Interconnection management	Market-driven	Regulated	Regulated	May be regulated	-	-
Universal service goals	Typically absent	Yes	Yes	Free-to-air channels	Public service broadcasting	Public service broadcasting

Source: The World Bank (2007:37) * QoS: Quality of Service

Furthermore, with the advent of digital media, a new kind of service can emerge. This causes policy vacuum, as there is no specific rule for the new service. For example, the internet broadcasting provided by newspaper company does not fit existing media regulation framework. Accordingly, the need for a more comprehensive media regulator is addressed, so that a new service can be regulated. In conclusion, the main purpose of policy convergence is to overcome policy duplication and policy vacuum.

However, as the above table shows, there have been different styles in telecommunication and broadcasting regulations. For example, in terms of content regulation, it is ‘typically absent’ in telecommunication wireless and wireline telephony services. But when it comes to broadcasting services, content regulation is mostly strict. This is different because the purpose of each medium is different. The content of telecommunication is the voice message from the communicators who are connected via telephone service. This is supposed to be secured message, for this is regarded as a private conversation between the communicators. However, broadcasting content is disseminated to the public, so it is supposed to be seen by mass audience. Therefore, a much

tougher regulation has been imposed to broadcasting content regulations, to protect the audience from harmful and undesirable contents. Thus, the difference in regulations in different media attributes to the different contents the media transmit. Therefore, if the basic characteristics of those services are not changed in spite of media convergence, there is no need to bring changes in the regulatory styles. Therefore, it would be worth giving a fair attention to this difference when policy convergence occurs. Chapter 8 examines how media policy and regulation were influenced by media convergence, with special interest in the change and continuity of the style of existing sector-specific regulations.

Trends in regulatory convergence

Latzer (2009) reviewed many regulatory convergence cases in EU countries and the United States. He presented five most common trends showed in policy convergence. The first is the integration between broadcasting and communication promotional agencies. In many cases, there was the convergence of institutions that are responsible for promotional policies, such as research and development (R&D), media education, and financial support for media companies. The second is the integration of broadcasting and communication regulatory agencies. It is to integrate the regulatory bodies that were previously in charge of the regulation of carriage (network) or contents into a single regulatory agency. The third is the separation of network and content regulation within these integrated institutions. This means that despite the integration, its internal structure was separated to deal with the regulations on the network and on the content more specifically. This creates a 'horizontal regulatory approach' or a 'technology-neutral regulatory system'. The horizontal regulatory approach is an integrated way of regulation that deals with both broadcast and telecom network on a horizontal level. When it comes to contents regulation, the horizontal regulation approach deals with the contents from both broadcasting and telecom companies. This approach can be also called as a technology-neutral approach because regulations that were previously separated by technological differences in broadcasting and telecommunications are now regulated by a single framework. Fourth is the integration of the legal systems. It means broadcasting and telecommunications laws formed a more integrated legal system than the past. Fifth, the weakening of government's power in media regulation and the transition to self- and co-regulation system. Self-regulation refers to that a media operator generally regulates themselves without much interference from government. As a result, regulation has more and more relied on the litigation and court's decision. On the other hand, co-regulation refers to the cooperative regulation between media operator and government agency.

Meanwhile, in spite of this general tendency, it can be seen that regulatory convergence is differently developed in most cases, having quite different systems to each other (World Bank, 2007:22). Singh and Raja (2010) saw that the difference in policy convergence patterns in these

countries reflects the differences between the political, economic, and socio-cultural characteristics of each country. According to them, Australia, India, Singapore, and Canada all applied different types of policy convergence. In Australia, the Australian Communications and Media Authority (ACMA) is responsible for all regulations and carriage (network), spectrum and content of telecom and broadcasting. In India, many different institutions such as TRAI, DoT, WPC do different functions in telecom and broadcasting regulations. In Singapore, the broadcasting and telecom regulatory agencies were maintained to be separated. In Canada, the broadcasting and telecom regulatory agencies were integrated, but government departments who manages promotional policies were separate. Nonetheless, agencies in these four countries cooperated for the introduction of new convergent media and succeeded in introducing mobile television or Voice over Internet Protocol (VoIP), even though the process was not easy. Therefore, Singh and Raja (2010) noted that an inter-organisational cooperation can be more efficient and effective than policy convergence. In line with this, World Bank (2010:19) also said that “it is possible that convergence issues can be dealt with by separate institutions or by on converged institution.”

Power issues

In the meantime, there were voices that concerned about the excessive concentration of power in converged authorities. According to Van Cuilenburg and McQuail (2003:202-203), “It is important in the interests of freedom not to concentrate too much power over communication in any single body and there must always be exceptions and alternative routes to follow.” In this context, Latzer (2009:420) added: “Institutional precautionary measures such as transparency obligations can be put into place to counter the danger of a too great concentration of power in the hands of one convergence regulator.” Furthermore, on the basis of the regulatory convergence debates in the UK, Richard Collins (1996:8) said, “while there is disagreement on the relationship of regulators to the courts, there is none on that of the regulators to government. All contributors agree – media and communication regulation should be independent of government.”

Meanwhile, in the process of policy convergence, it was found that media policy organisations tried to expand their power when they faced with policy convergence (Hills and Michalis, 2000; Smith, 2006). Hills and Michalis (2000) reviewed the turf war between DG XIII (telecommunications) and DG X (broadcasting) within the European Commission. According to them, the telecommunication department tried to increase their power through a theoretical reconstruction of the market. They made an alliance with internet service providers (ISPs) in pursuit of more power. Thus, they showed that the ‘capture theory’ of Stigler (1971) can be still relevant. Furthermore, according to Smith (2006), in the process of establishing Ofcom in the UK, there was a struggle for power between Independent Television Commission (ITC) from

broadcasting side and Oftel (Office of Telecommunication) from telecommunication side. They made efforts to broaden their jurisdictions within the newly converged regulator (Ofcom). Moreover, it was addressed that internal conflicts between previously separated organisations can occur even after policy convergence (Hills and Michalis, 2000). However, this imbalance does not simply mean the failure in the organisation, but it can also bring imbalance of regulatory principles in a longer-term basis. Therefore, the organisational conflict needs to be seriously considered, so that it does not result in a deterioration of policy diversity (Michalis, 1999). Therefore, the matter of power concentration and power struggle in the process of policy convergence was one of significant issues in policy convergence. This is an important subject of this thesis. Chapter 7 will discuss the matter of power by examining the process of governance system changes caused by policy convergence in Korea. In the following part, other national cases including the US, the UK and Italy will be examined in more detail.

National Cases

Hallin and Mancini (2004) provided a framework for understanding policy convergence in relation to comparative media systems. According to them, there exists three models in terms of media systems: The 'liberal model' of North America and Britain, the 'democratic corporatist model' in Nordic countries, and the 'polarized pluralist model' in southern Europe. These characteristics of the media system were also revealed in the process of policy convergence. Liberal nations, such as the United States and the United Kingdom, have also introduced policy convergence, and the policy convergence organisations have reflected their liberal policy style. On the other hand, in the case of countries with a high level of politicization such as Italy, the policy convergence occurred by political purposes rather than by media policy itself. Korea has some in common with these policy convergence cases. Thus, it could be said that a policy convergence case reflects the political and economic characteristics of the country and, therefore, the styles of policy convergence varies from country to country (Singh and Raja 2010).

According to the World Bank (2007:21), as media convergence has become more influential, more policy convergence cases have been made. However, still more than 20 of the 30 OECD countries had the separated media policy system in 2007, without adopting policy convergence in their media governance system. Thus, it could be said that the policy convergence was still an exceptional phenomenon at that time in the globe. Countries that introduced regulatory convergence include the United States, the United Kingdom, Italy, Finland, Australia, Canada, Iceland, and Japan. Here we will look at the policy convergence cases in three countries, the United States, Britain and Italy, which have a relatively high similarity with Korea than other cases.

FCC in the USA

First, in the United States, the policy convergence organisation, Federal Communications Commission (FCC) was established under the Communications Act 1934. It is the oldest example of media policy convergence. It oversees both broadcasting and telecom policies, being in charge of both promotional and regulatory policy. More specifically, FCC is responsible for television, radio, satellite, frequency, cable broadcasting, and so on. Thus, FCC is a case of 'policy' convergence. In terms of its administrative position, it is established as an independent government agency to be overseen by Congress. And in terms of its policy style, the FCC has adopted a market-oriented, business-friendly policy while pursuing a neoliberal stance (Freedman, 2008, Iosifidis, 2011, Napoli 2001).

Meanwhile, the US has historically developed a broadcasting system where private broadcasting companies are key players. The national public broadcaster, Public Broadcasting Service (PBS) has played a complementary role in the broadcasting system, with no significant influence (Napoli, 2001). This was mainly due to the historical characteristics in the development of broadcasting system. That is, when the broadcasting industry was first formed in the US, the country pursued a system that has private companies at the centre of it (Picard, 2011a). The characteristics of this continued in the United States (*ibid.*). As a result of this, the US became a country with a high degree of media concentration (Herman and McChesney, 1997). For example, a small number of media conglomerates, such as National Broadcasting Company (NBC), American Broadcasting Company (ABC), Columbia Broadcasting System (CBS), FOX, Time Warner, Disney, and News Corporation have had a dominant influence in the media market. For this reason, for a long time there have been concerns about the diversity of information in the United States (see Curran et al. 2009).

In conclusion, the US has pursued private-oriented and market-driven media policies, and FCC was a well-matched policy institution for the country. But there has been a concern on the oligopolistic power of media conglomerates in the market. Meanwhile, those US media conglomerates had a great influence around the world at a time, so the problem of cultural imperialism was addressed (see Schiller, 1969; Tunstall 2007). However, despite its commercial success, critics argued that the American media policy model was not successful in the normative domain of media policies (Herman and McChesney, 1997).

Ofcom in the UK

In the UK, Office of Communication (Ofcom) was established through the Office of Communication Act 2002 and is a regulatory convergence case. It is in charge of the regulations of broadcasting and telecommunication in the UK under the Communication Act 2003. In the past, five broadcasting and telecommunications regulatory agencies were established separately to

regulate the sectors. The five regulatory organisations were the Office of Telecommunications (OfTel), the Radiocommunications Agency, the Independent Television Commission (ITC), the Broadcasting Standards Commission (BSC), and the Radio Authority (RA). In the UK, there have been many debates on the organisational structure as well as the remits of the converged regulator. In *Converging Media? Converging Regulation?* (1996), contributors including members from House of Lords, Independent Television Commission (ITC), Office of Telecommunication (OfTel), and Press Complaints Commission (PCC) discussed what regulatory model would be appropriate for the convergence era.

In general, each stakeholder argued to expand or maintain their power and style through the regulatory reform. In other words, they preferred making a regulatory environment that is familiar to them. This reflects that there are different approaches or principles to media policies. For example, telecommunication sector emphasised ‘competition’ and ‘consumer interest,’ while broadcasting sector stressed ‘content regulation’ and ‘citizen interest’, and press sector emphasised ‘freedom of speech’ and ‘self-regulation’ as the most important principles in the debate.

When it comes to the governance structure for the new environment, members from press and broadcasting sector preferred a separated regulatory scheme. And based on that, they preferred co-operation or collaboration between existing regulators, rather than the establishment of new converged regulator (See McGougan 1999). But telecommunication sector preferred an integrated model which oversees most sectors in media.

In the meantime, in terms of the power of media policy institutions, some argued that keeping various regulatory bodies would prevent the concentration of power in media regulation. So, it was argued that, if a unitary regulator should be established, the regulator must be transparent and accountable. Throughout the debate on regulatory convergence, political independence of regulator, regardless of that it is converged or not, were generally perceived as core principles in broadcasting regulation. Although the discussions did not suggest any synthetic view on regulatory convergence, it is at least confirmed that there were persisting gaps in principles of existing media regulators.

In the meantime, as PSBs have been crucial players in the UK media, many focused on possible influence of policy convergence on PSBs, such as BBC. Born and Prosser (2001) conducted an analysis on British government’s White Paper, *A New Future for Communications* (2000). Having a special concern on public service broadcasting (PSB) in relation to regulatory convergence, they found that the White Paper subordinated social and cultural principles to competition principle in general. In line with this, they concerned the marginalisation of PSB’s values such as citizen interest, universality, and high-quality programming. They mentioned, “we are not persuaded that Ofcom will be in a position adequately to promote the values of PSB rather than those of competition regulation, especially if current suggestions that it will have a

predominantly competition-based remit are correct” (2001:64). Therefore, they argued that BBC’s definition and remit should be explicitly legislated, to promote and keep BBC’s public remit. Accordingly, they suggested three core principles that could be considered in the legislation of PSB regulation: Citizenship, universality and quality. In this study, policy convergence was seen as a threat to PSB. This is because ‘competition law’ was at the centre of discussion in the process of adopting policy convergence, marginalising PSB values.

Meanwhile, Gibbons (2005), Freedman (2008), Iosifidis (2011), and Lunt and Livingstone (2012) confirmed that their concern has been realised. They examined Ofcom’s regulatory style, especially on the approach of Ofcom on PSB regulation. According to Gibbons (2005:42), “Ofcom adopts a utilitarian approach in itself, but also reflects a desire to narrow the scope of its remit”. In a similar vein, Freedman (2008:169) argued that “it sees the BBC not as an autonomous proponent of public service values but as an organisation that is part of an increasingly competitive, marketized environment and needs regulating according to that logic.” Iosifidis (2011:195) also mentioned that “almost a decade after publication of the Communications Bill the danger that one regulatory tradition (telecommunications) would dominate the other (broadcasting), which was then painted by many commentators, has become a reality”. Furthermore, Smith (2006:937) argued that the prevalence of competition law as a result of policy convergence is caused by a political reason. He mentioned, “Ofcom should be seen as the institutional embodiment of New Labour’s ‘competition policy plus’ approach to UK television regulation, rather than as merely the product of regulatory ‘tidy up’ prompted by technological change”.

In the meantime, Lunt and Livingstone (2012) examined Ofcom’s political independence. Comparing Ofcom’s the first and the second PSB reviews, they argued that “in the second review [Ofcom] acted more as a means of gathering evidence and opinion on behalf of government [...] It’s difficult to determine how far the hand of government was evident in Ofcom’s reviews of public service broadcasting, though it would be naïve to imagine no political influence on the conclusions reached and the options set out” (113-115). Therefore, it could be said that the influence of government has been increased in Ofcom since when it was first established. Furthermore, they argued that “Ofcom’s reviews have been impressive in the depth and quality of their market analysis, the numbers and quality of participants in the consultation process, and the production of original audience research. [...] Ofcom is not, however, a neutral player. Both reviews attracted considerable criticism for their focus on economic matters at the expense of social and cultural policy, as was evident in the use of economic concepts and metaphors to explain social and cultural aspects of policy even in the domain of public service broadcasting” (113).

In conclusion, Ofcom was established as a converged regulator in the UK. In the process of regulatory convergence, however, it was found that different stakeholders in media had quite different opinions about how to do regulatory reform. Meanwhile, it was concerned that Ofcom

may have an economic- or competition-centred regulatory style, marginalising other regulatory principles. And since its establishment, it has been addressed that the concern has become a reality. In line with this, it was argued that their interest in public broadcasting has decreased. Therefore, since the early 2000s, the influence of BBC over broadcasting sector has been decreased (Lunt, Livingstone and Brevini, 2012). In that process, Ofcom tended to regard the BBC as a player in the market, not as an important social institution for the citizens. In the meantime, it was also noted that Ofcom's political independence to the UK government was declined gradually. Moreover, since 2017, Ofcom has become the first external overseer for BBC, as the BBC Royal Charter was revised. This meant that Ofcom's power over broadcasting sector would be even more increased. At the same time, BBC has made to be more accountable to more various stakeholder. According to Gibbons (2017), this change could mean the threats to BBC in terms of its independence and its public interest remits.

AGcom in Italy

The case of Italy shows how policy convergence can be used for political purposes. The Italian left-wing has pursued regulatory reform to achieve its political goals, and as a result, Authority for Communications Guarantees (AGcom) was established in 1997. In 1997, European Commission (EC) published Convergence Green Paper in suggesting the member countries to adopt convergence-proof system in media regulation. However, the effect of regulatory convergence recommended by the EC was not actually fulfilled (D'Arma, 2009).

According to Psychogiopoulou, Casarosa and Kandyla (2013), there had been no independent media regulator until the 1990s in Italy. But in 1997 in the process of introducing an 'independent media regulator' for the first time, they established AGcom as a 'converged regulator'. Thus, Italy adopted both independent regulatory body and regulatory convergence at the same time. AGcom was established to oversee the regulations of such as radio, broadcasting, and telecommunication. In 1997, the EU revised the Television Without Frontiers Directive. The main objective of the directive is the creation of a single market in broadcasting services (D'Arma 2009). The Convergence Green Paper was also published in the same year. And the Green Paper affected much on the establishment of AGcom. Furthermore, Italy was the first country to introduce convergence regulations in 1997 in European Union. It was to respond to the challenge of technological media convergence (*ibid.*, 2009:772).

However, the introduction of AGcom was possible because of the political interests of the middle-left party. The leftist party came into power in 1996, and they wanted to have a single converged regulator for some political reasons. At that time, EC (1997) recommended to establish a converged regulator. There are two reasons why the central leftist party has proposed regulatory convergence. First, the establishment of a new regulatory system would make it easier to privatise

state-owned telecom companies. The privatisation of telecom was one of their election pledges. Second, more importantly, they wanted to hold Berlusconi's political power by separate broadcasting from politics. Berlusconi is a political figure who owns media conglomerates in Italy. Because it was seen that Berlusconi uses his power in media to get political power, the new leftist party wanted to decrease the influence of broadcasting on politics, by setting up an 'independent' broadcasting regulator. And just in time, EC (1997) promoted the need of regulatory convergence. Therefore, the centre-left party took this as an opportunity for regulatory reform, and the reform was carried out immediately after the regime change. D'Arma (2009:774) said: "Regulatory convergence agenda [...] fitted neatly with the overall strategies of the centre-left government, and was a 'resource' which the government used to build consensus around the initiative and legitimize reform."

But these reforms did not reflect the convergence paradigm originally suggested by European Commission. There was little interest in building an integrated regulatory system, and it was still the government who actually controlled the 'independent' regulator. Moreover, the government reinforced sector-specific regulations. This is quite different to Ofcom's case, where sector-specific regulations were marginalised while competition law prevailed. But the reason for reinforcement of sector-specific regulations in AGcom was nothing but politics. Moreover, the middle-left government attempted to impose even stronger media ownership regulation, in order to reduce Berlusconi's economic and political influences (D'Arma, 2009:775).

As a result, the introduction of regulatory convergence in Italy has resulted in more intense politicisation in media. Traditionally, Italy had a media system that is very close to the government and parliament, rather than the market. And this tradition was strengthened by the introduction of AGcom. Furthermore, media policy authorities were not adequately transferred to AGcom. That is, the authorities regarding media policies remained in the governmental departments and parliamentary committees. Consequently, the actual power of AGcom on media policy was very little. Psychogiopoulou, Casarosa and Kandyla (2013:226) noted: "Such a wide competence is not exclusively exercised, as many other bodies hold related competences, in particular the Department of Communications within the Ministry of Economic Development." In addition, the Chairman of AGcom was appointed by the government's political interest. The lack of political independence of AGcom deepened the politicisation of media policy. Moreover, as the institution has become a single institution, it has become easier for governance to intervene in the media policymaking (*ibid.*)

In conclusion, Italy's regulatory convergence case shows how a country with a high level of politicisation intensifies the politicisation of media policy through regulatory reform. Interestingly, in spite of regulatory convergence, the expected effect was not achieved, and the sector-specific regulations were maintained.

2.3.5. Conclusion

In this part, four different steps in the development of media convergence were presented: They were technology, industry, market and policy convergences. To some extent, the development progress seemed natural. However, some studies argued that the progress could have been propelled by convergence discourse, as we have seen in the previous part on convergence discourse. Indeed, some argued that convergence discourse has made the development of media convergence go fast and further from technology to policy level. However, it must be a very difficult task to adequately prove the actual impact of the convergence discourse to the real world. This is because it must be so hard to find the logical relationship between a reason (discourse) and a result (reality). Therefore, proving the extent of the influence on actual development of media convergence is not something that this thesis focuses on. But still this thesis has much interest in the existence of convergence discourse in the process of media policymaking. Therefore, this thesis will try to investigate what convergence discourse was there, as well as the context where convergence discourse appeared in the process of media policymaking.

2.4. Conclusion

This chapter examined some research gaps by examining previous studies on media convergence. Three categories were presented according to the main subjects of thesis; concept, discourse and influence. Firstly, the concept of media convergence showed some problems, but this was not properly analysed. Many media studies tried to define the term, but the definitions were slightly different from one to another, and it sometimes caused confusion in understanding the concept. Several problems were presented above: Its broadness, overlapping character, presumption and paradox. Chapter 4 will analyse the problems of the concept and provide more comprehensive and clarified understanding of media convergence.

Secondly, there were some studies on the discourse that was relevant to media convergence. However, it was heavily influenced by the grand theory of neoliberalism, as it was emerged coincidentally with the politico-economic concept which prevailed in 1980s. Furthermore, the discussion of convergence discourse was mainly relevant only to Western cases, including American and European countries. However, media convergence was also effective in other nations, such as South Korea. Indeed, media convergence issue was the most significant media policy issues in Korea in 2000s. This was because the challenge of media convergence was regarded as very urgent and disruptive factor in media. Accordingly, there were many policy

discussions in Korea, and it was followed by some significant changes in the sector. However, this has not been thoroughly examined so far in media studies. Therefore, it could be an academic achievement if South Korean case can be analysed. Chapter 5 will examine the ‘media convergence discourses’ found in the process of policy debate and in the documentations of media policy institution in South Korea.

Thirdly, there were studies which analysed the influence of media convergence. This gives a good explanatory framework for the remaining chapters of this thesis, as it enables the thesis to analyse media convergence in a clear structure. Particularly, media convergences that happen in market and policy levels are the subjects of the rest of thesis. Those relevant chapters form the trilogy of ‘influence’ chapters in the thesis, as they examine the influence of media convergence on market, governance and policy. Chapter 6 analyses the influence of media convergence on Korean broadcasting and telecommunication markets. Chapter 7 discusses the governance transformations in media policy sector, which was brought by media convergence. Chapter 8 examines what changes were made in media policy due to media convergence in Korea. The next chapter will discuss the methodologies used in those relevant studies as well as in this thesis.

3. Methodology

This chapter discusses the methodology of this thesis. It can be divided into two parts. In the first part, it examines the methodologies used in the previous studies. In so doing, this chapter discusses the advantages and disadvantages of the methodologies used in the researches relevant to media convergence. This is to find the best practices that this study can refer to. In the second part of this chapter, the methodologies used in this thesis and the reason for using them will be discussed.

3.1. Methods used in previous studies

In this part, the methods used in previous studies will be examined. It would be helpful to examine the methodologies used in relevant researches, for it could give the researcher good insights for methodology on the similar subject. Indeed, the methodology of this thesis was established through examining the methodologies from relevant studies introduced in the Chapter 2. In so doing, it was found that there were particular methods which were frequently used in the studies that investigated media convergence and media policy. These popular methods were qualitative text analysis and interview. The first method, which was the most frequently used one, was qualitative text analysis.

3.1.1. Qualitative text analysis

According to Bryman (2012:341), qualitative research is “a research strategy that usually emphasises words rather than quantification in the collection and analysis of data”. Most studies that are relevant to media convergence also focused on the meanings of text, rather than the numbers that can be generated from the text. In other words, those studies were more relevant to qualitative analysis rather than quantitative analysis. Thus, in many cases, the purpose of research was to find the meaning and general tendency of this specific social phenomena – media convergence, while it was not to obtain the numbers and the extent of it. Therefore, in many cases, the result of analysis was more likely to be words, rather than numbers, so most of relevant studies were done by qualitative text analysis, rather than quantitative text analysis.

Meanwhile, as Deacon et al. (2007:15) mentioned, the ‘text’ is not limited to the written words that are normally shown in the form of book or paper. The text could include recorded sounds and videos, as well as any texts that are shown on the internet website. Accordingly, it is not necessary to set any restriction on the form of text when we do text analysis. However, not many studies which mainly dealt with media convergence issues analysed those various forms of

text. These studies tended to give their main interest in the official documents from government and relevant policy agencies in political sector. Therefore, in most cases, the information on media policymaking was approached by examining the written texts that are published by political institutions. Thus, texts in the form of book or report, which were literally the written words, were the main target of examination in many relevant studies.

Pros and cons of qualitative text analysis as a methodology

As Deacon et al. (2007) said, text analysis is a good method when a researcher does historical studies, as well as when the researcher needs vast amount of information that the researcher cannot obtain by himself. Firstly, textual analysis is a good method to analyse historical issues or event, because the written texts are likely to be the only information we can get on the historical topic. For example, if we need to examine the early days of BBC in the 1920s, then we might need to rely heavily on written documents on early BBC rather than asking people or doing a questionnaire to people who may have some memory on the broadcaster. Secondly, text analysis is good when it is hard for a researcher to make primary sources on a topic. In this case, the researcher may have to rely on the secondary sources which are made and published by relevant institutions or other researchers. When it comes to policy studies, it would be far more efficient for a researcher to analyse official documents rather than gathering and analysing the information by himself. For example, a researcher might be able to attend and watch committee meetings in a media regulator to generate the record of the meetings. However, when the meeting minutes are regularly published on the agency's website a few days after the meetings, then it would be more efficient for the researcher to wait and download those records.

The disadvantage of using qualitative approach to written text can be that the subjectivity or the personal perspective of researcher might be applied to the interpretation. Meanwhile, there has been a notion that quantitative approach is a better way to secure more objectivity than qualitative approach. Indeed, the result of the quantitative analysis could be seen as being more objective than the one from qualitative analysis. However, the matter of pure objectivity is not something that can be applied to qualitative research only. This might be also applied to a quantitative research as well, for the framework of the counting in quantitative analysis could be also affected by the subjectivity of researcher too (Deacons et al. 2007:138). Therefore, the matter of subjectivity needs to be considered when using both approaches. The next part will examine some sample studies that used qualitative text analysis as their core methodology.

Studies used qualitative text analysis

In this part, some examples of studies that used qualitative textual analysis as core methodology will be introduced. In the UK, Born and Prosser (2001) was one of the early studies that examined

the policy convergence. In their research, they did textual analysis by examining many UK policy papers from government departments such as Department of Culture, Media and Sport (DCMS) as well as Parliament's select committees such as the Culture, Media and Sport Committee. For example, they thoroughly analysed the government's Communications White Paper, where the plan for establishment of Ofcom was presented. In so doing, they captured that the establishment of a converged media regulator was being justified in the name of media convergence, and at the same time, they found that competition law was being more welcomed than existing public interest principles (Born and Prosser, 2001).

Furthermore, Feintuck and Varney (2006)'s work is another good example which used qualitative textual analysis as their main methodology, too. As academic lawyers, they offered in-depth analysis on European and UK media policy, by examining various media-related laws (e.g. EU's competition law, the UK's Communication Act 2003 and BBC's Royal Charter) and previous research committee papers (e.g. Puttnam Committee and Hutton Report). In so doing, the study examined public interest principles in EU and UK media regulation and discussed Ofcom's remit and their tendency towards PSB regulation.

In addition, Fagerjord and Storsul (2007) was a research that investigated more various documentations such as policy documents, business plans and academic writings related to media convergence. In doing the textual analysis on various publications on media convergence, they argued that 'convergence discourse' was actually effective in many cases. They argued, "in policy documents and business plans, and to a large extent in academic writings, the convergent development has been seen as predetermined" (Fagerjord and Storsul, 2007:28).

As examined so far, qualitative textual analysis was mostly done by examining policy papers from core political institutions that are related to media regulation. More precisely, publications from both international and national institutions such as EU and the UK government were examined. This was to capture the overall tendency of those institutions and to analyse the context in which media convergence was put in. Meanwhile, some studies implemented interview as their methodology. The following part will examine the interview as one of methodologies used in relevant studies.

3.1.2. Interview

Interview is "a conversation between a researcher (someone who wishes to gain information about a subject) and an informant (someone who presumably has information of interest on the subject)" (Berger, 2000:111). There can be four different types of interviews. These are informal, unstructured, semi-structured, and structured interviews. First, the informal interview can be understood as a general conversation. The main purpose of doing informal interview is to "gain

the confidence of his or her informant” (ibid., 112). Second, in unstructured interview, the researcher has particular aim of the conversation, but s/he does not try to control the flow of conversation” (ibid.). Third, in semi-structured interview, the researcher has a list of questions to ask, but tries to “maintain the casual quality” in the conversation (ibid.). In other words, in semi-structured interview, “the interviewer controls the discussion by referring to an interview guide, which sets out issues to be covered during the exchange” (Deacon et al., 2007:67). Furthermore, focus group interview can be regarded as an example of semi-structured interview. In a focus group interview, a group of people are given some topics to discuss about, and a moderator can engage into the flow of the conversations. Fourth, in structured interview, the researcher has “a specific set of instructions that guide those who ask respondents for answers” (ibid.). Questionnaires can be involved in this type of interview, as the questions are fixed no matter who the respondent is, and the way of asking and answering is standardised.

Pros and cons of interview as a methodology

The advantage of interview is that it is more likely to get more cooperation from the interviewee and it is more likely to be expanded to in-depth conversation than other methods such as self-completion questionnaire. The interview can be done in different forms. It can be categorised into two modes; personal interviews or remote interviews. The essence which makes the difference between them is whether the interviewer and interviewee are personally met or not. For example, personal interview is a live conversation which is done by two people who met in the same space and time. However, telephone or email interview could be the examples of remote interview, as the interviewer and interviewee do not meet in person. But both interviews can be occurred on the basis of the consent between those two parties. Therefore, as Deacon et al. (2007:70) noted, the advantage of interview as methodology is a higher possibility for getting consent and cooperation. They said, “all questioning in research depends on winning and maintaining consent. [...] They have to persuade people to cooperate by convincing them of the value of their contribution and of the research as a whole. [...] In this respect, self-completion questionnaires are disadvantaged. The absence of personal contact limits the opportunities to persuade people to participate (it is easier to ignore an envelope or an invitation to a web address than a person), and for this reason self-completion questionnaire surveys generally attract lower response rates than personal interview surveys”.

Furthermore, Berger (2000) presented the advantages of interviews by the comparison with an observation. He said, “observation does give us a sense of context, which often helps explain what people do. But it doesn’t help us get inside people to understand why they do things, what motivates them, and what anxieties they have” (Berger, 2000:113). So, doing an interview can be a good strategy for capturing what was ‘inside’ of a person who engaged in the event of interest.

Moreover, the possibility of recording and further analysis could be other advantages of doing an interview, as Berger (2000:113) said, “one advantage of interview is that one can generally record interview and thus have a written record that can be analysed in detail”.

However, it would be better to bear in mind that there are disadvantageous points in interview too. According to Berger (2000:113), “people tend to justify their actions to themselves and others, so you have to be careful about accepting anyone’s point of view as being accurate, correct, and unbiased. [...] People don’t always tell the truth. [...] People don’t always remember things accurately. [...] People don’t always have useful information. [...] People sometimes tell you what they think you want to hear. People use language in different ways”. Therefore, it might be desirable to consider what circumstances the interviewee is surrounded by, because the consideration could give the researcher a better understanding of what is heard from the interviewee. The interviewee might not want to disclose what s/he really thinks on the specific subject because of her/his social position, e.g. as a public agent who works for the government. Or, as said, the interviewee might not just remember what happened in the past accurately. In the following part, some examples of study which used interview as a methodology will be examined.

Studies used interview as a methodology

Interview seems to be one of popular methodologies which have been used to produce primary source for media policy research. But, at the same time, it seems that there are little studies which used interview as the single core methodology for media convergence research. As noted above, qualitative textual analysis is more eligible to be the core methodology for media policy studies like this thesis, for in many cases the policy events are recorded and published in the form of written papers. This means that the researcher who studies on media policy can obtain crucial sources for analysis through those official documents. In the meantime, it would require too much time, money and labour for a researcher to produce those sources as primary sources by himself. Or, in many cases, it might be simply impossible to obtain the vast amount of policy information as an individual researcher. Therefore, it would be far more efficient for the researcher to use the official documents, which is secondary source for the analysis of media policy. And this could be the reason why qualitative text analysis on official papers has been the most popular methodology in media policy studies.

However, there were some studies that used interview as a supplement to qualitative textual analysis. For example, Freedman (2008) implemented interview as a significant methodology in making the primary source of his study. He conducted interviews with about forty people who are related to media policymaking process, such as politicians, lobbyists, broadcasters and journalists. As he put his interest in formal as well as informal aspects of the process of policymaking, his interviews effectively revealed the informal atmosphere of the policymaking. In addition, Lunt and

Livingstone (2012) was another study that used the combination of qualitative text analysis and interview as their methodology. More precisely, they conducted a case study on the converged regulator, Ofcom in the UK, by conducting these methods. More precisely, in the beginning part of the study, they examined the overall trend in recent regulation by reviewing relevant literatures in media policy studies. And then, the study investigated the process of Ofcom's establishment, the organisation's key purposes, statutory duties and regulatory structures and operating principles by examining relevant texts. For example, the study examined official documents such as, green paper (e.g. *Regulating Communications* (DTI/DCMS, 1998), white paper (e.g. *A New Future for Communications* (DTI/DCMS, 2000), and media law such as Communications Act 2003. In the latter part of the study, it implemented both qualitative text analysis and personal interview in the analysis of Ofcom. In addition of the text analysis, they collected more specific and informal information by conducting personal interviews with various stakeholders in media, including such as public agents in Ofcom and civil society activists. Using the combination of these methodologies, they analysed Ofcom's public service broadcasting (PSB) reviews, as well as Ofcom's policies and attitudes on media literacy, children protection and community radio. In so doing, they examined Ofcom's official documents such as *Competition for Quality* (Ofcom, 2005b) and *The Digital Opportunity* (Ofcom, 2008b). At the same time, the study sourced the conversations that were obtained by personal interviews. By doing so, they could enhance the depth of analysis, as the sources from interview supplemented what the study found in textual analysis.

This part examined interview as the methodology used in some relevant studies. Those studies used interview as supplement source to their textual analysis. In those studies, the main methodology in those studies was qualitative text analysis, but interview helped researcher to obtain primary source for the analysis. This mixture of methodology enhanced the scope of analysis, as the study could analyse personal conversation as well as official documents. Furthermore, the use of formal as well as informal sources increased the depth and credibility of the analysis. Consequently, the examination of methodologies used in relevant studies helped the researcher finding a good combination of methodologies. The next part will introduce the methodologies used in this thesis.

3.2. Methods used in this thesis

In this part, the methods used in this thesis will be discussed. Before examining the specific methods used in this study, it would be helpful to remind the thesis' three purposes that is to be achieved by using the methods. The first purpose of this thesis was to analyse the concept of media

convergence. This is to clarify the meaning of the term itself, as the term has not been clearly defined since it was introduced almost three decades ago. The second purpose of this thesis is to investigate what discourses were established in the process of media debates and policymaking in regard to media convergence. Therefore, to achieve the goal, it needs to analyse the meaning of the context where media convergence was placed. And it is notable that these two purposes are closely related to the 'meaning and context' of the subject of this thesis, media convergence. The third purpose of this thesis is to examine the influence of media convergence on media markets and policies. Therefore, firstly, it needs to see 'what' changes were made in media markets and regulations. And then, secondly, it needs to figure out 'how much' the existing markets and regulations were changed due to the advent of media convergence.

As those three purposes are about the interpretation and analysis of texts, they can be mostly achieved by qualitative approaches. In other words, those three purposes are mostly related to the analysis of meaning and context rather than numbers and degrees. Therefore, to achieve these purposes, it is crucial to interpret and analyse 'the words' in written documents that are relevant to media convergence. Therefore, qualitative textual analysis must be the first methodology of this thesis.

However, there can be more information which cannot be found by textual analysis alone. Informal and unofficial factors exist in the process of media business and media policymaking. Furthermore, it seems crucial to produce primary sources in the investigation of the subject, so that the researcher can improve the originality of the study. Thus, taking other supplementary methodologies seem necessary for this thesis. Therefore, the thesis chose to conduct semi-structured interview as its second methodology. In so doing, it was hoped that the researcher could get informal information as well as the confirmation on what the researcher found by textual analysis. Plus, by combining two different qualitative approaches, it was also expected that the researcher could have comprehensive understandings on media convergence.

In the meantime, the third purpose of this research includes 'the extent' of impact of media convergence on media market. This meant that there needs quantitative approach, as the purpose was to see the actual degree of influence of media convergence. Therefore, in Chapter 6, the thesis uses quantitative approach by examining the changes in revenue of convergent media in Korea. The thesis used revenue as the index of influence, because the revenue is the data the researcher could get rather easily from market reports, and also it is useful when comparing different media by revenue. Also, revenue of media is one of the significant factors that is generally used in calculating market share, so the degree of dominance and influence of certain medium can be drawn from the revenue. Moreover, the revenue could imply the degree of employability of the certain medium, which in turn can show the influence of media on the society.

In the following part of this chapter, these three methodologies will be examined respectively in detail. Firstly, it will examine the ‘qualitative text analysis’ as the core methodology of this thesis. Secondly, ‘semi-structured interview’ will be presented as the supplementary qualitative methodology for this thesis. Last but not least, the third quantitative methodology will be examined. As noted, this method is used only in Chapter 6, but the implement of quantitative approach improves the originality and comprehensiveness of this thesis.

3.2.1. Qualitative text analysis (critical discourse analysis)

The first method used in the study is qualitative text (discourse) analysis. As noted above, the thesis’ first two purposes were to analyse the concept and discourse of media convergence. Therefore, this is crucial to analyse the meanings, contexts and discourses related to media convergence. As in previous studies, this can be well achieved by conducting textual analysis on official policy documents. The official documents are usually opened to the public, so the researcher could get access to the text rather easily. Fortunately, there are many open publications regarding media policies (usually published from government or parliament). This is because the relevant public institutions such as government and media agencies have the responsibility to let the public know how policy debates are going on, and how media industries are changing. To put it more concretely, the documents such as government’s green/white papers, parliament’s select (small) committee’s special report can show the concept and discourse of media convergence. Furthermore, there are many publications such as annual market reports that show what changes happened in media markets. It enables the researcher to see the development of media convergence.

Text analysis is the core methodology this study implemented. As noted above, this thesis aims to ‘re-examine’ the concepts, discourses and impacts of media convergence. Thus, the previous publications, such as policy papers and statistics from government agencies are to be analysed in this thesis in a new framework. This is called as “secondary analysis” (Deacons et al., 2007:17). Therefore, the official documents that are related to media convergence are the most important sources for the analysis of this thesis. Furthermore, as Deacons et al. (2007:16) mentioned, text analysis is the most appropriate when analysing social phenomena that happened in many years ago. That is, if this study relied mostly on other qualitative methods such as survey, focus group and interview, it would mean that the study would depend too much on the memories of the respondents. Therefore, as this thesis adopted textual analysis as the main method, it was hoped that it would help the researcher obtaining as many fact-based sources as possible.

Critical discourse analysis

Furthermore, as this study is to see what discourses were made in the process of media convergence, it would be worth taking a look at the methodology called critical discourse analysis as well. Critical discourse analysis can be understood as one of many approaches that can be included in the large category of qualitative textual analysis. This is because critical discourse analysis is based on textual examination, basically. However, discourse analysis is more about capturing a social discourse which forms a general belief in a certain society or an institution. The more specific definition and the methodology of critical discourse analysis are well explained in Philips and Hardy (2002:3, cited in Bryman, 2012:536). They said, “we define a discourse as an interrelated set of texts, and the practices of their production, dissemination, and reception, that brings an object into being [...] in other words, social reality is produced and made real through discourses, and social interactions cannot be fully understood without reference to the discourses that give them meaning. As discourse analysts, then our task is to explore the relationship between discourse and reality”. Moreover, critical discourse analysis can be a good approach when we want to see why some values get stronger while others get weakened. Bryman (2012:538) said: “Critical discourse analysis thus involves exploring why some meanings become privileged or taken for granted and others become marginalised. In other words, discourse does not just provide an account of what goes on in society; it is also a process whereby meaning is created”. Consequently, the critical discourse analysis is quite relevant to this thesis, for one of the purposes of this research is to examine what values were privileged in the discussion of media convergence. In the following section, specific documents used for the textual analysis will be introduced. The table below shows five types of documentations which were examined in this research.

Table 2 Categories of Text for Analysis

Number	Category	Example
1	Market report	Publications from Korean government and other private or public thinktank e.g. ‘Broadcasting Market Report 2017’ published by KCC
2	Policy paper	Publications from government departments and small committee in the congress of Korea e.g. KCC annual report

3	Committee report	Publications from committee that was established to discuss the way to react media convergence e.g. Convergence Committee's final report 2007
4	Media law	Media related laws such as Broadcasting Act, Telecommunication Development Act, etc., and this includes the Enforcement Decrees which is a supplement laws to the main Acts. The Enforcement Decrees are also important, because they are useful to understand the intention or tendency of government.
5	Previous literature	Studies which examined media convergence.

As the above table shows, the texts used for the analysis can be divided into five categories. The first kind of text is market reports which are regularly published by government or other relevant institutions. For instance, this thesis examined market reports from Korea Press Foundations (KPF), Korea Communications Commission (KCC), Ministry of Science and ICT Future Planning (MSIP), and Ministry of Culture and Tourism (MCT), etc. The second category is policy papers published by media policy authorities. For example, KCC's annual work plan paper, annual report, and their meeting records (minutes) that contains the dialogues between KCC commissioners. The third category is final reports published by specially established bodies (i.e. Convergence Committee's final report 2007). This type of publications is quite important for this thesis, for it shows the discourses that prevailed in the discussion of media convergence. Therefore, the Convergence Committee's 2007 report is frequently quoted in this thesis, because the final report contains abundant information on various stakeholders who participated in the debate on media convergence. The fourth category is media-related Acts, such as Fair-Trade Act, Newspaper Act, Telecom Business Act, and Broadcasting Act. The author examined the change and continuity of around 30 media-related Acts covering the time span of 1980-2017. Moreover, as a government law, there is Enforcement Decree, which supplements details of a certain Act. Therefore, it could be understood that Enforcement Decree is a subordinate law to an Act. In an Act, it is normal to assign government to set detailed rules to fulfil the purpose of an Act. Meanwhile, a specific reason should be noted when an Act or an Enforcement Decree have been made or revised. These texts were particularly important sources for analysing the main intention of change in media policy. The fifth category is previous research literatures, including those shown in the previous literature review chapter. In Korea, there were some literatures which investigated the media convergence

phenomenon, but most of these focused on the media governance system and political independence matter. This is because the reform caused by media convergence prompted the independence matter of public service broadcasters (PSB). The matter of political independence of Korean PSB was always one of the most popular subjects in Korean media academia, because the country suffered a lot from the dictatorship and the intervention of government to PSBs since the 1970s-80s. The next section will examine the second qualitative method used in this research – semi-structured interview.

3.2.2. Semi-structured interview

The second methodology used in this thesis is semi-structured face-to-face interview. As examined above, semi-structured interview is good at obtaining unexpected information due to the flexibility it offers. The semi-structured interview has a moderate format among other interview formats. That is, semi-structured interview is more flexible than structured interview. Structured interview uses fixed questions, and the way a researcher asks and a respondent answers is standardised. Meanwhile, semi-structured interview has more strict form compared to unstructured one. In unstructured interview, the interview is conducted just as usual conversation, which means there are no certain questions that are predetermined to ask. But in semi-structured interview, there are some fixed questions to ask, while having some flexibility and discretion for the interviewer. Thus, an interviewer can ask additional and unexpected questions according to each situation. This discretion of interviewer gives chances to obtain further information from the interviewee. Thus, the advantage of a semi-structured interview is that it provides flexibility in conversation while maintaining consistency in questions and answers (Bryman, 2012:212). This is the main reason why this study chose to conduct semi-structured interview. The researcher expected to know as much as possible by having conversations with the people who knows policy and business. Thanks to the flexible approach, the researcher could ask what the researcher wanted to know more at that time, in addition to the fixed questions.

Furthermore, this thesis selected personal interview as a methodology to see what informal factors were engaged in the process of media policymaking. Many media policy cases can be better understood by knowing informal or unofficial factors which interrupts in the media policymaking process. This is because the media policy cases are affected by political and economic power (Freedman, 2008). However, this political (ideological) and economic influences are not reflected well in the formal documents published to the public. Rather, it is more likely that everything written on the official paper seems quite rational, justified and ideologically-neutral. Therefore, it is worth noting that there should be political and economic forces that wants to affect every policy decision process. Having said that, if a researcher heavily relies on official documents, there is a

probability that s/he gets politically biased information, and this can result in a biased analysis. Therefore, this is another reason why the study chose to conduct personal interviews to know something that cannot be not read in the formal documents.

Moreover, by conducting personal interview, it was hoped that the researcher could know people's attitudes on the subject, in the conversations with interviewees. In most cases, as the list of questions below shows, the researcher asked their thoughts on media convergence first, but in some cases the researcher also asked them to tell what others might think about the subject. As a result, the researcher could get their thoughts and attitudes as well as the atmosphere on the subject. This was particularly useful to check what social discourse was formed regarding media convergence. In most cases, it was confirmed that the convergence discourse captured by textual analysis was influential to people who engaged in the media industry and policy. This will be examined in more detail in Chapter 5, as the Chapter is to examine what convergence discourses were made in Korea and how it affected the policymaking process.

As in previous literatures, interview was used mostly to supplement what was found in the textual analysis. More precisely, it was expected that an interviewee could confirm what was analysed by the researcher. At the same time, it was also expected that the interviewee could present different perspectives for analysis. Indeed, the use of personal interview helped the researcher obtaining new perspectives on the subject. For example, an interviewee presented a different point of view that the researcher did not think, particularly on the PSB governance reform in Korea. This is to be reflected in Chapter 7, where media governance reform in Korea was examined in detail. Therefore, it is believed that the researcher could have more balanced and comprehensive perspectives thanks to the conversations with the interviewees.

The Interviewees

The researcher could meet and have interviews with various stakeholders who had involved in various media sectors. Those includes the employees of media companies such as public and private broadcasters and telecommunication companies, as well as government agents who work for broadcasting and telecommunication department such as KCC and MSIP. Also, the researcher could meet civil society members and lobbyist group members too. In addition, the researcher also met media scholar who is professor in media studies. It was helpful to get academic understandings based on the long-term examinations on Korean media policy and governance. Thankfully, the researcher could have interviews with fifteen key stakeholders in media policy and industries. Among them, thirteen interviews were done in face-to-face. Two interviews were done by telephone. In case of face-to-face interview, the researcher visited interviewees' workplace or somewhere they preferred to meet. Each interview took around one hour per session. All the interview itself was an exciting and valuable experience to the researcher. It was good to enter and

look around the government departments where media policy is studied, discussed and made. Also, it was a great joy to visit Korea's main public broadcasters such as KBS and MBC. All the people I met in the interview was generally kind and helpful to the researcher. Sometimes the researcher asked them to introduce the other person for interview, and some introduced the researcher to their colleagues. All these Interviews were conducted from November 2014 to January 2015.

Table 3 List of Interviewees

Interview number	Date	Name	Job/Position/Experience
1	24 Nov 2015	Son, Chang-yong	Deputy director in Ministry of Science and ICT Future Planning Former deputy director in Korea Communications Commission (KCC) and Cable TV Committee
2	24 Nov 2015	B	Deputy director in Ministry of Science and ICT Future Planning Former deputy director in KCC
3	25 Nov 2015	Park, Jae-bok	Head of department, Overseas Sales Department, Munhwa Broadcasting Company (MBC)
4	25 Nov 2015	Lee, Geun-haeng	Producer, Culture and Education Department Former head of MBC Labour Union
5	26 Nov 2015	J	Deputy director in Terrestrial Broadcasting Policy department, KCC Former deputy director in Korea Broadcasting Commission (KBC)
6	1 Dec 2015	C	Team manager, in Korea Communications Standards Commission (KCSC) Former employee in KBC
7	1 Dec 2015	Lee, Bong-hyun	Vice chief in Media Strategy department, Hankyoreh (Daily Newspaper)

8	2 Dec 2015	Choi, Sun-wook	Researcher, in KBS Broadcasting Culture Research Lab. Former participant in making of Digital Broadcasting Transition Law Committee
9	3 Dec 2015	K	Chief manager in Broadcasting Policy Planning department (in charge of PSB policy) Former Deputy director in KBC
10	7 Dec 2015	H	Chief director, Cable TV Association
11	7 Dec 2015	A	Deputy head of department, Korea Radio Promotion Association
12	10 Dec 2015	Bae, Gi-hyung	Chief manager in Overseas Sales department, KBS
13	12 Dec 2015	Lee, Jinro	Professor in Media Communication, Youngsan University
14	11 Jan 2016 (Telephone interview)	Jung, Hyun-sook	Head of department, International Cooperation department, Korea Educational Broadcasting System (EBS)
15	12 Jan 2016 (Telephone interview)	Kim, Han-joong	Producer, in News department, EBS Former producer in documentary department, EBS

Interview questions

As presented, this thesis adopts semi-structured interview. This is a moderate form of interview among other forms of interviewing. In semi-structured interview, there are some fixed questions, having some flexibility to ask other questions. Accordingly, the researcher asked all of the basic questions to the interviewees in similar manner, but randomly asked other related questions according to the respondent's job, position, expertise, and conversation flow. As a result, more information could be obtained than originally intended, which was useful in understanding various aspects regarding media convergence. The following is the list of fixed questions that were basically given to each interviewee at the time of the interview.

Table 4 List of Interview Questions

Number	Question
1	To get basic information about you, I would appreciate if you briefly explain the job you have been working on.
2	At the time of the establishment of the Korea Communications Commission (KCC), what was your recognition on media convergence phenomenon? At the time, what expectations or concerns did you have regarding media convergence? How did the situation develop compared to your outlook at that time?
3	What do you think of the process of social discussion on the establishment of KCC?
4	What do you think of KCC's policy since 2008?
5	What do you think of the organisational integration between KBC and MIC?
6	What do you think of the process of appointment for the directors and CEOs of KBS, MBC, and EBS?
7	Please tell if you have any recommendations for the better media policy and regulation.

Research ethics

In addition, the researcher tried to thoroughly examine and follow what the school's Research Ethics Committee required for this research. One of the critical points suggested by the committee was the anonymity of the interviewee. It was required for me to ask the interviewee whether their conversations wanted to be recorded before the researcher start to record the conversation. Also, it was required to ask them whether it is fine for them to open their names in this thesis, or they want to be anonymous. Therefore, these questions were asked every time the researcher took interviews. Most of interviewees who work for non-governmental institutions said that they are fine with the disclosure of their personal information. Thus, they allowed the researcher to reveal their names and other personal information. However, most of civil servants who work for governments and quasi-government agencies did not want to reveal any of their personal information. They concerned the case that their personal opinion is presented as the general opinion or tendency of their institution. But it seemed that they did not want their colleagues know what they really think about media policy and related institution. Some of them wanted to have conversation in a secret place such as empty meeting room, where nobody can hear the conversation. But some of them seemed speaking their thoughts very frankly, even though he did not want to disclose his personal

information. Accordingly, in most cases, civil servants' names are presented with the initials of their names.

3.2.3. Quantitative approach

In the meantime, this research used quantitative approach as well, to see the extent of influence of media convergence in the media markets. As noted in introduction chapter, it was the third purpose of this research; to see the practical results of media convergence. And it was noted that there has been very little research which figured out what actually happened in media market in the name of media convergence. And this was why this research aimed to statistically look what actually happened as 'media convergence phenomena'. More specifically, the quantitative approach was used in Chapter 6, and this is done by analysing the changes occurred by the emergence of convergent media. In so doing, the revenues and market share of convergent media were extracted from official market reports on Korean broadcasting and telecommunication, and the data was re-categorised and re-analysed in the frame of media convergence. In so doing, the chapter checked the changes of market share of convergent media in broadcasting and telecommunication markets by tracking their revenue and market share in a recent decade. Annual market reports published by Office of Statistics in Korea, KCC and other relevant media agencies were examined. As a result, the influence of media convergence on Korean media market was measured, by calculating the revenue and market share of new services that were enabled by media convergence.

3.3 Conclusion

As examined so far, this research used qualitative approach as the main method, adding quantitative approach to fulfil the three purposes of this research comprehensively. Deacon et al. (2007:117) mentioned that "different methods may be appropriate to the different stages and focuses of your research, while the use of more than one analytical method has the advantage that the weaknesses of any single method, qualitative or quantitative, are balanced by the strengths of other methods". McQuail (1992:98) also noted that the use of combined qualitative and quantitative methodology can contribute to in-depth analysis on media events. This is the reason why this research implemented different methodologies together. Indeed, the mixture of both qualitative and quantitative methods was helpful in understanding the various aspects of media convergence phenomena. That is, qualitative approach is useful when we are to capture the essence or insights from the provided texts. Meanwhile, quantitative approach is useful in examining the exact amount of changes that happened in media sectors.

This is the end of Part I. This first part examined the overall purposes, frameworks and methodologies for this research. More specifically, it presented the research gaps in media convergence research, and established three purposes of this thesis. And then it conducted literature review, setting up the framework for Korean case study in Part II. And then it examined the methodologies used in previous literatures as well as in this thesis.

In Part II, Korean cases will be examined in the next five chapters, from Chapter 4 to 8. Chapter 4 examines how the 'concept' of media convergence was made in Korea and clarifies the definition of media convergence. Chapter 5 analyses what 'discourses' were emerged in the process of development of media convergence. Chapter 6 deals with the influence of media convergence on media market. In other words, it deals with the degree of 'market convergence'. This chapter investigates the extent of influence of media convergence on the markets of Korean broadcasting and telecommunication. Chapter 7 deals with 'policy convergence'. It examines media governance reform in Korea, which was caused by the development of media convergence. The process and the results of policy convergence will be examined, and some practical lessons from this will be presented as well. Chapter 8 investigates the policy changes in broadcasting, telecommunication and newspaper sectors. This is to see the actual impact of media convergence on the existing policies and regulations of those media. Chapter 9 summarises and discusses the findings of the whole thesis.

Part II

4. The concept of media convergence and its problems

In this chapter, the concept of media convergence will be examined. To this end, the technological foundations of media convergence and the earliest definition of the concept will be examined first. And then it will move to examine some problems found in definitions previously made on the concept.

4.1. Development of digital and transmission technologies

The technological possibilities of media convergence were addressed for the first time in the late 1970s by some thinkers related to computer sciences and media studies (Fagerjord and Storsul, 2007:19; Meikle and Young, 2012). At that time, computing system and digital technologies were emerged for the first time in media history. On the other hand, networking technology, which connects many computers in telecommunication networks was emerged too. As a result, computing system and telecommunication technology were technologically integrated for the first time in the late 1970s, and accordingly, the very first model of media convergence appeared. In other words, there was the birth of connected-computer for the first time in media history, which eventually formed a network with many other computers through telecommunications infrastructure. Before then, computer was not a medium that forms a connected network with other computers. However, with the development of digital and networking technologies, media contents started to be digitalised by computing system, and at the same time, the digitalised content started to be shared in a broad telecommunication network.

Digitalisation means that any analogue (or physical) contents can be transformed into binary signals that consists of 0 and 1. For example, newspaper, voice, motion pictures and any other forms of media contents can be transformed to a set of digital codes, and it means that a computing system can understand and manipulate the signals. This is possible because the digital signals are the language of computer. Therefore, digitalisation means that word, image (still or moving), and sound can be created, transmitted, received and stored by computing systems. Therefore, for example, if a newspaper is digitalised, it can be seen on a computer. Likewise, any other traditional media contents such as film, radio and TV contents can be transformed, created, and delivered in digital and they can be manipulated by a computing system.

In the meantime, the development of data transmission technology enabled those digital signals to move in various networks. This was enabled by data compression technology and more advanced transmission materials such as copper coaxial cable and fibre optics (Singh and Raja, 2010:10). For example, when a TV programme is digitised, it can be transmitted through copper coaxial cable of a cable TV company, or through fibre optics of a telecommunication company. On the other hand, it also became possible to transmit (traditionally different) contents in a single network. This was enabled because both copper coaxial cable and fibre optics could transmit both audiovisual contents and voice. This meant that a telecommunication company can send voice as well as audiovisual contents, while a cable TV company can send audiovisual contents as well as voice in their own single network.

When it comes to media device, a digitised content including audiovisual contents and voice could be transmitted on any ‘digital and networked’ devices. Today we call such ‘digital and network-connected’ devices by putting the prefix ‘smart’ to existing media devices. For example, a ‘smart TV’ means a network-connected digital television that runs on a computing system. Plus, a ‘smartphone’ is basically a small connected-computer that also has a telephone function. By using such smart devices, media contents can be watched and created in digital formats and transmitted in telecommunication networks.

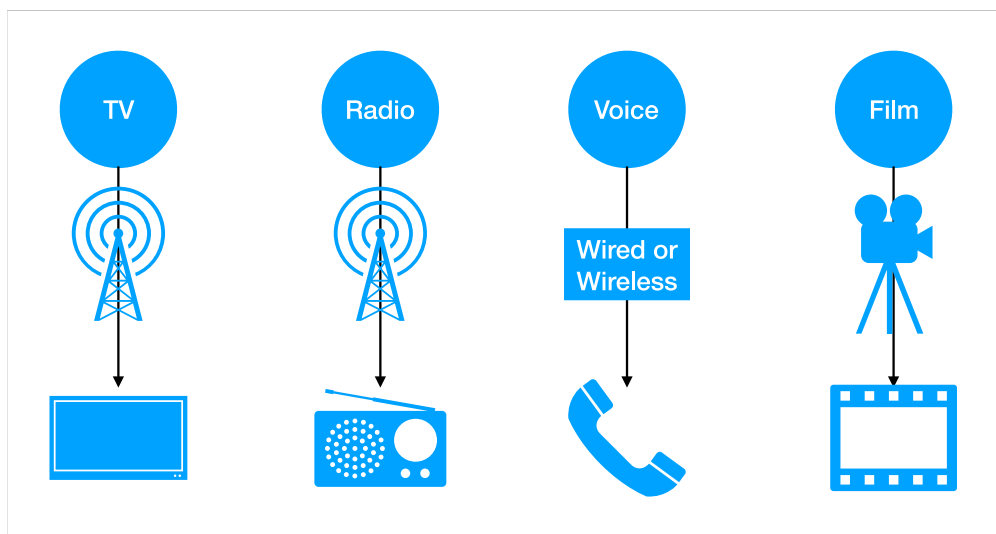
4.2. The earliest concept of media convergence

In this technological background, the very first concept of media convergence was presented in early 1980s. In the book *Technologies of Freedom* (1983), Ithiel de Sola Pool addressed the possible changes in media, which could be brought by digitalisation of media (Jenkins, 2006:10). In his book, De Sola Pool (1983:23) presented the concept of media convergence as follows:

“A process called the ‘convergence of modes’ is blurring the lines between media, even between point-to-point communications, such as the post, telephone and telegraph, and mass communications, such as the press, radio, and television. A single physical means – be it wires, cables or airwaves – may carry services that in the past were provided in separated ways. Conversely, a service that was provided in the past by any one medium – be it broadcasting, the press, or telephony – can now be provided in several different physical ways so the one-to-one relationship that used to exist between a medium and its use is eroding”

As De Sola Pool's definition showed, the foundation of the media convergence concept was the previous status in media transmission. This can be addressed as 'one-to-one' relationship of media. For example, in the past, TV contents had to be transmitted through antenna which sends radio spectrum to TV receiver. This can be described as the picture below, which shows the traditional one-to-one delivery modes in the creation, distribution and consumption of each medium.

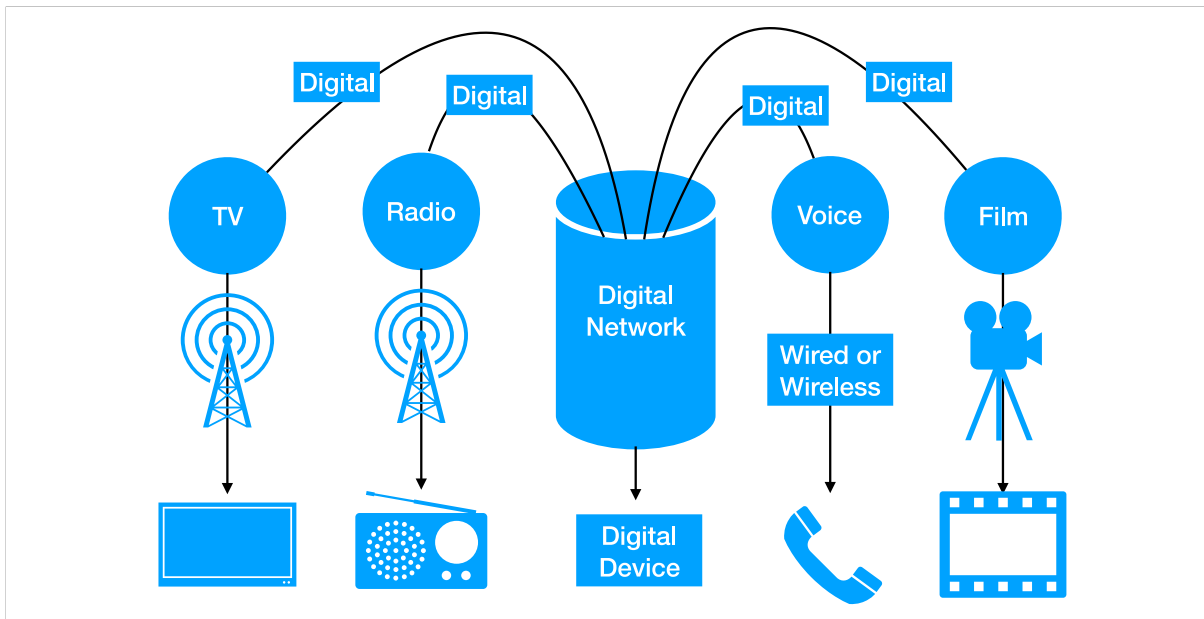
Figure 2 Traditional One-to-One Communication



Source: De Sola Pool (1983)

However, as described in the first part of De Sola Pool's definition on media convergence, various media contents can be transmitted using a single digital network. This means that there is an additional network, which can transmit technically every digital signal through it. And this is enabled by the development of digitalisation and transmission technologies. On the other hand, as the second part of his definition showed, a single content can be transmitted in various networks. Therefore, it can be said that there is an additional network that can transmit digitalised content. Consequently, De Sola Pool's description of media convergence can be presented in the picture as below.

Figure 3 De Sola Pool's Description of Media Convergence



Source: De Sola Pool (1983)

As shown above, the concept of media convergence given by De Sola Pool can be understood in two different parts. The first part of this description tells about the development of transmission technology. In other words, it is mostly about the advent of new digital network that can convey traditionally different media contents. The new digital network could be a wire, cable or airwaves, as he exemplified. Therefore, in this first part of definition, media convergence can be described as a technological development that enables various digital media services to be delivered in a single digital network. For example, if a telecommunication company provided only telecommunication services such as landline and mobile telephone services using their wired and wireless telecommunication networks, it has become possible to use the same network to offer broadcasting service such as IPTV (Internet Protocol Television) in addition to their existing telecommunication services. When it comes to cable TV provider, it only offered TV programme services in the past, but now it provides telecommunication services such as telephone and broadband services on top of their cable TV service, thanks to the digitalisation and the development of transmission technology.

The rest part of De Sola Pool's definition seems describing a separated phenomenon, but it is rather like the result of the first part where new transmission method was introduced. That is, as a new transmission method was introduced, a provider could transmit their contents via additional method. Therefore, as De Sola Pool said, a service that had been delivered using only one single method, was started to be delivered using at least more than one method. For example, with the advent of an additional digital network, a TV service provider has been able to offer TV

contents via radio spectrum as well as the new digital network. More specifically, a TV drama series could be delivered through cable TV or IPTV services in addition to traditional free-to-air service that uses transmitter, radio spectrums and TV receiver antenna. When it comes to telecommunication service, landline and mobile telephone services can be offered via broadcasting network as well as the existing telecommunication networks.

However, one can ask whether this is truly relevant to the concept of ‘media convergence’, as the second part of description seems more like, paradoxically, a divergence trend in content delivery. That is, in the past, one medium could send just one type of content. However, as the description said, with the advent of the new digital delivery mode, a content can be transmitted using additional methods. Therefore, the rest part of De Sola Pool’s description on media convergence was about the ‘divergence’, rather than ‘convergence’ of delivery methods which can happen in a digitalised world. And as it is known, there is another concept that describes this phenomenon, such as multimedia and multiplatform.

In conclusion, De Sola Pool’s definition on media convergence can be divided into two parts, and it was mostly about the changes in delivery modes that was caused by digitalisation. As examined above, the first part was more related to the concept of convergence, as it mentioned the newly developed digital network, which was a converged network that can convey various contents in a single delivery mode. This can be an example of media convergence, for several traditional media networks can be ‘merged’ into a single network. More specifically, the new digital network could mean the merging between broadcasting and telecommunication networks, which had been separated in the past. However, the second part of his description was mostly about the divergence of delivery modes, for it described that a single content can be delivered in different network. Therefore, it could be said that his early examination on media convergence was mainly about the birth of ‘converged network’, which was caused by the development of digitalisation and transmission technologies.

4.3. Four problems of the concept

Although the concept has been used in many occasions in business, policy debate and academia, the concept has not been clearly defined so far. Indeed, it has been described differently, so it is a difficult job to understand the term comprehensively. This part examines various definitions after De Sola Pool and discusses the problems of the concept of media convergence, which led to ambiguity and confusion over the concept. Four problems are addressed; its broadness, overlapping character, exaggerated presumption and paradoxical demonstrations.

4.3.1. Broadness

The first problem of the concept attributes from the big word 'media'. That is, in many cases the descriptions on media convergence were about certain parts within media, where different levels of value chain exist. However, it has been normally presented as 'media' convergence, not being limited to the convergence in certain parts of media value chain. Accordingly, even though there were many literatures that dealt with the concept of media convergence, it is difficult to find the same definition on the concept. This is because those literatures addressed different media convergences which happens in different part of media value chain. Thus, if someone is to get a comprehensive understanding on the concept, an effort is needed to gather and combine all those different and sectional definitions which are relevant to different parts of media. For example, when a study defines the term in the perspective of content provider, it focuses on media convergence phenomena that are relevant to content provider. On the other hand, if it approaches the concept in audiences' perspective, it stresses the changes in devices and audience's usage that are caused by media convergence. These different descriptions on media convergence leads to a confusion in understanding the concept in comprehensive way. So, one might ask, what is media convergence phenomena as a whole? To answer this question, it is needed to analyse many different existing definitions first and then present a more comprehensive, structured and clarified concept on media convergence on the basis of the analysis.

Media convergence in value chain

As mentioned above, the concept of media convergence has been presented in different parts of media value chain. In other words, there are different versions of 'media convergences' within media value chain, which consists of content, platform, network and device. Thus, it can be a good way to understand the concept in a comprehensive manner by depicting those concepts in different levels of media value chain. In doing so, it will be able to see which parts of value chain were frequently mentioned as media convergence, and which parts were not.

Content convergence

Firstly, when a media convergence occurs in content level, it could be called as content convergence. However, it is difficult to find a study that presented this type of convergence with appropriate examples. Maybe, this is because film, television and radio broadcasting contents are generally similar to what it was in twenty years ago. However, with the advent of new digital technology and transmission technology development, some imagined that there would be quite different types of contents available to the audience. For example, even in some policy papers that were published by Korean government, it was predicted that audiences of a certain TV sports

programme such as baseball and football would change their view points from here to there in the stadium while they are watching the sports events. This was one of many interactive services that seemed technically possible in the future. However, it seems clear that this type of TV service is not popular by now. Moreover, it was also presumed that an audience would engage in the plot of a drama or a film so that they could choose their own preferred story while they watch the drama and film. This particular example shows possible convergence between traditional audiovisual contents and video games. But the thing is that this is still not quite popular in practice, and people still tend to watch TV and film in traditional ways. Due to the technological advances such as wireless data transmission and digital storage, now people can watch any contents anytime, anywhere they want to watch the contents. But it seems that the content itself has not changed a lot. The TV drama and film contents are still more likely to be quite linear and fixed ones, and the audience enjoys an audiovisual content as it was created, and it seems that they tend not to engage in what they are watching.

Platform convergence

Meanwhile, conceptually, media convergence could be discovered at the level of 'platform' in media value chain. However, as in the case of media content, this was not the popular case which can be seen in the discussion of media convergence in last twenty years. Platform could be understood as an operation system which presents media contents that its provider wants to show. For example, a platform could be an installed software programme in cable TV's or IPTV's devices that transmits audiovisual contents to content receiver, such as a television or a monitor. So, this could be an operation programme in the devices provided by BT, Sky and Virgin, or it could be Youview, which is offered as a pre-installed EPG (Electric Programme Guide) in most recent digital televisions. Due to the development of digital and transmission technology, now the audience can enjoy digital TV as well as digital radio programmes on a digital TV. This can be seen, to some extent, as an example of platform convergence, because TV platform is converged with radio platform. However, what seems more significant in terms of digital platform in these days is not the technical convergence between traditionally different platforms. More significant phenomenon is the rise of totally new digital platform, which runs on a broadband network that is not owned by the platform company. For example, Netflix and Amazon Prime Video are newly emerged platforms that offers TV programmes and films via the customer's broadband network. As the digital TV penetration rate increases and data transmission speed increases, this type of platform services could have been very successful in delivering high quality audiovisual contents to many customers around the world. But this seems more adequate to describe the platform as a totally new platform, rather than putting it as a converged one. Accordingly, in most cases, platform convergence has not been the centre of the discussion that are relevant to media convergence.

Network convergence

The third model of media convergence, which is the convergence of ‘networks’ was the most frequently mentioned model presented in previous studies (see European Commission, 1997; Blackman, 1998; Iosifidis, 2002; Van Cuilenburg and McQuail, 2003). This has been the most frequently addressed case of media convergence, from the earliest definition given by De Sola Pool in 1983. Since then, the new digital network that technically converges every other network has been at the centre of the concept of media convergence. It lasted for following twenty years, as network convergence was seen as the most appropriate version in describing media convergence. In other words, in many cases, media convergence meant network convergence. To put differently, what frequently presented was practically ‘network convergence’ rather than ‘media convergence’. Network convergence means a merging of networks that previously delivered different contents in the past. As mentioned earlier, the development of copper coaxial cable and fibre optics enabled such networks can be used for phone call as well as delivery of audiovisual media contents at the same time. This enabled a broadcasting company and a telecommunication company to offer technically same services to their customers. For example, a cable broadcaster can offer wired and even wireless telephone service, which is called as VoIP (Voice over Internet Protocol), in addition to their TV subscription service. On the other hand, a telecommunication company can offer both IPTV (Internet Protocol Television) service and their existing landline/mobile telephone services. But what is often missed in the discussion of network convergence is that the previous modes of transmission are still there. That is, still the radio spectrum is used as an important network source for broadcasters, such as PSBs in the UK. Furthermore, there are still many cases that telephone landline is exclusively used for only telephone service, as in the past. Therefore, it would not be appropriate to say that all the networks are converged, or it is going to be all converged someday soon. To put it in different way, there are co-existence and co-evolution of old and new networks (Dwyer, 2010). Accordingly, in a broader perspective, it would be more adequate to say that there has been ‘diversification’ in delivery modes, by the advent of converged network. In other words, the network convergence has brought the divergence, in terms of total media networks. This is fairly interesting point that this study sheds light on. This will be examined further in following parts of this thesis, particularly in Chapter 6, where the practical development of network convergence was investigated.

Device convergence

Last but not least, there is device convergence. It was also a popular form discussed in relevant documents. Device convergence means the integration between different media devices. So, if a device can present more than one traditional content, it could be called as a converged device.

Smart devices such as smartphones and smart tablet and any other network-connected computer can be understood as the examples of device convergence. Smart device means a network-connected computer, so this is basically the same with a computer device that is connected to a network. They are run by computer systems, and they are connected to the internet via wired or wireless broadband networks. But, as we have just seen above in network convergence, this does not mean that the existing devices are being totally replaced by smart devices. Those traditional and new smart devices are too, in co-existence status, as in the network's case. Therefore, again, the advent of device convergence also brings the divergence in media device as a whole. This will be examined more specifically with a case study on Korean media market in Chapter 6.

Conclusion

As examined above, most definitions on media convergence were relevant to network and device levels in media value chain. In other words, media convergence was not quite relevant to content and platform levels. Without this notion, it would be hard to capture what media convergence has practically meant. Also, it was addressed that because of the advent of newly converged models, particularly in network and device sectors, the degree of divergence was increased within each sector, ironically. Therefore, depending on which point of view is taken, the same phenomenon could be seen differently. More precisely, when it is seen in a micro level, as seen in technological perspective, it could mean convergence, but when it is seen in a broader perspective, as seen in industrial perspective, it could mean divergence. This happens because a converged one does not totally replace the existing ones. In other words, the co-existence of old and new media technologies brought about the diversification in overall media sectors, even though there is a possibility of that new media technologies gradually replace the old ones.

4.3.2. Overlaps

The second problem of the concept is that it overlaps with existing terms that are used to describe merging trends in media. The merging can include the integration of different modes or standards of data transmission technologies, and also it can include the merging between existing media companies, industries and markets. For example, media convergence is quite similar to the concept of 'telematics'. Telematics is a compound word between telecommunication and informatics (informatics means information science). As noted in the earlier part of this chapter, the two core premises of media convergence are digitalisation and the development of data transmission technology (network technology). On the other hand, telematics is also enabled by the integration between digital computing system and telecommunication technology. The concept of telematics seems like more technological term than media convergence, but both concepts share very

significant principles together. Indeed, as showed in the earliest concept of media convergence by De Sola Pool (1983), the initial model of media convergence is almost the same with something called ‘telematics’. That is, the basic model of media convergence can be exemplified as a ‘connected computer’, which can be used for the production, delivery and consumption of media contents. Meanwhile, telematics also means a technology which can be used for production, delivery and consumption of information. But the information is not limited to simple letters or numbers on a computer screen, so technically the information could also mean media contents. Therefore, it can be said that the concepts of media convergence and telematics share very core components that consist of those concepts. This is why Latzer (2009) introduced a term, ‘mediamatics’ as a synonym of media convergence.

In the meantime, media convergence could also be seen as a similar concept to the existing concept of vertical and horizontal integrations. Vertical integration means the merging between different media companies that are positioned in different level of media value chain. For example, if a platform company buys a content making company, then it can be called as vertical integration. Horizontal integration means the integration between media companies that are set in the same level within a media value chain. If a network company does M&A with another network company, this means horizontal integration. At the first glance, vertical and horizontal integration seems like more relevant to industrial events, while media convergence is more about technological event. However, the problem is that media convergence is not limited to technological explanation. That is, the concept can be used in the context of the merger and acquisition between media companies, when it is used in the industrial or market levels within media. Indeed, this similarity and logical correlation between media convergence and vertical/horizontal integration was captured in some studies (see Dywer, 2010; Noll, 2002; Iosifidis, 2002). Those studies warned that the concept of media convergence can be used as a justification for even greater consolidation in media markets, and this can be done in favour of large dominant media companies.

Therefore, media convergence could be confused with other existing terms such as telematics and vertical or horizontal integrations. Because the concept demonstrates phenomena of merging between different technologies or different companies, it can be overlapped with other concepts which describe similar merging trend. This duplication can be attributed from the word ‘convergence’, as it can be relevant to all types of merging. Therefore, it can be said that the problems of the concept of media convergence lies in its greatness. In other words, the term can be ambiguous because it tries to explain too many things with the single term. Thus, as the previous section pointed out the problem of ‘too much broadness’ by using ‘media’ in the concept, in this section, it was also presented that, ‘convergence’ is also too general. Consequently, the use of too much broad and general terms in a single concept can bring about high ambiguity and duplication,

as in the case of media convergence. The next part will discuss the problem of presumption which was at the centre of the concept.

4.3.3. Presumption

It is true that the concept of media convergence was based on an actual examination on technological changes that was brought about by the development of digital and transmission technologies. However, at the same time, the term has strong sense of prediction, as the concept presumes that it will be expanded over media. In other words, the concept was often regarded as a revolutionary phenomenon that will impact the overall media, culture and society. For example, European Commission's Convergence Green Paper (1997) which initiated the discussion of media convergence in Europe, showed that media convergence is strongly linked to the vision of Information Society. In the paper, it was noted that "convergence is not just about technology. It is about services and about new ways of doing business and of interacting with society. [...] The emergence of new services and the development of existing services are expected to expand the overall information market [...]" (European Commission, 1997:ii). Furthermore, Jenkins (2001:93) also saw that "media convergence is sparking a range of social, political, economic and legal disputes because of conflicting goals of consumers, producers and gatekeepers [...] the digital renaissance will be the best of times and the worst of times, but a new cultural order will emerge from it". Accordingly, Dwyer (2010:8) said, "convergence is never just a technological process but is implicated in, and expressed as, profound and ongoing social, cultural and economic change". In line with this, Vick (2006:27) rightly captured that the concept of media convergence was being inflated in the UK. He said, "it did not take long for 'convergence' to take on broader meanings. The term acquired a near-utopian resonance for some, who prophesied that the physical characteristics and functions of different media fora would become indistinguishable, the variety of available programming and content unbounded, and special regulation of communications industries unnecessary". Therefore, it can be said that in many cases, the concept of media convergence has been used in the context of imagination and presumption about the future of media and society. And it seems that this is partially attributed from the concept's broadness and ambiguity, as examined above. That is, because the concept was not a specific demonstration of a phenomenon, it could be easily manipulated to be an inflated concept.

In the meantime, the concept is more problematic because the concept does not make any room for the possibility that media convergence trend could be ceased or reversed at some points in the future. In line with this, Michalis (1999) noted that the convergence of media is a process and it is difficult to predict how the future will develop. As she rightly captured, it is better to be cautious when we use a concept that has a strong characteristic of prediction. Future is more likely

to be unknown in many cases. This is why Noll (2003:12) strongly argued that media convergence could be nothing but an illusion of the future. He said, “the very term ‘convergence’ is so all encompassing of a large number of concepts that by attempting to be everything, convergence is nothing more than an over-hyped illusion. The future can be no more certain than that which is being examined, and thus the undefined and illusionary nature of convergence means that its future is equally undefined and illusionary.”

Therefore, unlike other relevant concepts such as digitalisation, which is a specific description of what happens in technology, media convergence was something more than technological description. In other words, the concept contained both the actual changes and presumptions. That is, the concept was often used in the context where its rapid expansion was stressed. Therefore, due to its strong character of presumption, the concept could have provoked many different imaginations in its readers’ minds, and accordingly, it could have caused ambiguity and arbitrariness. In short, because the concept of media convergence has been mostly about ‘the ongoing and furthering trend of blurring demarcations between media in the future’, this concept has been inescapably ambiguous and intangible.

4.3.4. Paradox

Furthermore, in some cases, the concept was presented in paradoxical way. That is, although the term is describing a phenomenon that shows something merged, it was often used to describe a diverging phenomenon together. In other words, despite the term stands for converging trends in media, it also used to describe multimedia or multiplatform trends in media. Therefore, this paradoxical description of the concept might have caused a confusion in understanding it clearly. For example, Fielden (2012) described media convergence as follows:

“Newspapers are not just printed but online and carry video packages with the look and feel of traditional TV; broadcasters publish websites including text-based articles similar to online print offerings; scheduled programmes are broadcast but also available on-demand, both on digital channels and a variety of websites; user-generated material vies for online audiences alongside professionally produced content; professional and amateur bloggers share the same debates” (Fielden, 2012:2).

And this approach for the definition of media convergence was adopted by the UK Parliament as the best description of the concept. In a House of Lords’ select committee report on media convergence, it was noted:

“Media previously made distinct by their technology of distribution have converged. Newspapers are no longer just printed on large sheets of thin paper; they also have websites with up to the minute information, including videos which remind you more of the printed page. Broadcasters do not just beam signals to your TV aerial or satellite dish; they have websites with articles published on them which might remind you more of the printed page” (House of Lords, 2013:5).

However, this definition seems better named as multiplatform or multimedia, not convergence, as it does not exemplify what is merging, but it only shows what is diverging. When it comes to audience’s perspective, they highlighted the diversifying trend of media use, too: “The easiest way to think about media convergence is as a technological phenomenon whereby the digitisation of content and its distribution have given audiences the ability to access content on multiple platforms or devices. Media previously made distinct by their technology of distribution have converged” (House of Lords, 2013:7). This can also lead to paradoxical understanding of media convergence, as when the term itself was about convergence, the given examples were not convergence, but divergence. When we look at the descriptions above, and if we are taking the audience’s perspective, can we really say that something is converged? It would be much more reasonable to say that the audience’s use of media is diversified than before due to digitalisation of media contents.

Although it is more frequent to see this kind of paradoxical descriptions on the concept of media convergence, some took right direction in describing the concept. For example, Michael Starks (2014:125) said that “distribution systems for broadcasting, press and internet are converging; the same infrastructure can deliver all three historically separate services. Reception devices mirror this; the Connected TV, the tablet and the smart phone overlap in their functionality”.

4.4. Conclusion

The concept of media convergence has not been clarified since it was first introduced in early 1980s. Indeed, in most times since its first introduction, the concept has been loosely understood because of its broadness, overlapping character, and its strong relationship with presumption, and many paradoxical descriptions on it. But as time goes by, it was able to find that the concept has gradually developed as more specific one than in the past. The development can be seen in two different reports of OECD published respectively in 2004 and 2016. In their earlier report on media convergence in 2004, they described the concept almost the same with digitalisation, and strong presumption of the pervasive expansion of media convergence was frequently addressed. However,

more than a decade later, in 2016, they started to define the term more specifically, as they divided the different level of convergence in media value chain. Therefore, they started to recognise that media convergence is mostly about the convergence between digital networks, maybe because this was what they actually found in practice. Accordingly, this difference seems to show the disadvantages of using too broad terms, such as media and convergence, when make a concept. When a concept leads people to logical leap or hasty generalisation, then the concept cannot be regarded as useful one in ordinary occasions, and particularly in academic circle, where specific investigation is needed. Therefore, it can be said that the concept of media convergence is highly relevant to the merging of digital network and digital device that were separated in analogue modes. In other words, the concept of media convergence could have been replaced with ‘the convergence of digital networks and devices’ in many occasions.

Meanwhile, it is notable that these problematic aspects of media convergence were, surprisingly, pointed out in its very early stage of emergence. In the late 1990s, Blackman (1998) argued:

“Convergence is a term which has gained widespread currency in recent years and which has been applied in a variety of contexts. It is used as a convenient shorthand to describe what are perceived as several changing trends in technology, services, industry structures and government policies affecting the telecommunications and audio-visual sectors. Shorthand, of course, can be imprecise and, in my view, has led to some erroneous assumptions about the way in which regulation should be approached” (Blackman, 1998:164).

This shows that another shorthand concept, for example, ‘the fourth industrial revolution’, can contain a danger of similar problems that media convergence showed in its history. Also, it can be noted that if we are careful enough when we use and promote a newly emerging concept, it might be possible to avoid confusions by using an ambiguous concept. Therefore, a concept which is based on a long-term investigation is more likely to contribute to the accurate observation of a social phenomenon. A good concept is made with highly specific and exclusive words that can clearly describe a phenomenon.

The next part will examine the discourses related to media convergence. As can be assumed here, the development of discourse on media convergence is relevant to the looseness of the concept itself. That is, the problem of concept was reflected in the development of media convergence discourse. Bearing this in mind, the next chapter will look into what discourses were developed, and how these discourses were made in the media policymaking process in Korea.

5. The emergence of convergence discourse

In this chapter, the discourse on media convergence will be examined. To this end, Convergence Committee's White Paper and Korean Communications Commission (KCC)'s work plans in 2008-2017 will be analysed as the main texts. Convergence Committee's White Paper is an important source for the examination of the various stakeholders' view on policy convergence, and accordingly, the discourses that were emerged in the course of discussion. Furthermore, the converged policy institution, KCC, which was established according to the Convergence Committee's white paper, will be analysed to see how it was relevant to convergence discourse. On the basis of the analysis of Convergence Committee and KCC, the chapter will discuss some useful findings for media policy practice and media policy studies.

5.1. Policy convergence debate in Korea

The debate on policy convergence between broadcasting and telecommunication in Korea was a long-standing issue that lasted a decade. In 1998, the Broadcasting Reform Committee (Reform Committee) first addressed the matter of policy convergence. But as there were several separated broadcasting policy institutions at that time, Reform Committee suggested the government to establish an integrated broadcasting commission first, and then to establish a more integrated broadcasting-telecommunication policymaker-regulator later in 2001. Accordingly, several broadcasting policymakers and regulators were integrated, and was named as Korean Broadcasting Commission (KBC). And as said, the fully integrated communication policy institution which oversees both broadcasting and telecommunication was not established then, and it was postponed to 2001. But in 2001, despite many efforts to establish a converged broadcasting-telecommunication agency, it was not fulfilled. Therefore, in 2002, the convergence between broadcasting and telecommunication agencies became a new government's pledge. However, the government could not deliver it, as KBC and the telecommunication department, Ministry of Information and Communication (MIC), had quite different views on the way and the necessity of policy convergence. More specifically, KBC saw that policy convergence should be adopted right away, while MIC did not think that it was quite necessary. From 2003, KBC and MIC occasionally made joint consultation teams to discuss how to introduce new services such as satellite TV, digital broadcasting and interactive TV services such as Data PP (interactive programme provider, which means contents production firms and their interactive service channels). However, it was always difficult to make a good consensus between the two institutions.

Moreover, in 2005, those two parties had a conflict in defining the IPTV service. KBC argued that it is a broadcasting service, while MIC argued that this is a quite new interactive service and therefore it is closer to telecommunication service rather than broadcasting service. Then the government arbitrated in the dispute and suggested to conduct a trial service of IPTV first and then discuss its definition later. But their views on IPTV were not changed and the introduction of service was delayed. The National Assembly also tried to arbitrate in the conflict between them, but it was not successful, because Small Committees of broadcasting and telecommunication also maintained different opinions for the definition of IPTV service. More precisely, the Small Committee for broadcasting had a similar opinion to that of KBC, while the Small Committee for telecommunication had almost same opinion with that of MIC. Consequently, as of 2006, no consensus was made for IPTV, despite a decade of debate between broadcasting and telecommunication sectors and many efforts from relevant institutions including government and National Assembly.

5.2. Convergence Committee's white paper

In 2006, Roh, Moo-hyun government established Convergence Committee to fulfil its pledge and settle the long-lasting conflict between broadcasting and telecommunication sectors. The Convergence Committee was an advisory body to prime minister who was the chief officer of the government. For one and half year, government ministries and other stakeholders discussed the way of adopting policy convergence in the Convergence Committee. The committee's core purpose was to discuss the best media policy system for the era of media convergence. Kim, Sung and Jung (2008) saw that the Convergence Committee performed well as a good third party that arbitrated in the dispute between broadcasting and telecommunication. Indeed, the committee can be regarded as the most inclusive place for discussion on the subject, as the voices of various stakeholders could be heard in the committee.

Convergence Committee's white paper consists of 423 pages and it presents the whole process of discussion in detail. Based on the results of these discussions, Convergence Committee submitted bills regarding the establishment of IPTV Act and KCC. These bills were reviewed and passed in the National Assembly, but as the Roh government was finished in 2008, the bill was actually applied when Lee, Myung-bak government was in power, which was the next government to Roh government. The bills of Convergence Committee were almost accepted as it was submitted, without critical corrections. Therefore, the Convergence Committee's White Paper can be regarded as not only the best way to look at the process of policy convergence in Korea, but it was also an influential material that actually resulted in the establishment of convergence-related Acts.

Therefore, by analysing the white paper, it is possible to see the prevalent discourses and arguments that emerged in the process of policy convergence between broadcasting and telecommunication agencies. The following part of this chapter examines some discourses that were prevalent in Convergence Committee. And then, KCC's policy style and the discourses that were presented in their 2008-2017 work plans will be analysed.

5.2.1. Recognition of differences between broadcasting and telecommunication

Basically, the Convergence Committee White Paper recognised that broadcasting and telecommunications have different functions and that they are subject to different policy principles. For example, the Chairman of Convergence Committee, An, Moon-seok said, "broadcasting is based on policy frameworks that emphasise the value of the public good. On the other hand, telecommunication has been developed as a value system that protects the privacy and the promotion of industry. It is a difficult task to reconcile the conflict between the different value systems" (Convergence Committee, 2008: Introduction). More specifically, the white paper stated that broadcasting is regulated through differentiated entry, ownership, competition, and content regulations, etc., based on different public interest for the purpose of securing the public interest. Meanwhile, it was also recognised that telecommunication is regulated mostly by competition law for the economic efficiency and active competition in the market.

Moreover, the different characteristics between government department and independent institution were also recognised in the white paper. This is relevant to the discussion of governance system of broadcasting and telecommunication. In the past, telecommunication sector was mostly overseen by government department, and broadcasting sector was regulated by non- or quasi-government institution. This was to prevent the political interruption from government to broadcasting, for the interruption can damage diversity of opinions in the society. In this background, it was also addressed that promotional policies in media can be best achieved by a government department, because it can effectively support promotion with government's budget. And also, they contended that it is a government department that can promptly respond to the rapid change in the market, as it has more simplified hierarchical decision-making structure than a commission. However, they saw a commission model can be more suitable for media regulation, such as broadcasting regulation, because the commission model can ensure more transparency and impartiality in policymaking as well as regulation process. They noted that this would make the institution more accountable to the citizen (*ibid.*, 76).

5.2.2. Convergence discourse 1: Technology changes everything?

Despite these perceptions in differences, Convergence Committee's white paper more emphasised that these distinctions between broadcasting and communication were being rapidly blurred, because it was thought that media convergence phenomenon at the time was accelerating very quickly. The recognition of 'rapid blurring between traditional media' was one of the most important elements in the concept of media convergence itself, as examined in Chapter 4. In the chapter, the problems of the concept of media convergence were addressed, and one of them was that the concept has strong sense of presumption which can bring about ambiguity and arbitrariness. In other words, the term can lead people to make their own predictions that are not based on thorough observations on the media convergence phenomenon. Therefore, the concept has strong sense of prediction made by exaggerating the pace of development of media convergence. In addition to this, it was also examined in the chapter that this type of convergence discourse was made in some Western countries' cases too. Similar to these cases, the Convergence Committee's white paper was filled with tons of assumptions that those differences between broadcasting and telecommunication would become totally meaningless very soon in the future. And all these claims were formed as a 'discourse' that appears most prominently throughout the white paper. For example, Han, Deok-soo, then the prime minister who was responsible for the commission, said that:

“The convergence of broadcasting and telecommunication, which rapidly breaks the boundaries between broadcasting and communication, is accelerating with the development of digital technology. [...] Based on this, the government can no longer postpone policy responses to the convergence of broadcasting and telecommunication” (Convergence Committee, 2008: Introduction).

In line with this, the white paper also stressed the developments of digitalisation and transmission technology. It said: “The distinction between broadcasting and telecommunication is blurred by technology and market development. As the analogue broadcasting has been digitised, it has become interactive, which is a characteristic of telecommunication, and telecommunication now can transmit a large amount of contents such as a broadcasting program to a large number of subscribers” (Convergence Committee, 2008:3). In other words, it was said that the boundaries between broadcasting and telecommunication will be blurred because they now share some similarities in traditional functions. But this argument can be seen as a logical leap, as it is arguing that a new 'partially' emerged similarity between the two sectors will result in the blurring of the most boundaries between those two sectors. In other words, it can be dangerous to assume that a

fragmentary phenomenon is going to be fully expanded to the entire level. However, this kind of ‘convergence discourse’ was very prevalent in the overall discussion.

In addition, the white paper argued that even political and socio-cultural roles of broadcasting and telecommunication were also changing. However, there was no specific reason supporting the argument. It was said, “the industrial characteristics of a service or media-specific network are changing structurally due to the technological developments, and the political, socio-cultural influence of the media is also constantly changing. As the distinction between broadcasting and telecom markets becomes increasingly irrelevant, the actualisation of new regulatory frameworks is urgently needed for convergence environments” (Convergence Committee, 2007:56). Through these comments, it can be confirmed that the convergence discourse was justifying the reform of media policy system, and the discourse exaggerated the speed of media convergence development. Moreover, it was argued that the political and socio-cultural influences of broadcasting and telecommunication were changing too, but there was no specific explanation on how such influence has been changed by the technological development. Thus, it can be seen as a logical leap, for it contends the partial change in media will definitely bring overall characteristic changes in media. Therefore, it seems that the convergence committee did not give much attention to other sectors in media, such as industrial, political, economic, social, cultural and historical aspects that consists of whole media. Meanwhile, as examined in Chapter 2, the prevalence of convergence discourse and its justification of media reform were also found, as in the studies such as Fagerjord and Storsul (2007), which examined some European cases on policy convergence. Therefore, it can be said that the first type of convergence discourse was effective in both some European countries and Korea.

5.2.3. Convergence discourse 2: Deregulate, reform and compete

This part will examine the economic opportunities relevant to media convergence first, and how the second type of convergence discourse discussed in Chapter 2 appeared in Convergence Committee’s white paper.

The economics of media convergence

Digitalisation of media meant that the media creation, transmission, reception and storage could be much economical than in the analogue era. In a digital environment, the cost of production, storage, transmission and reception can be significantly reduced, because physical equipment and its maintenance costs can be reduced. At the same time, the speed and capacity of processing could be enormously advanced by using computers in the process of media creation and distribution. All of these advantages of digitalisation meant new business opportunities for media companies

(Hesmondhalgh, 2013:311). In addition to this, the development of transmission technology offered another economic opportunity for media firms too. More specifically, digital technologies and data compression technologies have created spare bandwidth capacity in existing networks, and operators have been able to provide additional services. For example, telecommunication companies now can provide high-quality broadcasting services through their networks, while cable TV broadcasters can provide telephone services such as VoIP (Voice over Internet Protocol) on top of their existing TV service through their cable TV network.

The development of digital and transmission technologies has been greatly welcomed by both telecommunication and broadcasting companies because of following three reasons (World Bank, 2007:34-35). First, the development of the transmission network, especially the introduction of Internet Protocol (IP) based packet switching data transmission, has enabled far more efficient network operation. And it means that the maintenance costs of those operators are reduced. Second, based on this development, providers could secure additional revenue sources by doing additional business. For example, as two digitalised media can interact with each other by sending and receiving digital signals at the same time, it consequently enables audiences to get interactive experience. In the past, for example, TV audiences had to just sit back in the couch and watch a content that is aired by the broadcasters. However, as the TV has been transformed from a mere receiver to a receiver/sender, the audience now can enjoy interactive services such as 'video on demand' or 'data broadcasting'. By using those interactive services, audiences became able to choose a preferred TV show and enjoy additional interactive services. This enabled the service provider to make additional profits from their business. Third, as the providers can offer several services as a bundle, they could find opportunities for increasing their market share in overall communications market. The bundled service can be offered in relatively inexpensive price than when several services are purchased separately, so the customers tends to switch to bundle services that consists of several services that were traditionally provided by different provider. For example, the bundle service could be the combined service of landline telephone, internet broadband and television services, which is often called 'triple play service (TPS)'. Moreover, when landline telephone, mobile telephone, internet broadband and television services are bundled, it is called as 'quadruple play service (QPS)'. This QPS bundle model could be understood as the most advanced one among different bundle models. Consequently, it can be noted that the developments of digitalisation and transmission technology are closely related to the increase of profit of media companies. Accordingly, the profitability of media company and the new opportunities brought about by media convergence was something that Convergence Committee could not ignore.

For global media conglomerate

A significant feature shown in the Convergence Committee’s white paper was that the committee was very conscious of the developed countries as potential competitors in the global media market. Specifically, a discourse was formed that, since developed countries adopted the integrated policy system, South Korea should also reorganise its media policy system by integrating policy institutions. In line with this, it was also insisted that the Korean media market should be deregulated in order to remove the barriers that could potentially hinder the growth of Korean media companies. In other words, there were strong discourse in the white paper that Korean media companies should be well supported by providing similar environments with other global media companies, as to compete with them. A statement of the prime minister, shows well how the discourse was made:

“In response to the convergence of broadcasting and telecommunications, major developed countries are pursuing the regulatory reform of broadcasting and telecommunications, and the restructuring of administrative organisations. We are trying to integrate the administrative structure and the regulatory system of broadcasting and telecommunication, to allow cross-entry between broadcasting and telecommunication, and to promote competition and the market [...] The broadcasting and telecommunication convergence is a field of advanced digital technology in which the development of technology and market is fast [...] and it is a winner-takes-all market. It is because the companies can dominate the market through standardization of technology. It is impossible for us to keep ahead in the competition with the developed countries by separating the administration and the legal system of broadcasting and telecommunication like this” (Convergence Committee, 2008: Introduction).

The following table presented in the white paper shows how some advanced countries adopted policy convergence. The white paper stressed that those developed Western and European countries have already adopted policy convergence, and Korea needed to move faster in order to compete with them.

Table 5 Policy Convergence Cases

Type	Nation	Media	Promotional Policy	Regulatory Policy
Fully Integrated	USA	Broadcasting	FCC	
		Telecom		

	Japan	Broadcasting	MIC	
		Telecom		
Separated	Australia	Broadcasting	DCITA	ACMA
		Telecom		
	Italy	Broadcasting	MOC	AGcom
		Telecom		
	UK	Broadcasting	DCMS	OFCOM
		Telecom		
	Canada	Broadcasting	Canadian Heritage	CRTC
		Telecom	Industry Canada	

Source: Convergence Committee (2008)

As shown in the table above, the white paper emphasised that six developed countries, namely the USA, Japan, Australia, Italy, UK, and Canada, have already fully or partially introduced policy convergence or regulatory convergence. It seems that the white paper intended to legitimate media system reform by presenting some advanced countries' application of policy convergence. And this reform was aimed to make the best condition for the growth of national media companies, who should compete in overseas markets (Convergence Committee, 2008:50). Consequently, it seems that the second type of discourse, which emphasises the deregulation, policy system reform and competition was evident in white paper.

5.3.4. Marginalisation of public interest and PSB

However, Convergence Committee did not pay much attention to public interest and public broadcasting. Their understanding of the public interest was somewhat limited. They presented public interest goals in media as universal service, protection of consumers' interests and audience participation (*ibid.*, 44). However, these public interest provisions were traditionally more related to the telecommunications sector. In the broadcasting area, there have been more public interest aims such as contents diversity and protection of national culture and social minorities. But in the committee, these other important values were not regarded as something significant.

Meanwhile, public broadcasting was recognised as a medium that plays some public roles in the society. That is, it was mentioned that the intensification of competition and the commercialisation of broadcasting made it clear that it is important to strengthen public service obligations and guarantee independence of public broadcasting. Therefore, they argued that the

regulation system of public broadcasting and private broadcasting should be differentiated. Nevertheless, discussion on public broadcasting was never at the centre of the discussion. That is, the subject of PSB remained highly marginalised in the actual process of discussion. Furthermore, Public Service Publisher (PSP) model, which was once suggested and abandoned in the UK, was suggested as an ideal system for the Korean PSB (*ibid.*, 46). This can be interpreted as an attempt to introduce competition principles in Korean public broadcasters too.

In the meantime, some suggested to establish a new specific regulator for PSB, which was called as 'Public Broadcasting Commission'. However, this subject could not be discussed well in the committee, because “the concept of public broadcasting is unclear as to whether it includes KBS or MBC, and the public broadcasting issue can be discussed separately after the reorganisation” (*ibid.*, 76). In other words, for the legal concept of public broadcasting was unclear, PSB could not be considered as a serious agenda in the social debate. Thus, it can be said that a clear definition of public broadcasters is necessary, if a proper discussion could be done in the social debate. In other words, a clear definition of PSB is the precondition of a productive policy discussion.

In the interview taken with the PSB worker Lee, Geun-haeng (25 Nov 2015), he also agreed to that economic discourse was prevalent at that time. He also said that the integration between broadcasting and telecommunication policy institutions were regarded as something Korea had to adopt as soon as possible. He said, he was aware of the different characters between broadcasting and telecommunication policies, but the discourse on the reform was strong, and the discourse was mostly promoted by media academics in Korea who studied in the US. As a TV producer who made factual TV programmes in MBC for more than 20 years, he said that he was discouraged at that time, for the discourse was all about the profitability of media company. Thus, he said that he was confused with his role as a producer in public television company, because he thought there were different public values other than profits he had to pursue, but at that time, those public interests were ignored in the process of discussion on policy convergence. Thus, it can be argued that the prevalence of convergence discourse caused a confusion to public media worker's motivation for their work, and it discouraged their efforts to achieve public interest through their broadcasting programmes.

5.3. Convergence discourse and KCC

As a result of Convergence Committee, a bill for the establishment of a converged media policy institution was made and submitted. Accordingly, KCC was established in 2008, when conservative party and Lee government came to power. In this part, KCC will be analysed, as to

see whether the discourses examined above were relevant to KCC, and how the discourses were changed in last 10 years. In this period, Korea experienced some dramatic changes in broadcasting and telecommunication policies, and it happened simultaneously with the change of governments. In other words, the discourse and policy style of KCC was changed as the focus of government was changed. But it is notable that between 2008 and 2017, the same conservative party succeeded in keeping their power. Precisely, conservative party, which name was Saenuri party, won two presidential elections respectively in 2008 and 2013, so the same political party was in the government for two consecutive presidential terms in 2008-2017. Therefore, the political ideology itself seems not critical factor for the change. More details will be discussed below. For the analysis of the discourses in KCC's official documents, qualitative text analysis is conducted on KCC's annual reports, work plans, and the commissioners' meeting records. In addition, the interviews conducted by the researcher will be used for the analysis too.

5.3.1. KCC in 2008-2013: A follower of convergence discourse

KCC's policies from 2008 to 2013 cover a very comprehensive range. At this time, KCC managed both promotional and regulatory policies. At this period of time, KCC actively accepted and applied the 'convergence discourse' in their policymaking. Basically, KCC thought that the convergence of media convergence was expanding very fast. Therefore, in order to take advantage of these new opportunities, they thought it was important to create a 'global media corporation' through deregulation of cross-media ownership rules. Indeed, in KCC's annual report, the impact of 'convergence discourse' can be found in many occasions. For example, Choi, Si-joong, the first appointed chairman of KCC, made the following remarks in their annual reports:

“Digital convergence is rapidly emerging as the rapid development of digital technology and the advancement of networks are leading to the breakdown of the boundaries between broadcasting and telecommunication media. [...] Media Big Bang has happened in the last two years. [...] Smart phones, which has appeared like comets, are turning voice phones, cell phones, and even high-speed broadband and the Internet into something of a laggard to the new trend. [...] It's difficult to communicate with the world if you do not concentrate on new IT services and contents” (KCC, 2009; 2010; 2011).

As shown above, the statement of the first chairman of KCC was full of exaggerating expressions such as rapid development, breakdown of the boundaries between broadcasting and telecommunication, Media Big Bang, smartphones like comets, and so on. Furthermore, KCC presented ambiguous predictions regarding the development of media convergence. For example,

‘Smart environment is leading to a multi-platform environment and breaking down the barriers between operators’ (KCC 2013a:162). This was, as examined earlier in this chapter, the first type of convergence discourse that could be found in Convergence Committee’s white paper as well as other European cases examined in Chapter 2 (see European Commission, 1997; OECD, 2013; 2016; Silverstone, 1995; Noll, 2003).

However, as examined, the concept of media convergence is relevant to network and device levels of broadcasting and telecommunication value chains, and it happened slowly and partially in last few decades since the concept and the earliest model of media convergence was first introduced in 1983. Nevertheless, in KCC’s annual reports in 2008-2013, there were a lot of exaggerated expressions such as that the barrier between broadcasting and communication was ‘collapsed’ due to media convergence. Moreover, in terms of sector-specific regulations, KCC insisted that the paradigm of those regulations was changed due to media convergence. The table below shows the paradigm shift proposed by KCC (2009:13).

Table 6 Regulatory Paradigm Shift in Broadcasting and Telecommunication

	Analog Era		Digital Era
	Broadcasting	Telecommunication	Broadcasting and Telecommunication
Main service	Terrestrial (Audiovisual information)	Landline telephone (Voice information)	Convergent service such as IPTV (Audiovisual, Voice, Data)
Main character	Linear	Simple telephony exchange	User-driven choice and interactivity
Regulation	Socio-cultural anti-monopoly regulation	Economic anti-monopoly regulation	Fair competition and user protection
Regulator	Korea Broadcasting Commission	Ministry of Information and Communication	Korea Communications Commission

Source: KCC (2009:13)

As shown in the table above, KCC believed that there had been a socio-cultural regulation principle in broadcasting of the old analogue era, while there was a principle of economic regulation for telecommunication. However, as they moved to the digital age, KCC argued that the

principle of socio-cultural regulation of broadcasting can be replaced with the principle of ‘fair competition and user protection’. This was quite similar to the discourse that was examined in Convergence Committee (2008). In the white paper, the value of old principle was addressed, but the socio-cultural value was not significantly recognised. In addition, the emergence of new convergent media and the possibility of user-led content were cited as the cause of the transition. However, KCC did not give a proper reason why socio-cultural regulatory principles can be replaced with competition and user protection principles. KCC just continued to insist that the regulation of broadcasting in the digital age needs to be more simplified like competition regulation, so as to make it equal to the regulation of telecommunication sector (*ibid.*).

And KCC explicitly showed their narrow view on the principles of broadcasting regulation. They even argued that broadcasting is no longer a public service provider or a media for public interest. They argued for the introduction of the logic of private industry, while marginalising the public interest mission of broadcasting. In their 2009 annual report, KCC said, “Broadcasting has been recognised only as a public service for us, and public interest has been the most important standard in the policy making process. [...] However, this perspective of public interest is undergoing many changes. In the digital media age, as the convergence of broadcasting and telecommunication is accelerated, the competition principle is introduced into the broadcasting market, and the need to consider not only the public interest but also the industrial and economic aspects is increasing” (KCC 2009:15-16).

However, it is notable that this claim is in fact totally contrary to what is specified in Broadcasting Act. The reason why the broadcasting sector was regulated on the basis of public interest was the public interest remits stipulated in the Broadcasting Act. Therefore, it can be said that KCC intentionally ignored the important part of the Broadcasting Act. And this is quite problematic because they were established to be the institution that performs according to the Broadcasting Act.

Notwithstanding those points, KCC only stressed deregulation and competition in Korean media market. It stressed that developed countries are pursuing and fostering competition through deregulation in line with the convergence of broadcasting and telecommunications. For example, they said, “in developed countries, it is a trend to make a global media conglomerate through M&A” (KCC 2008a:12). Furthermore, it was said that “in response to convergence, advanced countries’ governments have set deregulation and revitalisation of competition as the main policy goals” (KCC 2009:14). In a later part of the report, they repeated, “in order to strengthen the competitiveness of broadcasting industry as a whole and to establish the foundation of global media companies, KCC made a plan for the deregulation of cross-ownership rules” (KCC, 2012:156).

This view of KCC seemed to be permeated to the member of KCC too. In an interview taken with a senior official of KCC, B (24 Nov 2015) also insisted that KCC should pursue a policy that gives autonomy to companies in accordance with the converging market environment. He also suggested that KCC has to maximize industrial development while minimizing regulations. He also contended that broadcasting and telecommunication companies should be allowed for more M&As, so as to harness economies of scale and economies of scope through it.

In conclusion, KCC's focus on media policy was 'to make global media companies by vibrant competitions and M&A in the market'. In other words, KCC tried to see broadcasting and telecommunication mostly as businesses, rather than the social institutions that have socio-cultural remits. In KCC's documents published particularly in 2008-2013, it can be seen that the convergence discourse played a very important role in making KCC's approach on media policy. They saw convergence was happening so fast, and they thought that they needed to take the opportunity by deregulation and competition, so that a global media company can be nurtured. Therefore, it seems that both the first and the second types of convergence discourses were at the heart of KCC's policy papers.

5.3.2. KCC in 2013-2017: Emergence of public interest discourse

2012 was a big year for Korean PSBs. Main PSBs including MBC, KBS and YTN conducted massive and longest strikes in the year. The strike was due to the interruption from government to PSBs. Since 2008, when Lee, Myung-bak government became into power, the government cancelled some TV programmes that criticised government's policy. Thus, PSB journalists and producers argued that the executives of PSBs are interrupting their programme because they are controlled by government. Briefly speaking, as policy convergence was made by establishment of KCC in 2008, it became easier for government to interrupt public broadcasting, because KCC was connected to the government and the institution was given too much power over media sectors. The changes in PSB governance and the close relationship between the government, KCC and PSB executives will be examined in detail in Chapter 7. As said above, the 2012 strike was unprecedentedly big in its scale, and it lasted almost half a year, from January to July. During the strike period, many broadcasting producers were forced to be transferred to different department of the broadcasting company which is remote from programme making. Furthermore, some had to be suspended and fired, and many other had to get reduced wages because they participated in the strike. However, they successfully managed the strike to be known by the public, as they brilliantly used social media. They opened Youtube channels and Facebook pages to let the public know the reasons of their strike and what they want for the political independence of journalism in Korea. Their contents were quite amusing and funny, so it seems that the public enjoyed the contents and

understood the strike more easily. Even though the public could not watch their favourite TV shows such as MBC's 'Indefinite Challenge', many people showed their support for the PSB strike. Consequently, PSB worker's relentless efforts made the political independence issue to become a significant agenda in presidential election period in 2012. Therefore, most of strong presidential candidates declared that the political independence of PSB was one of their important pledges made to the public. Accordingly, when Park, Geun-hye was elected as the president in 2013, her government and conservative party had to make some efforts to secure the independence of KCC and PSB.

In the meantime, the reorganisation of government in 2013 also contributed to the overall changes in KCC. When newly elected Park government came in, one of their significant pledge was to grow Creative Industries sector. Accordingly, they reshuffled overall structure of government departments, and established a department that is in charge of all private media and media business. In so doing, they lifted some promotional remits of KCC and let them only conduct regulations on broadcasting and telecommunication. Therefore, KCC lost its authority to create and conduct promotional policy in broadcasting and telecommunication. Those promotional authorities were move to the newly established department, Ministry of Science, ICT and Future Planning (MSIP). More specifically, the newly established MSIP was given the authorities of promotional policymaking for cable TV, satellite TV, IPTV, general PP and telecommunications. In other words, the newly established institution became in charge of all private media sectors in Korea. On the other hand, KCC was only able to keep the regulations of terrestrial broadcasting, all-genre PP, news PP and telecommunication regulations. With regard to broadcasting, they are in charge of regulating broadcasters which have journalistic functions. Those broadcasters include PSBs and other news channels. And in regard to telecommunications, they maintained regulations such as fair competition and dispute settlement. In short, KCC was changed from a comprehensive media policy institution to a converged regulator. Furthermore, when it comes to political aspect of the reshuffle, it seems that Park government thought that they need to distinguish private media and other media that has journalism function. That is, if the government keep trying to interrupt these media, then it could be problematised again as experienced in 2012 PSB strike. In other words, it seems that the government saw the public media and journalism media are too sensitive to manage, and they did not want to obtain political burden by engaging with them, as Lee government did.

As a result, KCC became a regulatory body, and the discourses shown in their annual reports and other documents were changed. Accordingly, KCC's policy style was changed drastically too. As examined above, in most of KCC's documents published in 2008-2013, competition and industry-centred attitudes were prevalent. But since 2013, KCC started to show their interest in

sector-specific values such as political independence of public broadcasters. These changes can be found in various sources published by KCC between 2013 and 2017.

Table 7 KCC's Work Plans in 2013-2017

Year	Policy goals
2013	<ol style="list-style-type: none"> 1. Establishing PSB identity, public interest of broadcasting, media diversity 2. Support creative economy 3. Making consumer convenience
2014	<ol style="list-style-type: none"> 1. Creative economy 2. PSB reliability, licence fee, universal service 3. Cyber security, internet culture
2015	<ol style="list-style-type: none"> 1. Ensuring public accountability of broadcasting, Increase of PSB licence fee and media diversity 2. Setting up regulations for broadcasting ads, contents, smart media 3. Ensuring fair trade
2016	<ol style="list-style-type: none"> 1. Public accountability of broadcasting, media diversity 2. Ensuring fair trade, consumer protection 3. Competitiveness of broadcasting contents 4. Making legal framework for convergence environment (OTT, VOD)
2017	<ol style="list-style-type: none"> 1. Securing public interest of broadcasting 2. Desirable broadcasting contents, Introduction of UHD transmission 3. Fair trade in media markets 4. Increase of media literacy

Source: KCC

As the above table shows, since 2013, KCC has made PSB and public interest the most important policy goals. In particular, in 2013, they recognised the need for a reorganisation of the public broadcaster governance structure. As noted above, this seems to be caused by the huge strikes of PSB in 2012. Therefore, there were efforts to reflect various voices and strengthen transparency in the process of appointing the directors and the CEO of the public broadcasters. Specifically, they conducted research on overseas cases to support the debate on revision of the Broadcasting Act in the National Assembly. As a result of the discussions at the National Assembly, the clauses for disqualification of the appointment of KCC's Chairman was made. More

specifically, Broadcasting Act was amended to prohibit a person who worked in a presidential election camp or in the same political party of president from becoming the Chairman of KCC. Meanwhile, they began to pay special attention to broadcast content, such as language and sensationalism. In order to properly monitor the diversity of public opinion, they studied ways to investigate more realistic audience ratings. In particular, KCC developed a diversity tool to measure the audience ratings of various media including TV, radio, newspapers, and the Internet. Their interest in the internal diversity of broadcasting was increased. But it is notable that the internal diversity was a term that was scarce in KCC's documents published before 2013. However, in this period, the public interest discourse was one that most frequently found in their documents. In 2014, the word 'media convergence' was totally disappeared in their work plan report. Specifically, they stopped use exaggerating presumptions regarding media convergence, as they did in 2008-2012. Instead, they became more realistic in understanding the media convergence phenomenon. For example, they presented OTT and VOD as significant examples of convergent media and focused on what they found. In 2015, they set a policy goal to increase licence fees for KBS and EBS. They saw that it was necessary to protect the functions of public broadcasting through subscription fees so that KBS and EBS would not be commercialised due to excessive competition in the broadcasting market. Furthermore, they set increase of the accountability of public broadcasters and all-genre TV channels as the most important regulatory objectives. In 2016, the public interest, responsibility, and internal diversity of broadcasting were the main policy goals. Finally, in 2017, the public interest of broadcasting became the most important regulatory goal. Therefore, since 2013, KCC started to take the public interest, PSB and internal diversity as its main policy goals. Meanwhile, since 2013, KCC started to understand the concept of media convergence based on practical observations.

5.4. Conclusion

The Convergence Committee white paper, which had a major impact on the introduction of IPTV and policy convergence in Korea, showed how convergence discourse appeared in the process of policy convergence in Korea. In the white paper, two convergence discourses were found. First, the committee believed that media convergence is occurring very rapidly and that the boundaries between broadcasting and telecommunication are quickly becoming meaningless. They also thought that the social roles of broadcasting and telecommunication were changing rapidly. Second, the committee believed that Korea needed to take advantage of the opportunities of media convergence by relaxing existing sector-specific regulations and by making more competitive media markets. The purpose of this intensification of competition was to nurture global media

corporations. Accordingly, they believed that policy convergence should be introduced urgently to accomplish these tasks.

Furthermore, public interest and public broadcasting were neglected in the discussion of the Convergence Committee. The Convergence Committee focused on revitalising competition, but public media was expected to play a complementary role for the amendment of market failure. Particularly, their recognition of public interest was limited to the public interest in telecommunication field. That is, the committee recognised universal service and service quality as the most important public interest objectives. However, broadcasting sector's public interest, such as internal and external diversity, impartiality and political and economic independence of PSB were not in their interest. They also argued that competition system may need to be introduced to public broadcasters. Therefore, it can be said that the convergence discourse was too strong in the process of discussion on media convergence in Korea.

KCC was established in this background. Accordingly, KCC was a faithful follower of convergence discourse in 2008-2012. They saw that media convergence is spreading rapidly and that regulation should be relaxed accordingly. In particular, they set their mission to nurture global media groups by easing restrictions on cross-media ownership. Their view of broadcasting and communication was clearly economy- and industry-centric. They deliberately ignored the socio-cultural role and public interest of broadcasting. In the process, the political independence of the PSB was very weakened.

Eventually, massive strike of PSB followed in 2012 due to the excessive intervention of government. The strike was the longest ever ones in the history of Korean PSB, since it was established in the 1970s. At that time, the government cancelled some politically-sensitive broadcasting programmes using their close relationship with KCC and the CEOs of PSB. The strikers wanted the resignation of KCC's chairman as well as PSB CEOs, and they suggested a more specific methods to secure their political independence. It happened in the last year of Lee government and the strikers were successful in making their issue an urgent social agenda during presidential election period in 2012. Indeed, the next Park government had to promise that her government will do something to guarantee the political independence of PSBs.

Furthermore, in 2013, KCC experienced big changes in its authorities and governance system when Park government was established. They became a regulator, and their attitude towards media policy was totally changed. Accordingly, core discourses were changed from convergence discourse to public interest discourse as shown in their policy documents published in 2013-2017. KCC started to focus on public interest and sector-specific values of broadcasting sector. KCC became interested not only in the political independence of the PSB, but also in the economic independence of PSB. They tried to help increasing the PSB license fees for KBS and EBS. They also began to develop various measuring tools for the internal diversity of broadcasting.

This can imply that the form of media policy institution can affect its policy style and focus. More precisely, a dedicated regulator is more likely to focus on sector-specific regulations, rather than promotional-regulatory policy institution as KCC was in 2008-2012. In other words, it seems that if promotional function and regulatory function are given to a single (converged) media policy institution, the institution can be confused with their roles, and they could fail to meet their remit comprehensively. In a similar vein, Ginosar and Krispil (2016) also argued that there is a tendency for regulators to take public interest more seriously in the regulation of broadcasting than government agencies.

Meanwhile, it is notable that in 2008-2017, Lee and Park governments was run by the same conservative party which has had the same attitude towards media policy. This shows that sometimes the political power could not be a definite factor that sets the overall character and style of media policy institution. This Korean case shows that civil society's effort can also have huge impact on media policymaking and media governance reform.

In conclusion, the analysis of Convergence Committee's white paper and KCC showed that convergence discourse prevailed in Korea, and this resulted in the marginalisation of sector-specific policy principles in broadcasting. Convergence discourse affected KCC particularly during its initial period in 2008-2012. KCC followed convergence discourse by adopting deregulation and by promoting competition. In so doing, they ignored the importance of political independence of PSB, which is one of significant sector-specific regulatory principle in broadcasting. However, this resulted in massive PSB strike in 2012. This led governance reshuffle in 2013, and KCC was reborn as an institution which is dedicated to regulation of broadcasting and telecommunication. After the change, the main discourse in KCC's policy documents were dramatically changed, as the discourse of public interest and PSB prevailed.

6. The impact of media convergence on broadcasting and telecommunication markets

As examined in the definition of media convergence, media convergence phenomena can be discussed in four levels in media value chain. However, as reviewed in the previous studies where the concept of media convergence was discussed, only network convergence and device convergence were relevant to the concept of media convergence. And it was briefly discussed that media convergence in those two levels is more feasible in practice, than content convergence and platform convergence. In this chapter, the actual development of media convergence in market is analysed, by examining Korean broadcasting and telecommunication markets.

Network convergence means that various media services can be delivered through a single network. It means that the boundaries between at least two networks were disappeared. This can be more easily understood in the perspective of the supplier side. For example, both telecommunication and broadcasting services are provided together through a telecommunication network, or those services are provided through a broadcasting network. On the other hand, device convergence can be understood more easily from the media user's perspective. This refers to the phenomenon that the user is able to use various media contents with a single device. Thus, it can be called as device convergence, as traditionally different media device has become a single device. For example, a variety of contents such as newspaper, broadcasting, movies, etc., can be consumed by a digital and internet-connected device. In other words, computer-based and Internet-connected devices enabled media users to receive multiple contents even in a single device. For example, desktop computer, laptop computer, smart TV, smartphone, tablet pc, etc., enabled users to read, listen to and watch digital media contents using a single converged device.

In this chapter, the convergences in network and device levels will be examined. However, it should be noted that the thesis tried to find as many as examples that can be seen as media convergence in all four levels in media value chain, but it was quite difficult to find significant ones that happened in content and platform level. Consequently, this chapter only deals with network and device levels. However, this also gives an important finding that the media convergence was not expanded to overall media value chain, and its influence was limited to network and device levels. The following table summarises the categories and examples of convergent media that are to be discussed in this chapter.

Table 8 Categories of Media Convergence in Practice

Level	Example	How converged?
Network convergence	Cable TV's landline telephone	Broadcasting network + telecommunication network and service
	Cable TV's internet broadband service	Broadcasting network + telecommunication network and service
	IPTV (Internet Protocol Television)	Telecommunication network + broadcasting network and service
	DMB (Digital Media Broadcasting: Mobile TV)	Telecommunication network + broadcasting network and service, or mobile phone + TV
	VOD (Video-on-demand)	Interactive broadcasting service
	Data PP (program provider): Interactive channels	Interactive broadcasting service
Device convergence	Internet-connected PC and smart devices (smart TV, smartphone, tablet pc)	Computer + TV + mobile phone + telecommunication network and service

6.1. Network convergence

In this section, the thesis will examine how and to what extent the convergence of broadcasting and telecommunication networks actually took place in Korean market. More specifically, as shown in the table above, it will first examine wired (landline) telephone service and Internet broadband service of cable TV operators. And then it will examine Internet Protocol Television (IPTV) service, which is a broadcasting service provided by telecom companies. In addition, DMB (mobile TV), video-on-demand (VOD) and interactive TV (Data PP) channels will be examined as well.

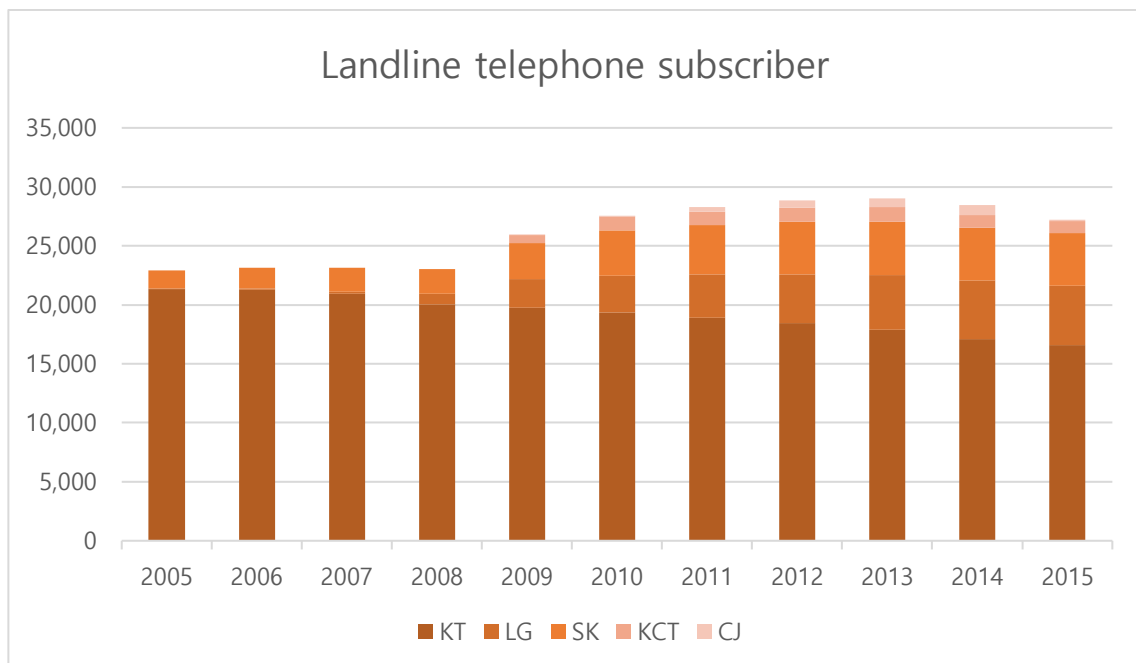
6.1.1. Cable TV's landline telephone

It was in 2005 that cable broadcasters first launched a landline telephone service using their networks in Korea. In 2005, a cable TV company CJ Hello Vision (CJHV) launched a Voice over Internet Protocol (VoIP) service for the first time. VoIP is a telephone service using cable TV companies IP-based broadband network. And in 2006, Korea Cable Telecom (KCT) launched another VoIP platform. KCT was a group of different cable broadcasting companies.

Although there were few subscribers at the time of its first launch, both companies continued to grow in terms of number of subscribers and revenue since then. It seems that both cable TV operators succeeded in their business. That is, the total number of subscribers and revenue of the entire landline telephone market declined since they entered the market, but they have been successful to increase their market share.

Nonetheless, the market share of cable TV operators in the landline telephone market is still not very high. As of 2015, KCT's market share in fixed-line telephony was 3.7%, and CJHV's market share was 2.8%. The combined share of the two players was 6.5%. The graph below shows the number of subscribers per company in the Korean landline market.

Figure 4 Landline Telephone Market Trend in 2005-2015 (by Subscriber, 000s)



Source: KISDI (2016a)

As shown in the graph above, the fixed-line phone market seems to be in decreasing trend, making its peak in 2013. But the total market shares of dominant operators, KT, LG and SK, are still

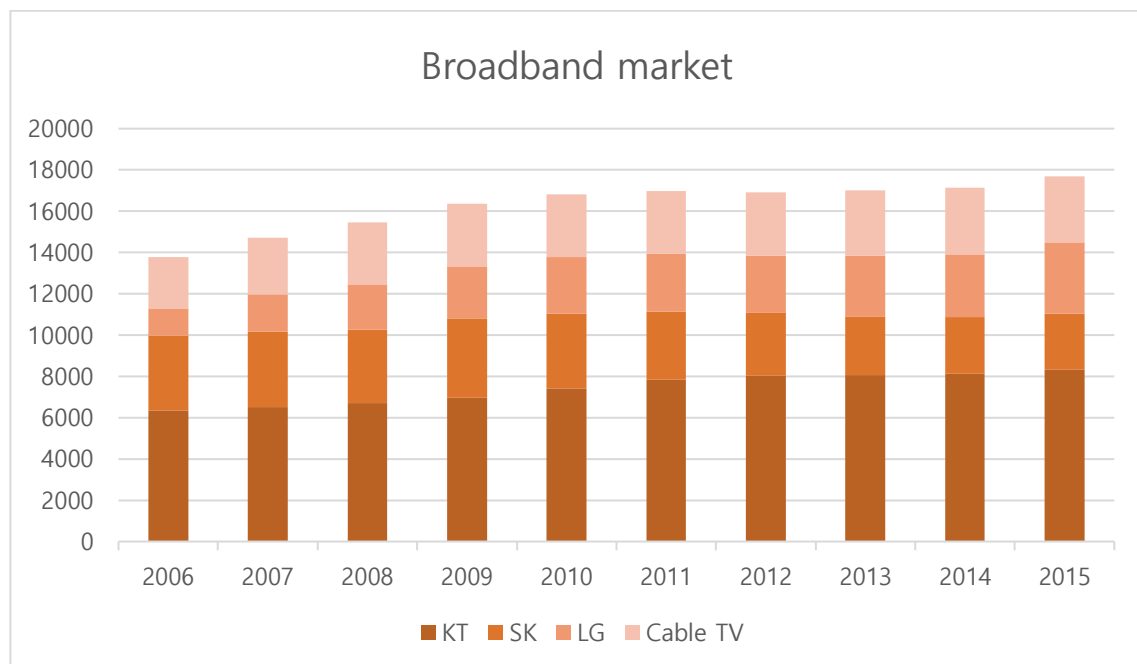
overwhelming. The total market share of the three companies was 91.3% (KISDI, 2016a). In conclusion, although the network convergence between broadcasting and telecommunication was occurred, its effect was quite limited in the fixed telephone market.

6.1.2. Cable TV's broadband

Cable TV operators first launched Internet broadband services in 2006. It secured 2.5 million subscribers from the first year and the number of subscribers was increased to 3.2 million by 2015. As of 2015, cable TV operators accounted for 15.9% of subscribers. Accordingly, cable TV operators seem doing even better in the broadband market than in the fixed-line telephone market.

Nevertheless, cable TV's share of broadband subscribers has been slightly decreasing since its introduction. For example, their market share was 18.7% in 2007, but it was slightly decreased to 15.9% by 2015 (KISDI, 2016a:262). The graph below shows the overall trend in broadband market from 2006 to 2015.

Figure 5 Broadband Market Trend in 2006-2015 (by subscriber, 000s)



Source: KISDI (2016a)

In conclusion, cable television entered the landline telephone market, but its proportion remains at a fairly limited level. When compared their achievements in those two different markets, cable televisions performed better in the broadband market, but its share has gradually decreased after 2013. Therefore, it can be said that the competition between the broadcasting and

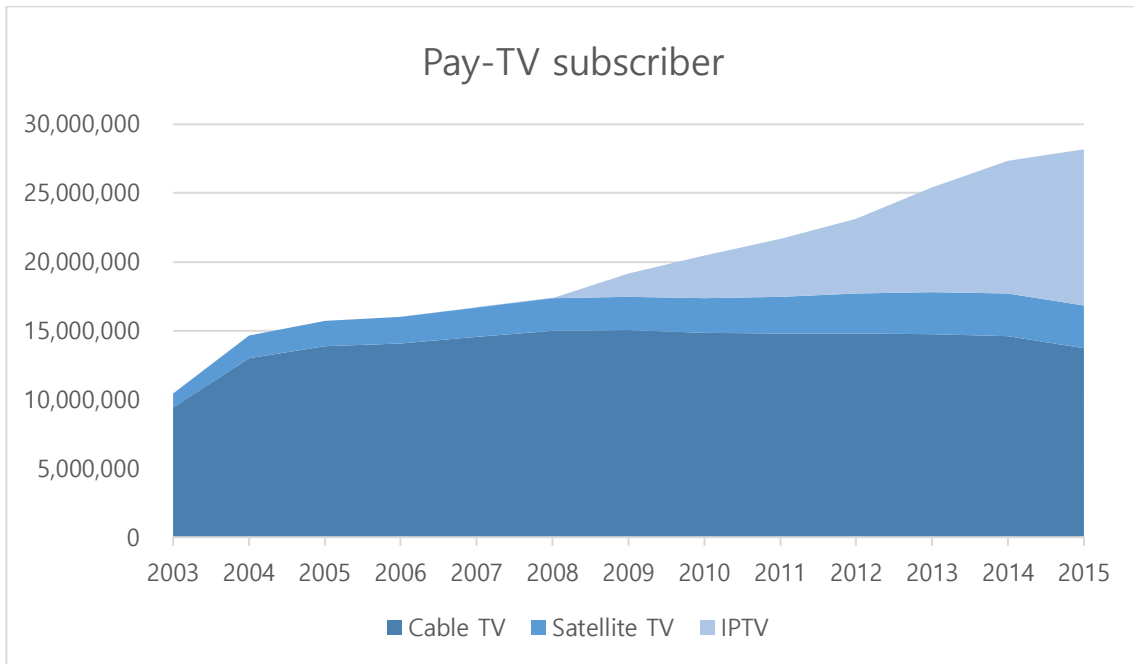
telecommunication networks was stimulated by the entry of cable TV provider, but it is difficult to say that they have had a decisive influence on both telephone and broadband markets.

6.1.3. Telecommunication's IPTV

IPTV is the television service provided through telecommunication company's network. In Korea, IPTV was introduced for the first time in 2008. Major players were KT, SK and LG. Those three companies have oligopolistic power in overall telecom markets. When IPTV was introduced first, there was a severe conflict between the stakeholders in telecommunication and broadcasting. Telecommunication companies and the Ministry of Information and Communication (MIC) argued that IPTV is a telecom service because it offers interactivity, while traditional TV does not. On the other hand, except those who are related to telecom industry, all other parties argued that IPTV was a broadcasting service. For instance, broadcasting companies, Korea Broadcasting Commission (KBC), the National Assembly and civil organisations claimed that IPTV was a broadcasting service. They argued that IPTV is a broadcast service just like cable TV, because it is a service that actually broadcasts same channels as cable TV provides. Some previous literatures that are dealing with IPTV showed that IPTV can be recognised as a Pay TV service, just like cable TV (see Noam, 2016).

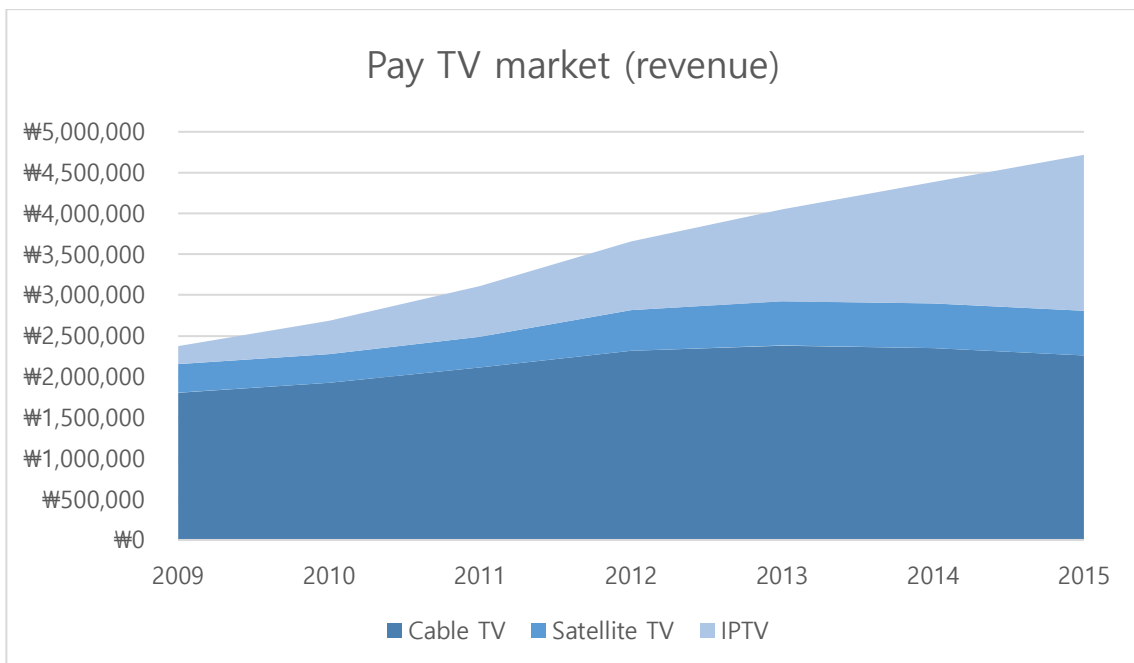
As of 2018, IPTV is indeed one of the Pay TV platforms in Korea. Broadcasting Act also recognises that IPTV and cable TV compete in the same Pay TV market. The following two graphs show the number of subscribers and the sales in the Pay TV market respectively.

Figure 6 Pay TV Market Trend in 2003-2015 (by Subscriber)



Source: KCC (2016a)

Figure 7 Pay TV Market Trend in 2009-2015 (by Revenue, KRW, Millions)



Source: KCC (2016a)

From 2003 to 2008, there were only cable TV and satellite TV in Korean Pay TV market. Since 2009, the number of IPTV subscribers was increased rapidly. This resulted in the increase in the total number of Pay TV subscribers. Revenue share also showed a similar trend. Since the introduction of IPTV, its share of revenue was increased sharply and the gross revenue in the market was increased too. Therefore, it can be said that the introduction of IPTV contributed to the expansion of Pay TV market in Korea. As of 2015, cable TV subscribers accounted for 48.7%, followed by IPTV with 40.3% and satellite TV with 11% (KCC, 2016b:100).

Meanwhile, after establishing IPTV, telecommunication companies rapidly increased market share by selling bundled products that combine fixed line telephone, mobile telephone, high-speed broadband internet and IPTV. However, at the same time, both the number of subscribers and revenue of cable TV and satellite TV slightly declined. Looking at these trends, it seems that IPTV expanded as the subscribers of cable TV and satellite TV moved to IPTV, but at the same time, it can be also confirmed that IPTV helped to increase the total size of Pay TV market (KCC, 2016a).

But why did IPTV's market share grow so fast? According to Jung (2013), KCC's full support was the main reason for the rise of IPTV. Since its launch in 2008, KCC has shown a strong commitment to the IPTV business. According Jung (2013:256), KCC actively implemented promotional policies for the penetration of IPTV. In so doing, KCC put a lot of pressure on telecom companies for the success of IPTV. In this process, KCC worked with other ministries to spread IPTV. The Ministry of Education, Science and Technology (MEST) upgraded the nationwide Internet network in primary and secondary schools and supported so called 'IPTV study room' project. The project aimed to provide IPTV for self-study. The Ministry of National Defense (MND) actively involved in IPTV distribution since 2009, providing video meeting system and IPTV content in military units. In addition, the Ministry of Knowledge Economy (MKE) supported the technological development and the standardisation IPTV, and helped to export Korean IPTV technology to Latin American countries (KCC, 2011). Due to such an ambitious support, IPTV could gather 6 million subscribers within the shortest time in the history of Pay TV. However, according to Jung (2013:264), this did not actually bring about the expected reduction in private education expenses. Also, the feedback on the use of services by school or military users has not been done properly.

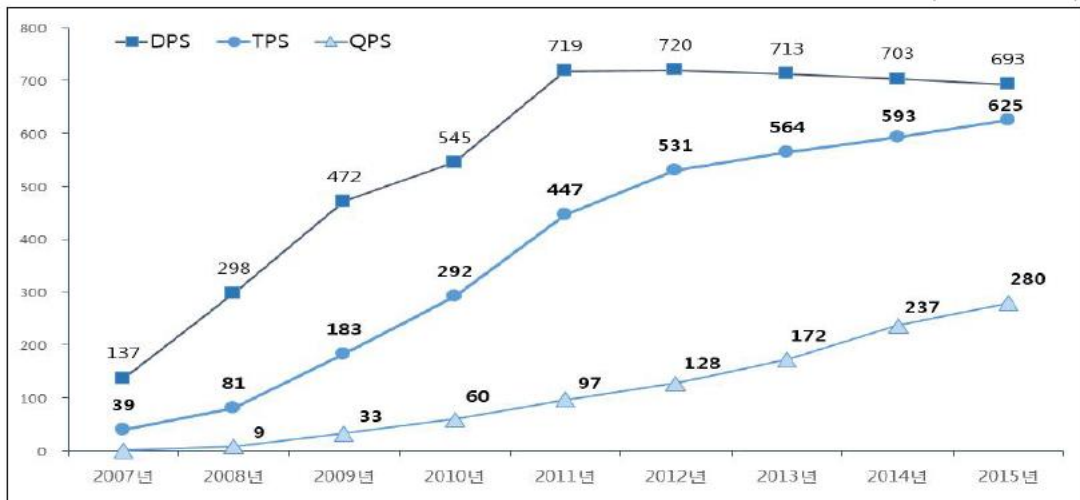
In conclusion, since the introduction of IPTV, the total number of subscriber and gross revenue of the Pay TV market were increased rapidly. In due course, the number and revenue of IPTV were dramatically increased as well. In the meantime, the market share of Cable TV and satellite TV was decreased since the introduction of IPTV. However, cable TV was still the prominent player in Pay TV market, as they successfully managed to secure the largest number of subscribers and revenue in the market. In the meantime, it was claimed that the growth of IPTV

was possible because of the government's special support. In the next part, the thesis examines 'bundled products' that emerged as a model of market convergence.

6.1.4. Bundle service

Bundle service means that a service that provides bundles of two or more services at a discounted price. In Korea's telecommunication and broadcasting sectors, bundle service can be made by combining landline telephone, mobile telephone, broadband internet, and Pay TV services. The bundle service can be divided into three different modes: Double Play Service (DPS), Triple Play Service (TPS), and Quadruple Play Service (QPS), depending on the number of services to be combined. The figure below shows the trend of the number of bundle service users in Korea in 2007-2015.

Figure 8 Number of Bundle Service Users in 2007-2015 (0,000s)



Source: KISDI (2016a)

According to KISDI (2016a), there are 6.93 millions of subscribers for DPS, 6.25 millions for TPS, and 2.8 millions for QPS. Therefore, it seems that DPS model was the most popular one among those three bundle services, as of 2015. However, the number of DPS subscribers was gradually decreasing, while TPS and QPS were increasing. As of 2015, the most popular formats of DPS was the combination of Internet and TV services, accounting for 53.1% of all DPS products. As seen in the chart, TPS subscribers were growing in fast pace. The most popular format of TPS was the combination of Internet, TV and landline. It accounted for 45.9% of all TPS products. However, the share of this type of TPS product was declining. Meanwhile, the combination of Internet, mobile phone and TV bundling service became more popular over the last five years, and

it reached 38.6% of all TPS product. It reflected the phenomenon that more and more consumers cancel landline phone service and prefer mobile phones. Meanwhile, the number of QPS subscribers who chose to combine all telecommunication and broadcasting services, such as landline telephone, mobile phones, the Internet and TV was steadily increasing.

In general, the bundle service was provided on a contract basis. As of 2015, there were a total of 16 million bundle service subscribers (KISDI, 2016a). As of the end of 2015, the total number of households in Korea was 18.7 million, and 85.8% of households used bundle products. Among the total subscribers, 83.7% used telecom's bundle services, while only 16.3% of subscribers used cable TV's bundle service. The number of subscribers of telecommunication's bundle services increased by 7 times between 2007 and 2015. Meanwhile, cable TV's bundle service subscribers doubled in the same period (KISDI, 2016a). The reason for this rapid growth of telecommunication in the bundle service market was due to the power of 'mobile-included bundle service' that could be provided by telecommunication companies. Of the total bundled products, 48.8% included mobile communication service. Therefore, cable TV was not competitive because it could not provide mobile phone service (KCC, 2016b). Through an interview with H, who was a chief director of Korea Cable Television and Telecommunications Association (KCTA), the competition between cable TV and telecommunication companies could be understand in more detail. The interviewee was in charge of the lobbying activities towards the Korean government and the National Assembly as a representative of Korean cable TV companies for many years. He said:

“When broadcasting, internet and mobile bundle service came out, we finally realised who was our competitor. They were not just telecom operators. They were telecom operators as mobile communication providers. The amount of money the telecommunication companies spend a year is far more than ours. It is a business that has more than KRW 50 trillion annual sales while cable's total sales are only KRW 2 or 3 trillion, so how can I compete with them in the same market for the same subscriber? Their marketing cost itself is larger than the total cable sales revenue! We all know that the customers can receive subsidies of 400k -500k won from telecommunication companies, and we also know that it is against the law. But people just say 'was it illegal? Anyway, I don't care'. And even the public agents say to the telecommunication companies, 'don't you give me a little bit more?' In other words, the market regulation framework itself does not seem to be working for fair competition (H, 7 Dec 2015).

As a result, there can be two reasons why telecom companies' bundle products attracted much more popularity than that of cable TV. The first reason is mobile service of

telecommunication company. That is, telecommunication companies were able to expand their total subscribers by bringing their customers of mobile service into their bundle service. For example, if a person uses a telecommunication's mobile service, while not using cable TV, then the telecommunication company can offer a great discount for this customer when he decides to use telecommunication's IPTV service together in addition to their mobile service. In so doing, telecommunication company could expand their market share.

The second reason is the tremendous marketing costs of telecom company. Basically, there was a subsidy that telecommunication company offer to customers when they move from another telecommunication company. For example, the telecommunication company pays the penalty that was imposed to the customer in the process of transfer from cable TV to IPTV. According to the above interviewee, the subsidy was illegal under the Fair-Trade Act, but even the public officials did not problematise it. In short, the size of telecom company's money and regulatory failure can be the main reasons of telecom's domination in the bundle market. This also implies that the intention of the government, which was to make more competitive market, by bringing in IPTV was not fully realised. As a result, the big telecommunication companies could become even bigger, and this led to anti-competition and consolidation in the converged network market between telecommunication and broadcasting.

In addition, according to Jung (2013), KCC actively promoted the low-price competition through such combined products, in the name of consumer protection. However, according to Jung (2013), the introduction of such bundled products, and the introduction of unrealistically low price in the Pay TV market became a problem. He said that due to the too low subscription fees in the Pay TV market in Korea, the profitability of broadcasting programme providers had to be decreased, because of too fierce competition as well as low subscription fees in Pay TV market.

6.1.5. M&A between leading companies

As seen above, the situation of Pay TV market was moving in favour of telecommunication companies that can sell mobile phone service. In such a situation, telecommunication companies wanted to absorb existing cable TV subscribers more quickly by increasing their bundle service market share. As a result, cable TV operators were led to sell their business to telecommunication companies before they lose most of market share.

In this context, SK Telecom (SKT), the most successful mobile phone operator in Korea, and CJ Hello Vision (CJHV), the most successful cable TV provider, attempted to merge. At that time, SKT had a stable market share in the mobile communication platform market, but it was not quite successful in IPTV and fixed-line telephone markets compared to their competitor, Korea Telecom (KT). In the meantime, CJHV wanted to sell its assets as it decided that it would not be

easy to maintain its competitiveness in the Pay TV market as it turned into a converged broadcasting-telecommunication market.

According to H of Korea Cable Television and Telecommunications Association (KCTA), “CJHV had continued to invest, but when they had a research regarding their long-term investment plan and strategy, the result was deficit. But at that time there was no possibility of government policy changes... When that happens, you must sort out the business that are not likely to grow” (H, 7 Dec 2015). In conclusion, CJHV decided to sell its cable TV network business while pursuing to be a content production company (Kocca, 2016).

The Fair-Trade Commission, KCC and MSIP jointly reviewed the merger case to determine whether the merger should be approved. In the end, the Fair-Trade Commission rejected the merger, and SKT had to withdraw its merger application. The Fair-Trade Commission believed that if SKT, which was a dominant player in the mobile business, combines with CJHV, which was a dominant player in Pay TV market, it will hinder the competition in both Pay TV and mobile communication markets. Although the attempt to merge SKT and CJHV was abandoned, it seems that the M&A between mobile operator and cable TV would be more popular afterwards. In particular, as the case of SKT and CJHV showed, it is more likely that telecommunication company is to buy cable TV company (Kocca, 2017:52).

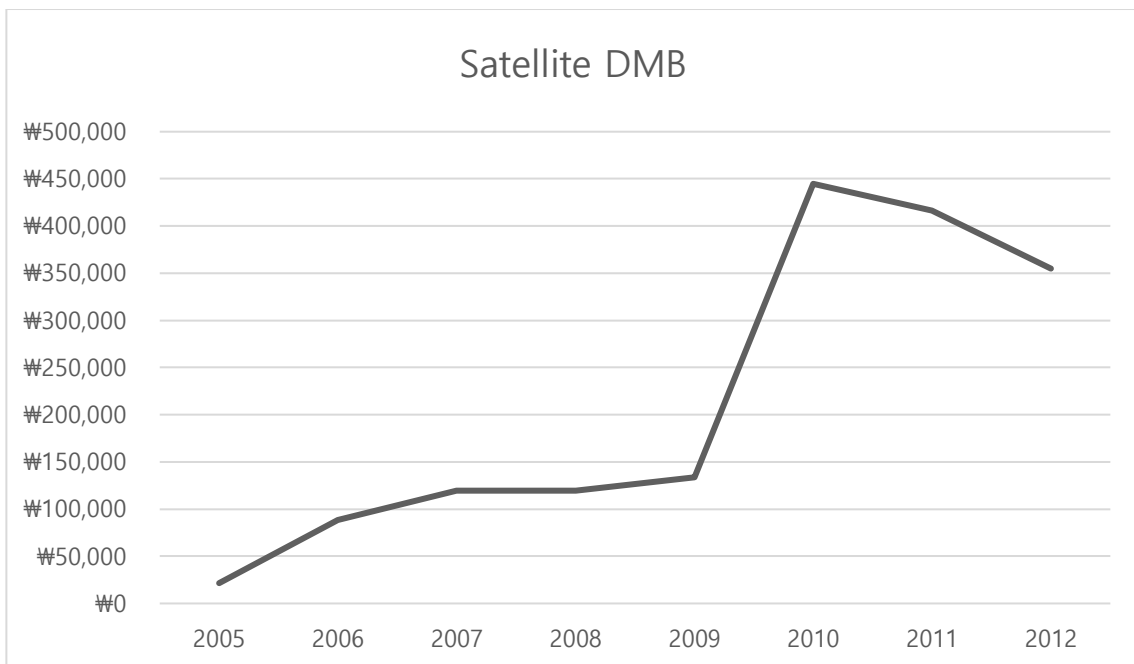
6.1.6. DMB: Mobile TV

Digital Multimedia Broadcasting (DMB) is a mobile broadcasting. DMB can be seen in the two perspectives in terms of media convergence. First, especially in the case of satellite DMB, since the broadcasting content is transmitted through the telecommunication network, it can be seen as the convergence between telecommunication network and broadcasting service. Second, it can be the convergence between TV and mobile phone, for it can be seen as the merging between mobile phone device and TV. There are two types of DMB: Satellite DMB and Terrestrial DMB. The biggest difference between the two is the transmission scheme. The Satellite DMB uses the satellite frequency (2.6Ghz), and the terrestrial DMB uses the terrestrial transmission tower and the VHF frequency (200Mhz). According to Jung (2009) some Korean companies and research institutes, who involved in DMB technology development, had a lot of intellectual property rights on video compression standards for DMB transmission (Jung, 2009:237).

Therefore, Satellite DMB is a mobile TV using satellite frequencies. There was only one Satellite DMB operator in Korea, named TU Media. As of 2017, it no longer exists in Korean broadcasting market. TU Media, a subsidiary of SK Telecom (SKT), provided technologically innovative service using gap-filler transmission methods. Satellite DMB subscribers were 1.85 million in 2008. TU media had to have 2.5 million subscribers to go beyond the break-even point.

However, TU Media suffered losses each year since its introduction because it did not meet the required subscriber (Jung, 2009:235). As of 2009, TU Media's cumulative net loss reached KRW 314 billion (Kim, 2010:35). According to TU Media's survey in 2005, more than 80% of its viewers used Satellite DMB to watch live terrestrial TV programmes or terrestrial TV's repeating programmes. It seems that TU Media had difficulties in management because of their lack of killer contents (Jung, 2009:235).

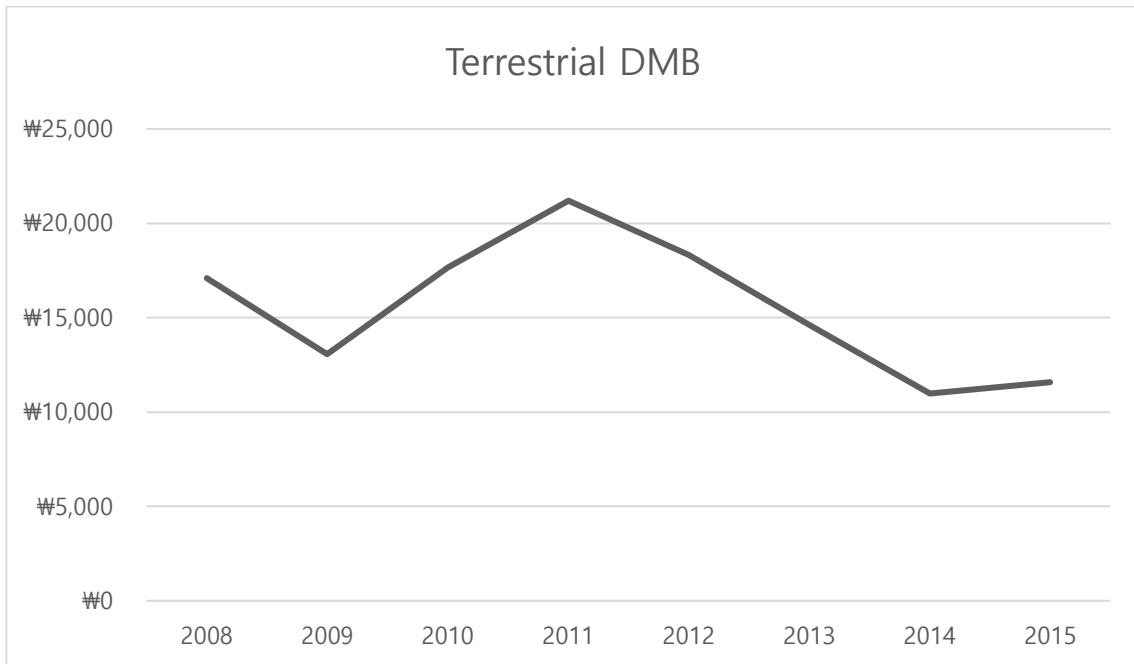
Figure 9 Satellite DMB's Revenue in 2005-2012 (KRW, Millions)



Source: KCC (2016a)

Finally, TU Media failed to meet the breakeven point and abolished its business after seven years of its launch. It seems that high revenues were generated in the last three years from 2010 to 2012, because they sold existing assets and technology patents in this period. Meanwhile, Satellite DMB's revenue share within total broadcast market in the year 2012 was only 0.1%, and TU Media recorded loss of KRW 74,163,646 in that year. Consequently, satellite DMB service do not exist in Korea after 2012.

Figure 10 Terrestrial DMB's Revenue in 2008-2015 (KRW, Millions)



Source: KCC (2016a)

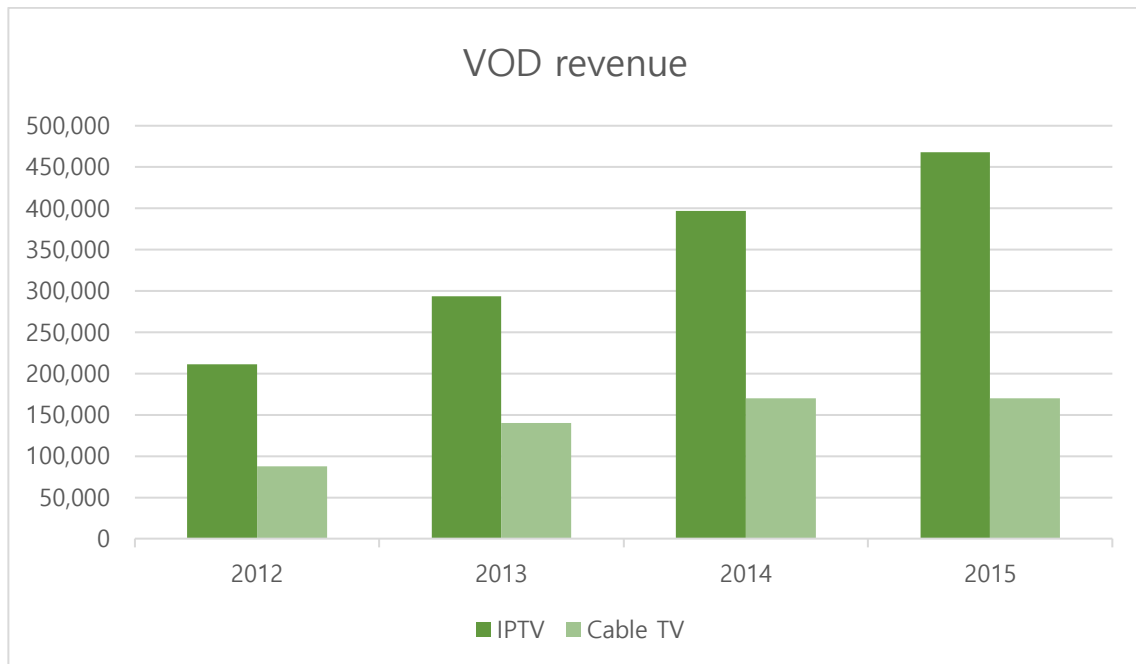
Terrestrial DMB was first introduced in 2005, the same year when Satellite DMB was introduced. It was operated by South Korea's own developed technology as in the case of Satellite DMB. Governments and corporations made great efforts to export Terrestrial DMB technologies to the overseas countries, but it was not very successful (Kim, 2010). As of 2015, Terrestrial DMB had 6 operators, and it can be divided into major terrestrial broadcaster and the other DMB-only operators. Major Terrestrial DMB broadcasters were KBS, MBC, SBS and they manage their DMB channels as an extra channel to their existing terrestrial TV services. And there were three other DMB-only platforms. Unlike Satellite DMB, which adopted subscription model, terrestrial DMB was run by advertisement revenue as it was their main source of income.

Regarding its impact on broadcasting market, terrestrial DMB's share of revenue was 0.1% within total broadcasting market in 2015. Meanwhile, the three DMB-only operators excluding KBS, MBC, and SBS recorded a net loss of KRW 997,038,000 in 2015. In addition, the percentage of people who use terrestrial DMB for more than one day in the last three months was steadily dropping from 22.2% to 18.9% in 2011-2015. The reason for this decline was the increase in penetration of smartphones and the introduction of online video platforms such as Over the Top (OTT) service providers (KISDI, 2016c).

6.1.7. Video on Demand (VOD)

On the other hand, Video on Demand (VOD) is an interactive broadcasting service that enables viewers purchase a TV programme when they wanted to watch. Since it creates an interactive and non-linear type of TV viewing, it could be said that VOD is a broadcasting service that has telecommunication's characteristics.

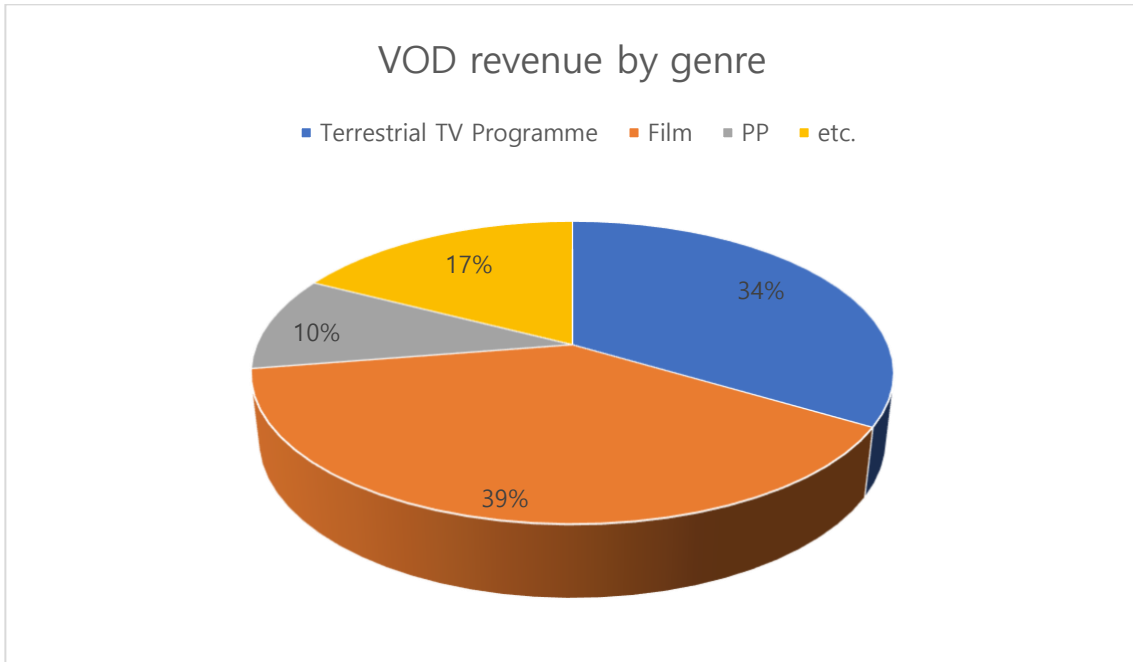
Figure 11 Video-on-Demand (VOD) Revenue in 2012-2015 (KRW, Millions)



Source: KCC (2016b)

As shown above, VOD services were provided by cable TV and IPTV, and their revenues grew steadily from 2012 to 2015. Furthermore, of all paid subscription revenue (paid by subscribers each month), the proportion of VOD sales continued to grow. More specifically, the share of VOD service revenue in total Pay TV subscription revenue was steadily increasing from 17.7% to 22.9% in 2013-2015 (KCC, 2016b:296-297). Among all VOD sales, IPTV's VOD market share accounted for 73.4%, while cable TV accounted for 26.6%. In addition, as shown in the graph below, viewers using VOD in Korea mainly used the service to watch films and terrestrial TV programs.

Figure 12 Video-on-Demand (VOD) Revenue Share by Genre in 2015



Source: KCC (2016b)

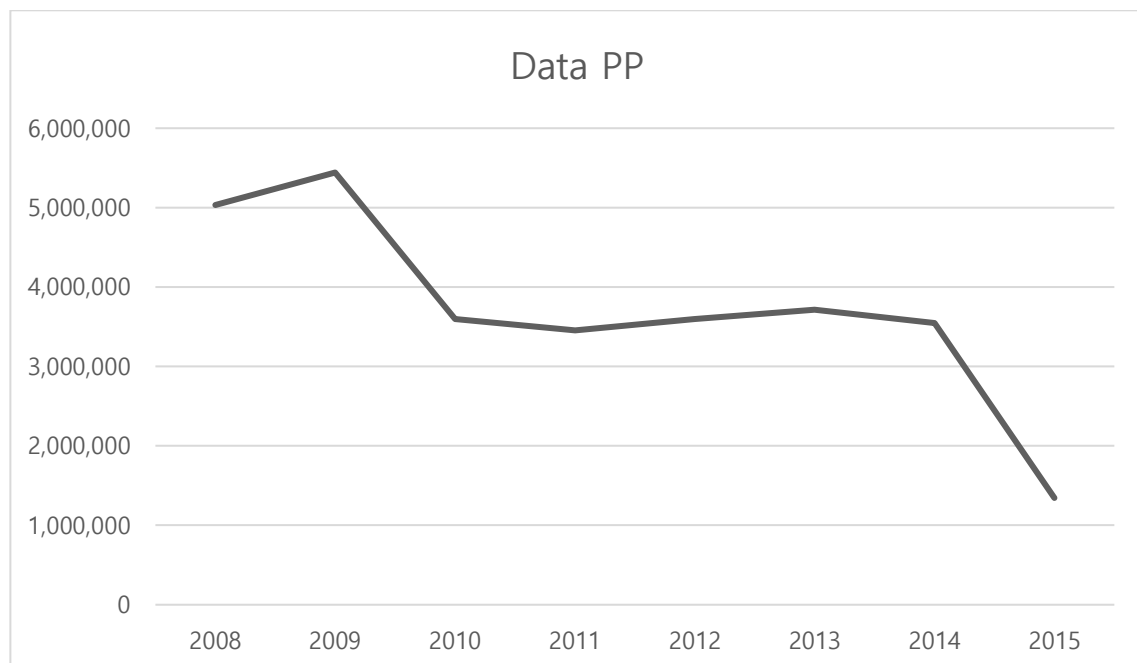
6.1.8. DATA PP

In Korea, a channel operator is called a program provider (PP). It is a provider of channels such as news, drama, entertainment, sport, film, etc. They offer their channels to cable TV, satellite TV and IPTV. PP is the sector where the largest revenue is generated in Korean broadcasting market. Their total revenues are 6 trillion Won, which account for 40% of total broadcasting market revenues in Korea, where the total revenue is 15 trillion Won (almost 10 billion in GBP). There are three kinds of PPs. The first one is home shopping PPs, which sell products such as clothes, cooking tools, etc., by promoting it on broadcasting channels. They generate almost half of total revenues in the PP market (about 3 trillion won). But they are not thought to be a genuine broadcasting business, as they do not sell broadcasting content itself. Second, General PPs are providers of news, entertainment, dramas, movies, and sports channels. The third is Data PP. They are channels that have interactive function. Thus, Data PP can be an example of convergent media. Data PP, for example, can provide a relevant information such as a star football player's career history while you watch football game, and your favourite team's recent match results, etc. In addition, it provides information such as weather, news, and traffic as well as Internet and e-commerce services. More precisely, there are two sub-categories in Data PP. The first one is 'Website-like Data PP' and the second one is 'Interactive-Broadcasting Data PP'. The 'Website-like Data PP' channel is a channel composed only of text and graphics without signal of

broadcasting image, similar to an internet web page. Users can enjoy various entertainment services such as games, karaoke, weather information, stock information, and news information on the channel. Meanwhile, the Interactive-Broadcasting Data PP channel shows general broadcasting just like a General PP channels, but provides extra information related to the broadcasting contents in real time, so that viewers can get more information on the programme, and they can even buy something while they watch the channel. Seoul Broadcasting System (SBS) introduced the first Interactive-Broadcasting Data PP channel in Korea in 2002.

The main source of revenue for Data PP is e-commerce, and interactive advertisement (Jung, 2009:243). As of 2015, Data PP accounted for 0.5% of total broadcasting market revenue. Its revenue share in total PP sales was 1.2%. Data PP's revenue is decreasing as shown in the graph below. However, it makes some profits every year. As with the DMB discussed above, the impact of Data PPs was not very significant in the whole broadcasting market.

Figure 13 Data PP's Revenue in 2008-2015 (KRW, Millions)



Source: KCC (2016a)

6.2. Device convergence

So far, some examples of network convergence were examined. In this part, the examples of device convergence will be examined. Device convergence means the convergence of existing media devices. Thus, device convergence can be more easily understood from a media user's perspective.

For example, a connected computer can be a good example of device convergence, as newspaper, radio and television can be used on the connected computer. Basically, the emergence of device convergence was caused by the convergence of computers and telecommunication. As noted earlier, the convergence between computer and telecommunication was the first media convergence model that was presented in the 1980s. However, as computer technology develops, small computer devices such as Personal Digital Assistant (PDA), smart phones, or tablet PCs were introduced. In this part, the penetration and the use of smart devices will be examined.

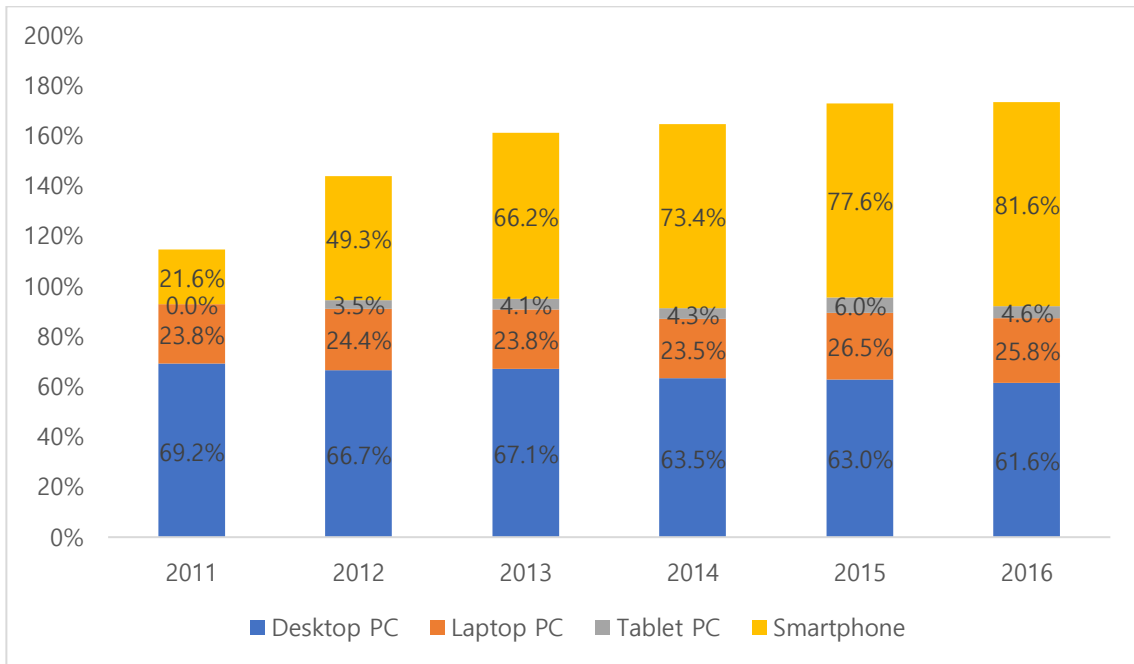
Convergence or divergence?

Computers and smart devices show very interesting results in terms of media convergence. Because, in one point of view, these can be understood as the phenomenon of media convergence. However, in another point of view, it can be seen as diversification in media.

First, from the viewpoint of existing mass media, such as newspapers, a smart device is another content distribution window. For example, in the past, newspapers could only be read in paper. But now newspapers are available on computers, smartphones and tablets. The contents of the newspaper article are almost the same, but we can use different devices to read the article. More precisely, it can be published as paper newspapers, but it can also be seen on its Internet website, or by using the newspaper app in a smartphone or tablet PC. This phenomenon is occurring not only in newspapers but also in broadcasting. Korean public broadcasters, such as KBS, MBC, and EBS, offer a variety of online websites (KCC, 2016a). They distribute their contents using at least five online platforms, including YouTube, Twitter, Facebook, Instagram, and smartphone applications. It can be explained by using the word ‘multiplatform’ too. Multiplatform means the distribution of contents through various platforms.

However, when the same phenomenon was seen from the user’s viewpoint, those media devices are absorbed and converged into a single medium. In fact, PCs and smart devices are convergent media where the user can enjoy existing media contents – such as newspapers, radio, television, and movies. Thus, it is notable that, the Internet, has a somewhat contradictory character when it was seen in the framework of media convergence. That is, the Internet is a convergent media by itself, but it helps diversify other existing mass media. The following is the penetration rate of PC and smart devices in Korea.

Figure 14 PC and Smart Device Penetration in 2011-2016



Source: KISDI (2016b)

As shown in the graph above, it can be confirmed that the total penetration rate including PCs and smart devices grew in 2011-2016. Among them, smartphone's penetration was growing at the fastest pace. In 2011, only 21.6% of the respondents had smartphone, but only after five years, it was increased to 81.6%. According to KCC (2016c:11), smartphones became the most 'essential' medium in Korea, and their impact on the society was increasing. Tablet PC, on the other hand, was increased slightly, but was still remained at a low rate of penetration (4.6%). When it comes to laptop PC, its penetration rate was steady, marking around 25%. Meanwhile, the penetration rate of desktop PC was gradually declined in the period. Therefore, it seems that the increase in the penetration rate of smart devices led to the decrease in the penetration of desktop PC. Nonetheless, the total number of media devices held per person has increased, as people purchased additional smart devices in addition to the desktop PC or laptop PC.

Therefore, it seems more reasonable to call this phenomenon 'device diversification' rather than device convergence. This conclusion is not different to Henry Jenkins (2006), as he argued that new convergence media would emerge, but that would not be a convergence to a single 'black box', and that more and more devices would emerge. In a similar vein, Fagerjord and storsul (2007:22) also argued that "it is common practice in most industries to offer different models, targeting the needs of various user groups. The mechanics of capitalism makes it perfectly sensible that there are more rather than fewer types of terminals."

When it comes to the usage pattern of smart devices users, a similar tendency could be found in smartphone users and smart tablet users. According to KCC (2016c:134), on the other hand, only 30% of smartphone users have viewed TV programs using smartphones. Similarly, just 7% of smartphone user listen to the radio using smartphone. Also, only about 12% of people have seen movies using smartphones. In other words, 70% of smartphone users do not watch TV programs at all, 93% do not listen to any radio at all, and 88% do not watch movies at all. In the meantime, the most common use of smartphones in regard to mass media was to read newspaper or magazine articles. About 80% of smartphone users responded that they regularly read newspaper magazine articles using their smartphones. Smart tablet also showed similar results. Only 28% of the respondents said they use a tablet PC to watch TV programs more than a day in a week. In the case of radio, only 4% of all tablet PC users listen for more than 1 day a week, and 15% of users watch movies more than 1 day a week. That means, 72% of tablet PC users do not watch TV broadcast at all, 96% do not use any radio at all, and 85% do not watch movies at all. However, the rate of use for newspaper or magazine articles was the highest at about 60%.

Furthermore, according to KCC (2016c:16), it was confirmed that among TVs, PCs, and smartphones that were used to watch real-time TV programs, TV was still the most popular medium to watch live TV, as 97% of respondent said that they watch TV using TV device. However, it was found that more and more people use smartphones while watching TV. According to KCC (*ibid.*), 48.7% of respondents in 2016 use their smartphones when they watch TV, and 66.3% of them use it for chatting or SNS.

In conclusion, users of smart devices tend to use new smart devices 'in addition' to traditional media use. In other words, this means that people use more media for more diverse purposes. As a result, the diversity of media device and usage pattern was increased due to the advent of converged smart devices. To summarise, new smart devices emerged as convergent media, but the overall tendency was moving toward 'coexistence' or 'co-evolution' rather than making other to disappear.

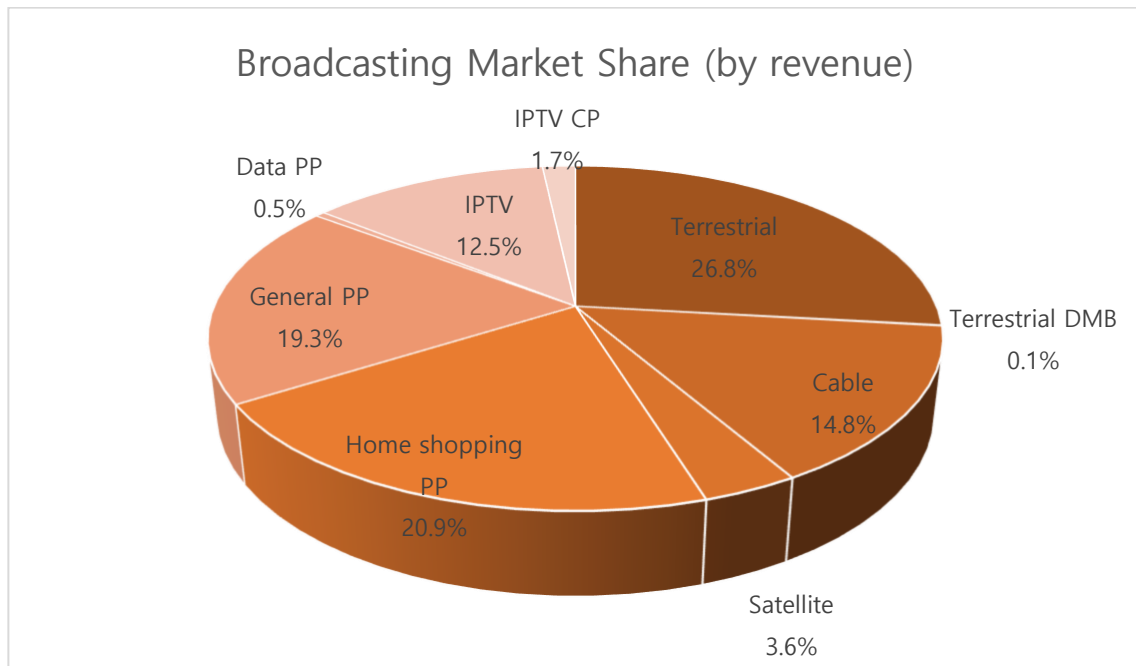
6.3. The impact of media convergence on markets

In this section, the overall influence of media convergence will be examined by observing Korean broadcasting and telecommunication markets. Specifically, the revenue share of IPTV, DMB and Data PP in the overall broadcasting market will be examined. And then, the market share of cable TV operators in the entire telecommunication market will be examined. By examining the revenue of these convergent media, the thesis will present the degree of influence of media convergence on Korean broadcasting and telecommunication markets.

6.3.1. The impact of media convergence on broadcasting market

The figure below shows the total revenue shares of players in broadcasting market in 2015.

Figure 15 Broadcasting Market Share in 2015 (by Revenue)



Source: KCC (2016a)

When it comes to broadcasting market, IPTV's revenue share was 12.5% of the total broadcasting market. As seen above, IPTV attracted a large number of subscribers in a relatively short period of time thanks to the support from government, unfair trade through bundled products and unlawful subsidies offered to customers. Therefore, it is difficult to say that it was successful in the broadcasting market due to the merit of its service quality. Rather, it seems more appropriate to understand its success as the result of the government's commitment that was based on the 'convergence discourse' discussed in the previous chapter. On the other hand, the market share of Data PP was just about 0.5%. And as shown above, its total revenue was decreasing. Meanwhile, Satellite DMB was withdrawn since 2012. In the last year of operation, the revenue of Satellite DMB accounted for only 0.1% of total market revenue (KCC, 2013). On the other hand, three terrestrial DMB-only operators made massive deficits, and their sales revenue was only 0.1% of the total broadcasting market. In conclusion, the influence of convergent media on Korean broadcasting market was generally insignificant. However, the growth of VOD can be seen as an important move. But, the importance of Data PP and DMB seems not to be increased in the future.

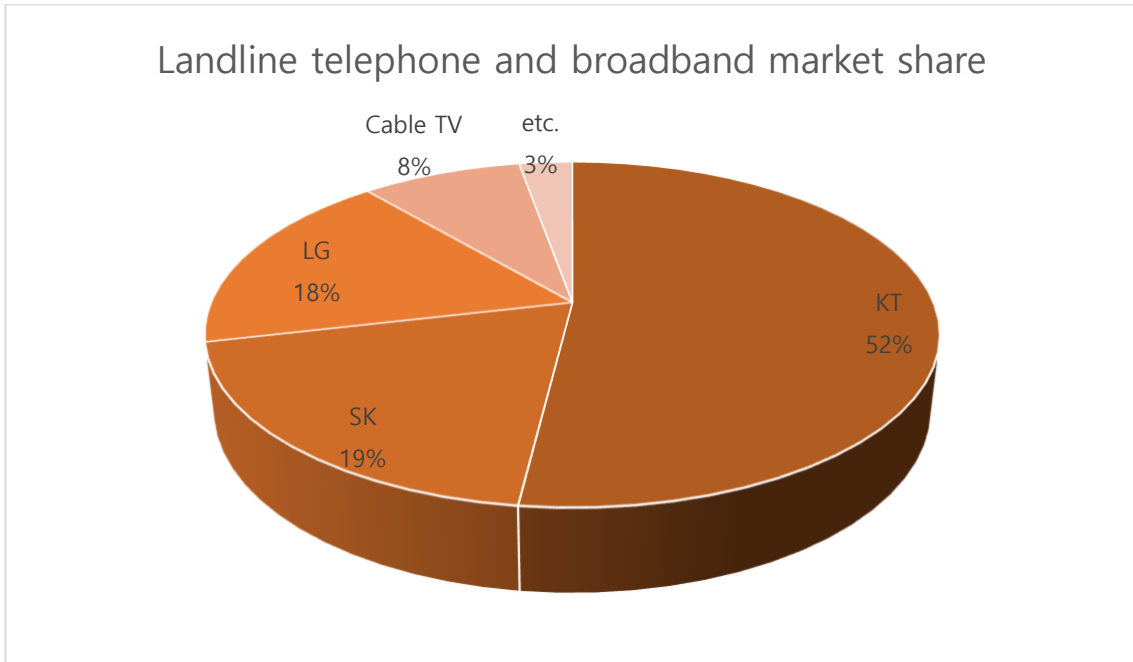
Especially, in the case of DMB, the amount of their deficit was increasing, due to other internet-based audiovisual service was introduced with the increase of smart phone use (KISDI, 2016c). As whole, the convergent media (IPTV, DMB, and Data PP) account for 13.1% of the broadcasting market. However, this is largely due to the growth of IPTV which made 12.5%. The remaining convergent media, DMB and Data PP, was not influential in the market.

When it comes to the traditional broadcasting, terrestrial broadcaster's revenue share was 26.8%. Cable TV accounted for 14.8%. Despite the recent decline in market share, cable TV's revenue share was still higher than IPTV, accounting for almost half of Pay TV sales. On the other hand, General PP made 19.3% of market share. Therefore, when combined those three main broadcasting operators, they account for 60.9% of the total broadcasting market. In conclusion, in the Korean broadcasting market, terrestrial broadcasters, cable TVs and general PPs were still dominant.

6.3.2. The impact of media convergence on telecommunication market

There are three major telecommunications markets: Landline telephone, mobile telephone, and internet broadband markets. The telecommunication services of cable television are landline telephone service and internet broadband service. Meanwhile, there exists a mobile communication service provided by cable TV operators. As discussed above, cable TV's landline service and internet broadband services had some impacts on telecom market. In this part, the actual impact of media convergence on the telecommunication markets will be examined.

Figure 16 Landline Telephone and Internet Broadband Market in 2015 (by Revenue)



Source: KISDI (2016a)

As the figure above shows, cable TV's share in the telecom market was around 8%. On the other hand, it can be seen that the share of sales of the three dominant telecom carriers is still very high in these markets. Precisely, the three dominant players, KT, SK and LG accounted for 89% of the landline and broadband markets. Compared to IPTV's rapid penetration in broadcasting market, the influence of convergent media service of cable TV on telecommunication market was not significant.

6.4. Conclusion

This chapter examined what convergent media were emerged in Korea, and to what extent the convergent media actually influenced on Korean broadcasting and telecommunication markets. In the case of network convergence, there were converged services including cable TV's landline telephone service and broadband service. On the other hand, there were broadcasting services converged with telecommunication's network and telecommunication's interactive characters. Accordingly, IPTV, bundle service, Satellite and Terrestrial DMB, VOD and Data PP were examined as the converged media products. In general, it was shown that the convergent media's influence on broadcasting and telecommunication markets was not significant. Among those convergent media, IPTV and bundle service seemed the most influential media services. However,

it seems that the quick penetration of those convergent media service was not purely by their own merits. As some studies showed, the Korean government drove the development of IPTV. Furthermore, as a lobbyist from cable TV said, the success of bundle service seems due to the successful lobbying and marketing activities from big telecommunication companies. Having said that, therefore, the overall impact of converged media on broadcasting and telecommunication markets can be less regarded than it shows. When it comes to device convergence, the spread of converged smart devices increased the diversity of device in a household and the diversification in the media usage pattern. Through these examinations, it was found that device convergence did not lead to the emergence of one-size-fits-all device. In the meantime, it was difficult to find a certain phenomenon called ‘content convergence’ or ‘platform convergence’ in Korean media markets. And it is notable that, in Korea, broadcasting programmes were categorised for a long time according to the classification of traditional genre concepts such as news, drama, entertainment, documentary, art, and sports, and this classification was not changed in the given period of examination (see KCC, 2016b).

In addition, Fagerjord and Storsul (2007) also examined some European cases to see how the media convergence actually brought about changes in different levels in media ecology: Content, platform, network and terminal (device). For example, at the network level, network convergence was found, such as broadcast services utilizing telecommunication’s networks. At the same time, new forms of networks such as Wireless Local Area Networks (WLAN) and other various mobile networks (i.e. GSM, UMTS) were emerged. In the case of terrestrial television networks, continuity has also been found, as the traditional functions of TV were still maintained. They saw the reason for this network diversification because people are using the network for a variety of purposes. In addition to the network, similar trends have been found in the areas of terminals (devices), services, rhetoric (genre), market and regulation. Based on the observation, they argued that while some convergence phenomenon was occurred, the opposite phenomenon, the diversification, also occurred in the process. Therefore, they contended that:

“Digitization contributes to the blurring of boundaries between different media. This does, however, not imply that boundaries disappear. Rather, what we see is a stronger differentiation of media in which elements from earlier separate media and sectors are combined in new ways with new boundaries. These developments are all related to digital technology – but apart from that, the phenomena are quite diverse. [...] What we see are several parallel developments resulting in a higher level of complexity, with new alignments of networks, terminals, services and markets. Labelling them all under the one umbrella of ‘convergence’ does not contribute to a better understanding of the ongoing changes” (Fagerjord and Storsul, 2007:27).

In the next chapter, the governance changes caused by media convergence will be examined. As noted earlier, market convergence can develop to policy (or regulatory) convergence, as a convergent framework for media policy and regulation is needed for converged media markets. Accordingly, some countries including Korea adopted the integration between broadcasting agencies and telecommunication agencies. The Korean case of policy convergence showed some typical phenomena in the process of integration, as well as some unusual side-effects from the policy convergence. Therefore, it can be said that the analysis of policy convergence in Korea generates new empirical evidence, and also it can give some practical recommendations for better media governance.

7. The influence of policy convergence on media policy governance

In this chapter, the influence of policy convergence on Korean media policy governance will be examined. In the first part, the historical background of the establishment of KCC will be examined. In the second part, KCC's governance system and its political independence issues will be investigated. In the third part, the hegemony struggle happened in KCC will be examined. In conclusion part, some theoretical findings and practical recommendations will be discussed.

7.1 Turf war between agencies

As convergence develops in the market, some duplicated areas emerged. This led to the conflict between media companies and relevant media agencies. The following table shows conflict zones between three media agencies involved in the discussion of media convergence. KBC was a broadcasting policymaker as well as a regulator and was an independent agency, MCT was a government department who managed cultural policies and some parts of broadcasting industry. It was mostly relevant to the promotion of export of broadcasting contents to overseas market. Lastly, MIC was another government department which was in charge of policymaking and supporting for telecommunication sector.

Table 9 Conflict Areas Caused by Media Convergence

Organisations	Conflict areas
KBC vs MCT	Broadcasting contents and broadcasting advertisement
KBC vs MIC	Introduction of IPTV and other new convergent media
MIC vs MCT	Online digital contents

Source: Convergence Committee (2008)

7.1.1. Dispute over IPTV

Among those conflict areas, the most urgent issue was the introduction of IPTV, as it was thought that the introduction was being too delayed, whereas relevant technologies for the service were ready. However, the introduction of IPTV was not easy, for the dispute between KBC and MIC

were so severe. The following table shows the history of development of IPTV in Korea, as well as the dispute between KBC and MIC over the jurisdiction of IPTV.

Table 10 The History of Dispute between KBC and MIC over IPTV

Year	Events
1998	The first IPTV model was introduced. But live broadcasting was not possible.
1999	‘Broadcasting Reformation Committee’ established. The Committee suggested the introduction of policy convergence for the first time. But it was not realised.
2000	Instead, an expanded KBC was established.
2002	SK Telecom succeeded to develop live broadcasting technology for IPTV.
	KBC and MIC conflicted as they wanted to be in charge of IPTV policy. A temporary committee was established by KBC and MIC, but the dispute was not resolved.
2003	President Roh pledged to introduce an integrated media policy institution.
	KBC and MIC kept fighting on the jurisdiction of IPTV and the way of establishing a converged policy institution.
2004	Government tried to arbitrate in the dispute between KBC and MIC by establishing some committees where KBC and MIC can discuss it jointly, but it was not successful.
2005	KT showed a technologically completed version of IPTV in a showcase. (But still there was no official IPTV service yet, due to the conflict between KBC and MIC. As the introduction of IPTV was too much delayed, many stakeholders criticised it.)
	The conflict between KBC and MIC reached the highest point ever. They tried to lead the situation by proposing a bill or revising a related law.
2006	Convergence Committee was established.
2007	IPTV Act was passed in National Assembly.
2008	KCC was established by Lee government.
	IPTV licence was given to major telecommunication companies.

Source: Lee and Kim (2006); Kim, Sung and Jung (2008)

As shown above, the first model of IPTV was created in 1998, and a complete model was made in 2005, but the service was delayed until 2008. The delay was due to the turf war between KBC and MIC. Thus, it was thought that the merging of KBC and MIC could be a solution to finish the dispute. In other words, it was becoming more obvious that the matter of governance structure and the introduction of IPTV should be done together. Indeed, Convergence Committee’s white paper noted that “it was decided that the completion of the reorganisation should be discussed first, before discussing the introduction of IPTV and other agendas” (Convergence Committee, 2008:29). In other words, since the ‘turf war’ between KBC and MIC became the most obvious barrier for the introduction of IPTV, the committee thought that if the two institutions were merged, the introduction of IPTV can be achieved afterwards.

Meanwhile, as the focus was fixed to the arbitration between media policy institutions, the overall discussion in Convergence Committee became like a ‘administrative engineering’ discussion (Shin and Venkatech, 2008; Youn, 2008). In a similar vein, Kim and Youn (2010) criticised that the committee did not show proper interest in other important factors in media, and they too much focused on the administrative reshuffle for media agencies throughout the reform process. In the meantime, this kind of conflict was not a totally new happening in Korean media history. In fact, whenever a new medium such as cable TV and satellite TV were introduced in Korea, there were conflicts between relevant policy institutions such as government department and media agency (Lee and Kim, 2007).

7.1.2. Comparison of the reform plans of KBC, MIC and MCT

As shown above, there were conflict areas between KBC, MIC and MCT, and particularly the dispute between KBC and MIC on IPTV had long history. Moreover, they had different views on the way of the integration between them. The table below presents their different suggestions on the way of media governance reform.

Table 11 Reform Plans Suggested by KBC, MIC and MCT

	Reform Plan
K B C	<ol style="list-style-type: none"> 1. The Independence of the institution should be guaranteed 2. As media convergence is rapidly developing, the full integration of broadcasting and telecom policy is desirable. 3. The integrated institution should deal with both promotional and regulatory policies 4. The integrated body can be a ministry or a commission
M I C	<ol style="list-style-type: none"> 1. Separate promotional policy institution and regulatory policy institution 2. The regulatory policy institution needs to be a commission model. 3. The regulatory policy institution should be attached to the government, to make it easy to cooperate with the promotional institution, which is government ministry. 4. Broadcasting’s independence, fairness and impartiality should be ensured. 5. Content standard regulation should be separated from the government, to ensure the political independence of broadcasting.

M C T	<ol style="list-style-type: none"> 1. Separate promotional policy body and regulatory policy body. 2. Promotional policy should belong to government ministry. 3. Broadcasting content promotion for MCT, and network promotion for MIC. 4. Regulatory policy can be dealt by a non-government regulator.
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Source: Convergence Committee (2008)

As shown in the above table, the three policy institutions came up with different reform plans with different reasons. However, their rationales for reorganisation plans were difficult to be compromised to each other. As a result, it was difficult to close the gaps in Convergence Committee.

There were two contentious issues in the discussion. First issue was whether to establish an integrated organisation responsible for both promotional and regulatory policies, or to establish two separate institutions which respectively oversees promotional policy and regulatory policy. Second issue was whether the integrated institution should be a ministry or a commission. The ministry means a normal government department where a top minister has absolute power and responsibility in decision-making process. And as the minister is appointed by the president, it can be said that president can influence on the decision making process of a ministry. On the other hand, the commission model is an institution where its members share the power and responsibility of decision-making. However, this cannot be absolutely free from political power, as the commissioners are normally appointed by government or president. But the institution's decision-making process can be more democratic, as the commissioners make their votes in policymaking, based on what they discussed.

Regarding the form of converged institution, the three institutions have proposed different plans. In the case of KBC, it first stressed the independence of the agency as a very important principle in adopting policy convergence. And they recognised that media convergence was in 'rapid progress', and accordingly, they thought the establishment of an integrated institution was an urgent task. Therefore, they suggested an integrated commission model that oversee both promotional and regulatory policies. They were the one who suggested the most comprehensive model, among those three parties.

On the other hand, MIC proposed to establish separated institutions that respectively deals with promotional and regulatory policies. More precisely, they suggested to make a government ministry that manages promotional policy and to make another commission-style regulator that belongs to the government. Furthermore, in regard to the content standard regulation, MIC proposed the establishment of a non-ministry institution in order to guarantee political and social impartiality in broadcasting contents.

The MCT also proposed the establishment of a separate organisations for promotional and regulatory policies, similar to MIC. And as MIC proposed, MCT also argued that promotional

policy needs to be handled by government ministries, and the regulatory policy can be dealt by a commission-style regulatory body. However, in the case of promotional policy, they wanted to separate content promotion and network promotion. MCT, who was in charge of some content promotion work, wanted that content promotion function is not be moved to other institution, while network promotion policy can be belonged to MIC.

In sum, the KBC suggested a wholly integrated commission that has both promotional and regulatory functions. MIC proposed a separated model, making a communication ministry for promotional policies and another commission-style institution that is dedicated for regulation. MCT had similar approach with MIC, but they wanted to separate content and network policies. Although they proposed different models, they all agreed to adopt policy convergence by reforming governance structure, in order to prepare for so-called ‘media convergence era’.

Expanding the scope of authority

Meanwhile, when we examine those three parties reform plans, it can be found that everyone in the discussion wanted to maintain or expand their authority, not losing any of their authorities. In other words, none of them wanted to abandon any of the authorities that they already possessed. In addition, they did not want dynamic changes. To put differently, they did not want to make a system that they are not familiar with. More precisely, KBC suggested to establish a fully integrated one, which is the most similar structure to theirs. In other words, as they had promotional and regulatory functions together, they wanted to keep this structure, even when they become a fully integrated organisation.

On the other hand, MIC wanted to establish a system that is the most similar to their system at that time. Then, MIC was responsible for promotional policy as a government department, where the minister had ultimate power and responsibility. Therefore, they wanted to maintain the form, by suggesting the separation between promotional and regulatory functions. Meanwhile, there was Telecommunication Commission, which was in charge of telecom regulation. Their job was such as the arbitration of company dispute and the regulation of online contents. Telecommunication Commission was an affiliate quasi-government institution attached to MIC. Therefore, MIC literally had management power on Telecommunication Commission. Thus, as they were familiar with this structure, MIC suggested that the converged regulator should be attached to the government.

Lastly, MCT wanted to separate promotional ministry and regulatory commission as MIC proposed. At that time, they only had a little part of content promotion work. And the most of promotional authorities related to broadcasting content was belonged to KBC. Thus, MCT wanted to take advantage of the reform process to obtain more authorities in broadcasting policy. But the

content promotion was all they wanted. They contended that content policy and network policy should be separated, and MIC might have the authority on it.

On the other hand, Fair Trade Commission (FTC) also tried to expand their authorities over broadcasting market. Fair Trade Commission is a quasi-government institution that oversees competitions in general markets. However, they did not have clear authority regarding broadcasting markets. This was because the competition regulation function was also given to KBC, and traditionally KBC was in charge of the competition issues in broadcasting. But FTC showed that they also wanted to have more power in broadcasting market. Thus, FTC presented the reason that they, who has expertise in regulating competition, are better suited to oversee competition issues than KBC, who basically has expertise mostly on cultural matters. However, KBC refuted this argument, saying that the competition in broadcasting field is not like those in other industries. Precisely, KBC argued that the competition in broadcasting market involves cultural as well as economic factors, which in turn makes the competition regulation more complicated than other industries (Convergence Committee, 2008:105).

In conclusion, those parties tried to expand or at least maintain their powers and systems in media governance. Consequently, KBC, MIC, and MCT did not lose their authorities at all. The reason why all the agencies were able to maintain their authority is probably that the Convergence Committee itself was quite close to those government departments. That is, it might be burdensome for the prime minister to coordinate those ministries later, if the Convergence Committee was ended up with a loss to any of them. In other words, the prime minister presumably had to implement a win-win strategy, or compromise strategy for all agencies in the debate process. In the following section, Convergence Committee's final decision on governance reform will be examined in detail.

7.1.3. Convergence Committee's contradictory settlement

The difference between the functions and principles of broadcasting and telecommunication became more evident in the process of institutional integration. Although the Convergence Committee held many meetings with the relevant ministers as well as the stakeholders in private sectors, the different stances of the three major institutions were unchanged. Nonetheless, it has been universally acknowledged that the integration of broadcasting and telecommunications should be accomplished. In other words, they all saw that media convergence was taking place at a very fast pace, and therefore they should adopt policy convergence very soon (Convergence Committee, 2008:77).

But as examined above, there were two critical issues that should be settled if the policy convergence is to happen. The first was whether they will converge promotional and regulatory

functions altogether by making a wholly integrated institution. The second was whether the newly established institution should be a government body or an independent body.

On the first issue, Convergence Committee asserted that “it is difficult to distinguish promotional and regulatory functions in the era of convergence. And more importantly, having two or more organisations in broadcasting and telecommunication would cause serious conflict and inefficiency. Therefore, it would be desirable to integrate rather than separate them” (*ibid.*, 124). Thus, the long-lasting conflict between KBC and MIC became the key reason for integration. In fact, the conflict between KBC and MIC was the most clearly identified issue during the whole process of discussion in Convergence Committee. Accordingly, the Convergence Committee finally made a decision to just merge KBC and MIC, in order to prevent potential conflicts in the future. Consequently, Korea adopted the FCC model of the US, or the MIC model of Japan, which has both promotional and regulatory functions in a single body.

On the second issue, Convergence Committee made a decision for the converged body to be a mixture of a ministry and a commission. As noted above, the Convergence Committee acknowledged that in terms of promotional policies a government ministry is a better option, as its decision-making structure is better for fast decision-making. And the committee also admitted that in terms of regulation, a commission would be better, because it can increase the transparency and impartiality in the policymaking process (*ibid.*, 76). However, after choosing to merge both promotional and regulatory functions in pursuit of preventing conflicts between policy bodies, it was not easy for them to decide whether they should make KCC as a ministry or a commission. Finally, the committee proposed a compromised, more adequately, a ‘contradictory’ model for KCC. More specifically, the Convergence Committee decided to organise KCC in the form of a commission, because KCC was to oversee media regulation. But at the same time, as KCC was to have promotional function as well, the committee suggested to add the character of ministry model to commission model, by letting president to have some hierarchical relationship with KCC’s commissioners. Consequently, the committee adopted a contradictory model for KCC in which commission and ministry models are mixed.

But the problem was that this model could eventually mean almost nothing but a compromise. This is because those models’ characters can collide to each other. More specifically, a ministry model is good for efficiency and speed. However, introducing this model may result in the reduction of transparency and impartiality compared to the commission model. Meanwhile, a commission model is good for transparency and impartiality. However, introducing this model can result in the reduction of efficiency and speed. Therefore, taking both model into a single body may just result in the neutralisation of all advantages of both models. As a result, KCC had to be divided into two different agencies later. This will be discussed in more detail below. In the

following part, the KCC's governance structure and their issues regarding their political independence will be examined in more detail.

7.2. KCC's governance system and independence

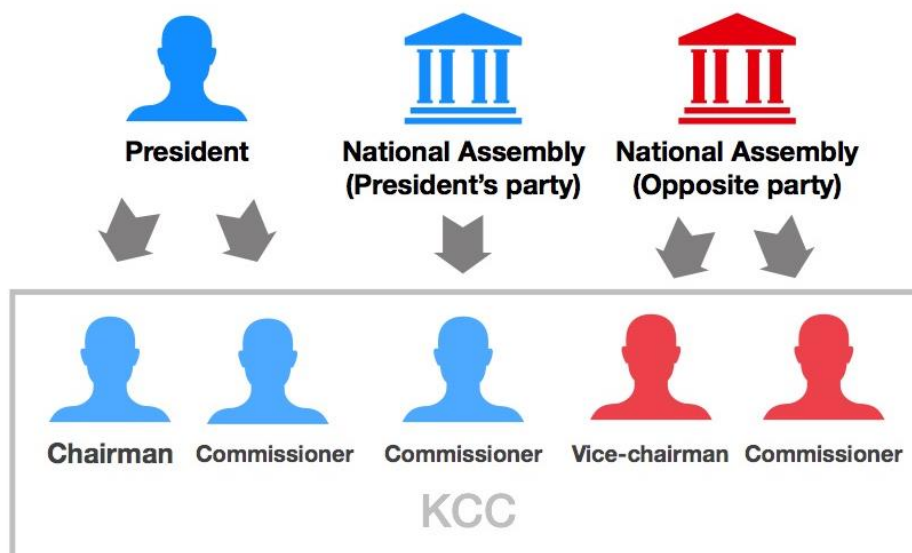
In this part, the process of the establishment of KCC and some issues regarding its governance system and political independence will be examined.

7.2.1. How KCC was established

Convergence Committee proposed a bill for the establishment of KCC to National Assembly in 2007. National Assembly discussed the bill, but the bill was rejected, for they thought that promotional and regulatory policies are better to be separated. The reason for the separation was that the inclusion of the ministry character in commission system would undermine the nature of the commission system and make it difficult to secure transparency and impartiality (Jung, 2009). It was also suggested that the president should not have authority to appoint every five members in the commission, and National Assembly should involve in the appointment process. It seems that National Assembly worried about the concentration of power in government over media, if all KCC's commissioners are appointed by government. Eventually, the KCC establishment bill was not passed in National Assembly.

However, when a new government came to power in 2008, the government established KCC when they formed new government structure. KCC was established as a commission that is attached to the president. The Convergence Committee's bill was mostly accepted, but some amendments were made. Particularly, some specific clauses were amended to prevent KCC from being controlled by president. Also, some rules on the appointment of KCC members were amended, reflecting what National Assembly suggested. As a result, president could directly appoint only two out of five commissioners. In the past bill, the president was able to appoint all five commissioners directly. But in the amended bill, National Assembly could recommend three KCC commissioner for the appointment. But National Assembly had to recommend one commissioner who is suggested by the president's party. Therefore, only two persons could be recommended by the opposite parties. Therefore, president can directly appoint two commissioners including the chairman of KCC, and his party can recommend one commissioner for the appointment by president. Consequently, president and his party could appoint three out of five members in KCC. It meant that president and his party can always hold the majority in KCC. The following figure shows how it works.

Figure 17 KCC's Governance System



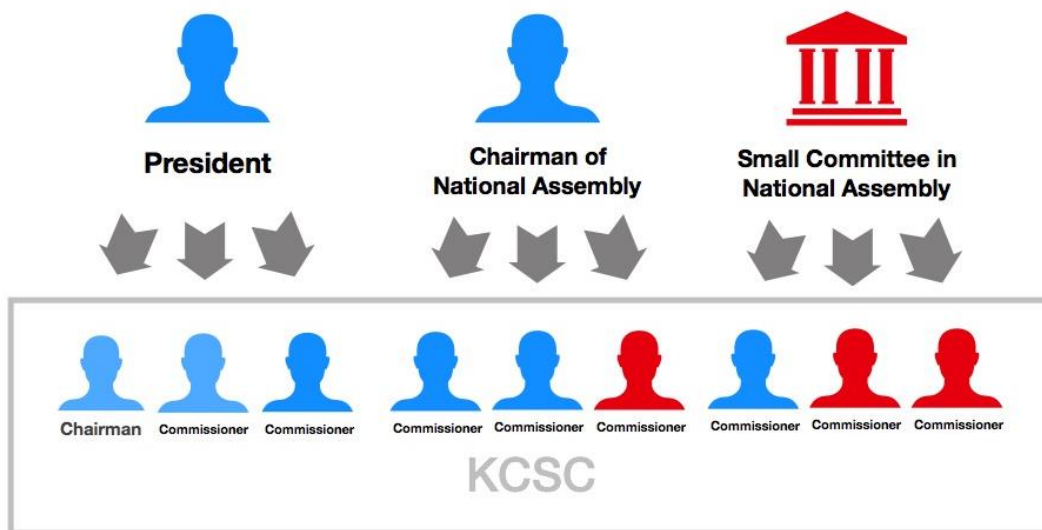
Source: Broadcasting Act

More specifically, according to Broadcasting Act, president basically appoints two members of KCC including the chairman, at his/her discretion. But KCC's chairman ought to be qualified through an official hearing held by National Assembly, before he is officially appointed. Other three members are also appointed by president, but the appointment should be made on the recommendations from National Assembly. The National Assembly can recommend one commissioner chosen by president's party, and other two commissioners chosen by the other parties. Consequently, three out of five members have always been people who has a political relationship with ruling party. This structure made the converged institution to be politically biased. Therefore, in KCC's meeting records in 2008-2013, three commissioners of the ruling party and two commissioners of the opposition party formed two political coalitions and fought to each other when they need to discuss politically sensitive media policies. For example, in 2009, the ruling party and the opposition party members strongly conflicted over the matters of ownership deregulation in broadcasting and the broadcasting permissions for conservative newspapers. In a such process, final decisions were made through their votes. However, as the majority was always the commissioners who have relationship with president and his ruling party, even when all of the two commissioners from the opposition party side rejected a policy bill, they could not win. Therefore, when examining the meeting records of KCC commissioners, it was often the case that

after a heated debate between commissioners, the opposition member eventually gets angry, boycotts the decision process, and leaves the meeting room.

Meanwhile, as KCC was established as a quasi-government body, content standards policy had to be separated by establishing another institution that is not directly linked to president and government. Accordingly, Korea Communications Standards Commission (KCSC) was established at the same year when KCC was established, to oversee media contents standards. The following figure shows how the governance structure was made for KCSC.

Figure 18 KCSC's Governance System



Source: Broadcasting Act

As presented above, there are nine commissioners in KCSC including the Chairman of KCSC. President appoints three out of nine members, including the Chairman, at president's discretion. Other six members are appointed by president too, but on the recommendations from both the chairman of National Assembly and relevant Small Committees in National Assembly. The Chairman of National Assembly recommends three candidates, and a selected small committee, which is in charge of the media legislation, recommends three candidates. But the Chairman of National Assembly should include a commissioner who is not relevant to president's party. And the Small Committee can recommend one from ruling party and two from other parties. Consequently, it makes normally the 6:3 ratio in KCSC regarding political identities of the commissioners. Therefore, as in the case of KCC, the governance structure of KCSC had to be politically biased, in favour of the president and his party. As a result, it was evident that the number of penalties levied by KCSC was increased in 2008-2010, as the media content standards

institution gave it more frequently onto some politically sensitive broadcasting news programmes which criticised government policies (Choi 2010).

In line with this, C (1 Dec 2015), the chief manager of KCSC's media content monitoring team, who worked in the institution since it was established in 2008, agreed that the politically biased structure of the KCSC eventually results in politically biased deliberation. She said, despite of many efforts and legal safeguards for political independence of KCSC, it was not achieved due to the obvious bias in the structure. Furthermore, she seemed recognising government's informal interruptions to KCSC's Chairman and other commissioners.

In the meantime, J (26 Nov 2015), who was in charge of KCC's terrestrial broadcasting policy, showed slightly different perspective on the matter of political independence of KCC. That is, he said, the lack of expertise of KCC's committee members and the lack of social trust can be more fundamental factors that ruined the independence of KCC, than its governance structure. He cautiously mentioned that KCC's commissioners do not have proper expertise on various issues in broadcasting, so they just had to follow what they were asked by the president and government. Moreover, as the commissioners were appointed politically, the political difference was the most salient feature between the commissioners, and this reinforced them to represent political parties they are related. Therefore, as they did not have enough skills in media policy and they were appointed by political logic, they could not detach themselves from political circle. Therefore, he argued that a thorough assessment for the commissioners' expertise should be carried out before and after they are appointed, so that the expertise and professionalism of commissioners can be improved, and then political independence of KCC can be improved.

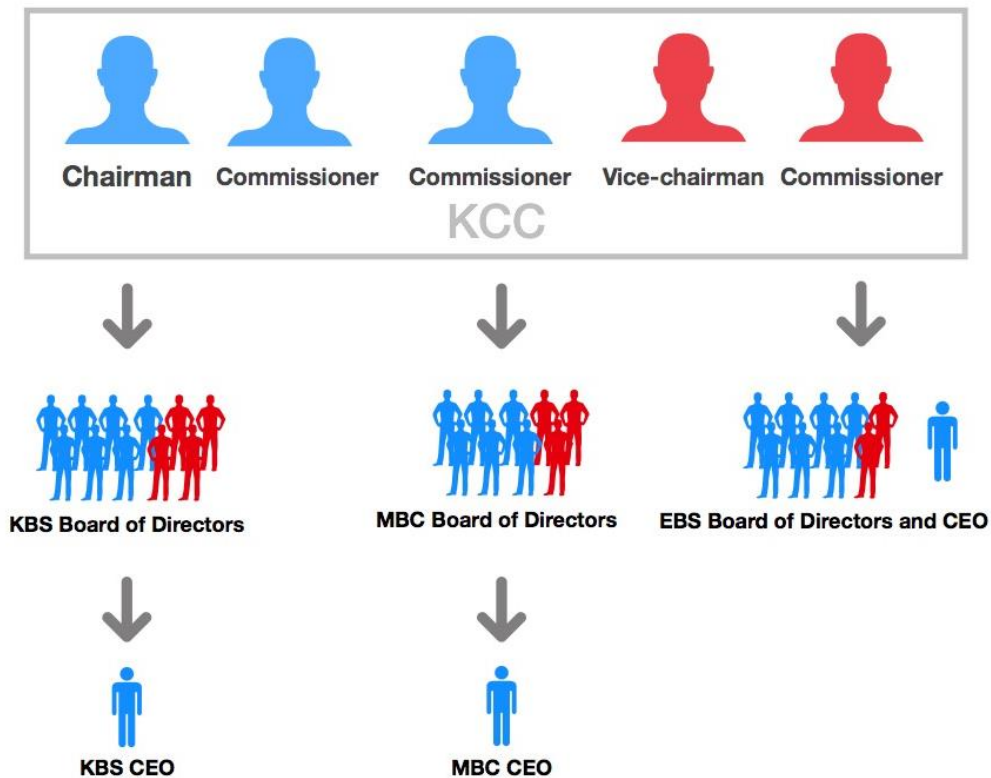
Meanwhile, the matter of political independence of KCC can be seen in the framework of regulatory state (Iosifidis, 2016). As media sector became more globalised and complicated environment, the government tries to set up more specific and professional regulator, but as they do not want to lose their power on the industry, they make a regulatory body that they can control when they need to. In a similar vein, Lunt and Livingstone (2012) argued that governments in today's global environment tends to maintain their control over the media by creating a new powerful regulator through a media system reorganisation. They said: "The state spawns new regulatory agencies that permit it to act in a more dispersed and flexible manner. Such regulatory reform enables the dispersal of power downwards, and functions of the state are performed through regulation rather than through legislation and the work of central government departments" (Lunt and Livingstone, 2012:5).

7.2.2. PSB's political independence

The most problematic result of policy convergence in Korea was the ruined political independence of PSB (Choi, 2012; Chung, 2013; Park, 2011; Yeon, Kim and Kim, 2013). Indeed, as briefly mentioned in Chapter 5, the massive strike of PSB in 2012 was a painful experience to Korean PSB. Many PSB workers lost their jobs, and their families had difficult times together, and many talented PSB workers were seriously discouraged. In this part, the changes in PSB governance, which was caused by policy convergence, will be examined.

Basically, KCC was given the authority to recommend and appoint PSB directors and CEO. This authority was transferred from KBC, which was a broadcasting policymaker-regulator, replaced by KCC. But KBC was an institution that did not have direct relationship with government, so they could make a good distance to president and the government (Son, Chang-yong, 24 Nov 2015). However, KCC was established as an institution that is directly affected by president. And this resulted in decrease of political independence of PSB. The following figure shows the governance system between KCC and Korean PSBs.

Figure 19 Governance System of Korean PSB



Source: Broadcasting Act and other related Acts

As shown above, KCC formed a politically biased structure, where president's party always form the majority among the commissioners. But as KCC had an absolute power in the process of appointment of PSB directors and CEOs, the influence of president and his party could flow in to each PSB. Precisely, KCC had the authority to recommend all members in KBS board of directors (11 people) to president for appointment. By default, 7 out of 11 directors should be someone who was related to president's party, which means, again, president's party always forms majority in the KBS Board of Directors, as in KCC. Then KBS Board of Directors recommends a CEO candidate to president for an appointment. Thus, it can be said the biased political structure of KCC was reproduced in KBS Board of Directors and affected the appointment of KBS CEO. When it comes to Munhwa Broadcasting Corporation (MBC) and Educational Broadcasting System (EBS), the situation is even worse. For them, KCC directly appoint every director and auditor. Then MBC Board of Directors appoints its CEO. The thing is that MBC Board of Directors was also meant to be politically biased group. When it comes to EBS, it gets even worse, as KCC appoints EBS CEO directly without any engagement of EBS board of directors. In conclusion, when it comes to the structural setting of PSB governance, there is no doubt that KCC has an absolute power in Korean PSB governance, and this could be problematic because KCC is not a politically independent institution.

In the interviews with PSB workers who had actively participated in PSB strike, it was confirmed that the political independence of PSB was dramatically ruined after the establishment of KCC. Lee, Geun-haeng (MBC, 25 Nov 2015) and Choi, Sun-wook (KBS, 2 Dec 2015) said that after KCC's establishment, MBC and KBS were totally dominated by the president and his political party. Their experience shows the interruption of president and his party was harsh and obvious. For example, Lee, Geun-haeng of MBC was a producer who made famous current affairs programs like 'PD Note'. However, after participating in the strike, he was blacklisted by the executives of the company and was forced to move to the non-production section of the company. When I met him, he was working at a studio control room for DMB broadcasting. His job was to make sure that MBC's terrestrial DMB programme was being broadcast properly. When I asked him to tell his recent experiences about strike in MBC, He said:

“I participated in strike for 39 days in 2010. MBC fired me first, but I was able to return after. Two years later, we (MBC trades union) have accumulated energy and struck again in 2012, but now we are totally defeated. Now it is completely like a Japanese colonial period. We are absolutely dominated by government. I feel like we are living in 1940 (Lee, Geun-haeng, 25 Nov 2015)”.

Furthermore, he added that the regime took control of the broadcast because they strongly believed that public broadcasting had turned left-wing during the last decade of the progressive government. In a similar vein, Son, Chang-yong (24 Nov 2015) who was a senior official of KCC and MSIP, who worked in broadcasting agencies for more than 20 years, also said that,

“The progressive government was made by the big support of civil organisations. But when conservative party came to power, to their eyes, the PSB had changed a lot in the last ten years. So, they thought that they should restore the public broadcasting as they want it to be. Therefore, they have attempted to put conservative ideology into PSB by appointing conservative people as CEO of public broadcasters”.

However, when looking back the history of Korean PSB, this happening was not surprising. That is, PSB union’s strike after high-handed appointment was repeated in Korean broadcasting history, particularly since the 1980s (Joo, 2012). Having no clear remit and purpose, PSB was implemented as a tool for propaganda of dictatorship governments for many years since its introduction in the 1940s (Na 2012). Thus, it can be said that Korean PSB never enjoyed full autonomy throughout its history since then (Cho, 2012). Thus, the political independence of PSB has always been the main issue in Korean PSB studies since then (Hwang, 2008). However, in spite of thirty years of democratisation, the degree of political independence has not improved enough (Jung, 2011). This implies that there could be an inertia of social recognition on the degree of political independence. As the degree of political independence was set as low in the early years of PSB, this tradition can be continued for longer, even after some degree of political democratisation was achieved in the society.

Furthermore, the environment of PSB was not helpful for PSBs to focus on their political independence issues. That is, PSB itself became quite obsessed with ratings share in last few decades, because of the increase of competition in broadcasting markets since the 1990s. But this made PSB to be less influential, as their rationale for existence was not fulfilled well in the society. Rather than focusing on marginalised issues that other broadcasters avoid, PSB gave its focus on popular social issues that can lure many audiences (Cho, 2012). In other words, Korean PSB was not very much successful in differentiating themselves to other players, despite exclusive supports including licence fee, etc. But as Na (2012) said, PSB should be a unique public sphere, where diverse fields and opinions, and particularly, the voice of minor groups can be seen and heard. The next part will discuss natures and some critical lessons for political independence of media institutions by examining some European cases.

7.2.3. How political independence is made

On the other hand, according to Schulz (2015), no regulatory body can be independent in a vacuum. All social institutions are influenced in terms of power, finance, and knowledge, and these factors work together at the same time. In addition, regulatory agencies are affected by three pillars: government, industry, and civil society. Thus, independence can be achieved by maintaining a well-balanced relationship with these surrounding subjects in arm's length. Therefore, the collapse of independence means that the balance of power has collapsed.

Meanwhile, Hans Bredow Institute for Media Research, et al (2011) argued that the independence of media regulators is determined by political, socio-cultural factors of each country. That is, even if media regulators are legally guaranteed to be independent, the independence that is practically implemented is determined by political and socio-cultural level of the country rather than the existence of law. In other words, there is no correlation between explicit independence and de facto independence.

Furthermore, Irion and Radu (2013) also argued that the degree of independence is not determined by whether the institutions is converged or separated. They said, “the fact that national specificities tend to be replicated in both converged and non-converged models could be the main reason why there is no empirical evidence that would support the superiority of the converged regulator over the more traditional IRA (Independent Regulatory Authority) specialized in television and radio regulation, in particular with regard to the issue of political interference” (Irion and Radu, 2013:41).

Therefore, it is necessary to keep in mind that there can be high possibility of concentration of power in a country like Korea where the history of democracy is short, and the politicisation level is high. Thus, for example, the reform of media policy organisation can be used as a tool to facilitate government's access to media. Therefore, it is necessary to examine the political and socio-cultural elements of each country when carrying out the reform of the media policy system. Indeed, in the case of AGcom of Italy, regulatory convergence was used as a tool for more powerful politicisation (Psychogiopoulou, Casarosa and Kandyla, 2013:233). Furthermore, Hungary established a converged regulator that had substantial power, and despite the legally guaranteed independence of the regulator, the actual independence has not been achieved in practice (Irion and Radu, 2013:41). Thus, in countries that has not yet achieved mature political culture, it may be safer to avoid reform, or apply a more radical tools to block potential political interruption. If there is no such strong safeguard, then the media regulator can be politicised in the reform process, even though there are relevant laws that prohibits the interruption of political power. In conclusion, the key factors in political independence are the political culture of specific nation and informal activities in relation to media policy, rather than written words in law.

7.3. Hegemony struggle between KBC and MIC

As KBC and MIC were quite different institutions in its style, administration, culture, scale, wages etc., it was difficult to make them truly converged. The conflict between the members of KBC and MIC continued even after policy convergence, but it soon resulted in the victory of MIC. Compared to KBC, MIC was more hierarchical and unified group, and telecommunication sector was bigger than broadcasting as much as 3-4 times by revenue. Notably, Korean telecommunication companies are sister companies to huge conglomerates such as LG and SK which is often called as Chaebol. They are among top 10 companies by capitalisation in Korean stock market as well. Moreover, as MIC members had the same qualification as public agents and there was clear hierarchy in them, so they tend to be more unified than KBC, which had free and individual characters compared to MIC.

Indeed, most interviewees saw that the conflict between MIC and KBC ended up with MIC's victory. Son, Chang-yong (24 Nov 2015) said, "If the influence of MIC was 100, the influence of KBC, which was private organisation, was 80. People whose identity is a public official lead the organisation. Human relations in the bureaucratic world was strong. The bureaucrats had strong hegemony". In line with this, H (7 Dec 2015) mentioned that:

"Who succeeded and who fell? The KBC lost and MIC won. So, the decision makers that influence the major decisions of MSIP and KCC are all from MIC. They all have a telecommunication-friendly mindset. They do not have much interest in how to make broadcasts in the mid-to-long term, such as policy, regulation, restructuring ... and in how to make broadcasts survive. Their main interest is in short-term performance. There is no guarantee that the former KBC would have done better, but it would have had a bit more interest in long-term policies".

Meanwhile, according to Kim and Youn (2010), after the establishment of KCC, especially those who had high positions in KBC, received relatively lower positions when they came into KCC. In addition, they said that KBC employees' opinions were not reflected well in KCC. As a result, many of KBC members were marginalised and left KCC. Furthermore, KCSC's content standard team manager, C (1 Dec 2015) also confirmed that employees from KBC had to be in a lower position in KCSC too, and their salary was reduced in KCSC compared to the amount they received in KBC. Thus, Kim and Youn (2010) argued that MIC's hegemony within KCC could be

one of the reasons for the prevalence of telecommunication policy principles, such as universal service, market competition and consumer satisfaction principles.

7.4. Conclusion

To sum up, KBC, MIC and MCT faced conflicts in the process of the introduction of IPTV and governance reform, and they wanted to expand their power and system. Meanwhile, Convergence Committee could not correct the disputes, but just followed and reflected what KBC, MIC and MCT wanted. As a result, KCC was established as a contradictory institution that deals with promotional and regulatory policies. This also resulted in KCC's contradictory governance system, as it was a commission model as well as a government ministry model. In other words, it was established as a commission that is actually a government department. Furthermore, KCC was an institution that was vulnerable to political interruption from president and his party. This led KCC to be more like a government department. Meanwhile, the closeness between KCC and political power caused serious damage in the political independence of Korean PSBs too. In the meantime, the organisational conflict between KBC and MIC lasted longer, and it resulted in the victory of MIC in KCC. MIC had more unified culture and their industry was bigger than that of KBC.

Based on the examinations above, four practical suggestions for media policy can be drawn. First, media policy institutions tend to expand their power when they face governance reform. Furthermore, their opinions and preference were so strong, so it was too hard to solve it in the social debate. This hostile relationship between agencies continued even after the policy convergence was finished. Furthermore, if the social discussion is led by government, then it is more likely to be the administrative discussion, and also it can result in mere compromise between stakeholders. Therefore, it seems that a professional committee, which consists of media policy experts who do not have specific relationship or interest with media governance, can be a better option when discussing media governance reform.

Second, regulatory and promotional functions are better not to be merged into a single institution. As KCC's case showed, the promotional and regulatory functions can collide when they are merged, and it can result in imbalance in policy provision. More precisely, Korean case showed that promotional policy is better managed by government department, and the regulation is better conducted by dedicated and independent regulator.

Third, the independence of media regulator is crucial for its function and expertise, and even for personal lives and social value. When the balance of distances from stakeholders around media policy institution was not managed well, the institution can incline to the one that is close to them. As KCC and PSB case showed, the loss of political independence of KCC resulted in social

conflict, confusion, distrust and discouragement of talented media workers. Furthermore, as examined in Chapter 5, the strong association of KCC and government resulted in KCC's biased approach on media policy. The problem of association is that it harms the balance, and impartiality in media policy. Moreover, the association can also obstruct the institution's opportunities to grow their expertise and professionalism too.

Fourth, when two different policy institutions are merged, an institution that has more unified culture and has bigger industry is more likely to win the hegemony in the integrated institution. Particularly, the institution and its industry tend to form a coalition, so if the lobbying power of the industry is bigger than the other one, then it is more likely that the institution can have hegemony in overall discussion as well as in the integrated organisation. Furthermore, it was confirmed that broadcasting policy institutions and telecommunication policy institutions were quite different in Korea, so it was so difficult to make chemical integration between them. This also implies that the separation of institutions could be another good strategy for the diversity in media governance.

The next chapter will examine the impact of policy convergence on actual media policies and sector-specific regulations. By examining the changes and continuities in KCC's media policies in 2008-2017 and sector-specific media regulations after policy convergence, the degree of influence of media convergence on media policy and regulation will be analysed.

8. Changes and continuities in policies after policy convergence

This chapter examines the influence of policy convergence on actual media policies. It consists of three parts and conclusion. The first part examines the changes in the policy systems of broadcasting and telecommunication in Korea. In this part, media laws and authorities are examined by comparing the legal system and authorities before and after policy convergence in Korea. The second part examines KCC's promotional and regulatory policies. By examining the KCC's annual reports in 2008-2017, this part analyses the overall achievements of the institution and the changes in their promotional and regulatory policies. In the third part, sector-specific media regulations are examined. As examined in previous chapters, sector-specific regulations were often regarded as marginalised in the process of policy convergence. However, some argued that the sector-specific regulations would not disappear because of policy convergence. But little research was done to check whether, and to what extent the prospect was realised in practice. Bearing this in mind, the third part examines how sector-specific regulations in broadcasting, telecommunication and newspaper were changed and whether these are still valid in practice after policy convergence. The conclusion part summarises and discusses the findings of this chapter.

8.1. Legal and jurisdictional systems

In this part, changes in media-related laws and jurisdiction of media policy institutions will be examined. To this end, relevant Acts in broadcasting and telecommunication sectors and the authorities of policy institutions will be examined. As policy convergence was adopted in 2008 when KCC was established, the Act and authorities in 2007 and 2017 will be compared, to see to what extent policy convergence affected media policies and authorities in Korea. The following two tables show the laws and authorities respectively in 2007 and after 2007.

Table 12 Broadcasting and Telecommunication Laws and Jurisdictions in 2007

Policies		Broadcasting	Telecommunication
Law		Broadcasting Act, etc.	Telecommunication Business Act, etc.
Promotional policy		KBC (General) MIC (Technology)	MIC
		MCT (Broadcasting Content)	
Regulatory policy	Policymaking	KBC	MIC
	Application		MIC, Telecommunication Commission
	Content regulation		Telecommunication Ethics Commission

As shown in the table above, there were broadcasting and telecommunication Acts which sets general policies as of 2007. Promotional policies in broadcasting were generally managed by KBC. MIC only involved in small parts such as radio spectrum technologies, etc. MCT involved in investment and export of broadcasting contents. In broadcasting regulation, KBC had all responsibilities on it. In terms of Telecommunication’s promotional policies, MIC was fully in charge of it. When it comes to telecommunication regulation, MIC and other small affiliated commissions shared authorities on it. However, as policy convergence was adopted in 2008, there was changes in laws and authorities. The following table shows those changes in 2008-2017.

Table 13 Broadcasting and Telecommunication Laws and Jurisdictions in 2008-2017

Policies		Broadcasting	Telecommunication
Law		Broadcasting Act, etc.	Telecommunication Business Act, etc.
		KCC Establishment Act (2008) Framework Act on Broadcasting- Telecommunication (2010)	
Promotional policy		KCC (2008~2013)	KCC (2008~2013)
		MSIP (2013~2017)	
		MCT (Broadcasting Content)	MSIP (2013~2017)
Regulatory policy	Polymaking	KCC	
	Application		
	Content regulation	KCSC	

In the above table, the yellow coloured cells show the areas that were newly made, compared to what presented in the table of 2007. In regard to broadcasting and telecommunication laws, several new Acts were made since 2008, including KCC Establishment Act (2008), and Framework Act on Broadcasting-Telecommunication (2010). These were all additional Acts to existing Acts such as Broadcasting Act. In Promotional policy of broadcasting, KCC was given most of authorities in 2008, but it was transferred to the new government department, MSIP since 2013. Meanwhile, MCT maintained the broadcasting content promotion function as it had in the past. And in broadcasting regulatory policies, most of them were merged into KCC. However, as KCC became a quasi-government institution which is linked to the president, KCSC (Korea Communications Standard Commission) had to be newly established and content regulation function had to be moved from KCC to KCSC. When it comes to telecommunication promotional policies, all of the authorities were moved from MIC to KCC and it lasted for 5 years in 2008-2013, but as MSIP was established in 2013, the authorities were scattered to other government departments and KCC. This is notable that not all authorities were transferred from KCC to MSIP,

but it was scattered to several government ministries and MSIP. Maybe the most converged part was telecommunication regulation sector. Compared to 2007, where more than three committees were in charge of telecommunication regulation, those authorities were merged into only two institutions, the KCC and KCSC.

The overview of laws and authorities in broadcasting and telecommunication shows that convergence and divergence happened together after policy convergence. That is, relevant Acts stayed almost the same, but additional Acts were made, and in terms of authorities, some of them was converged but others were diverged. Therefore, it is notable that the policy convergence did not always result in merging of existing laws and authorities, but diversification also occurred in the process. There were some examples of diversification. That is, some Acts had to be added due to the establishment of KCC, and some promotional functions of MIC had to be scattered to other bodies. More specifically, when MIC was abolished and merged into KCC, its various functions, except for telecommunication policymaking function, had to be transferred to other existing ministries. For example, telecommunication sector's promotional policies such as informatisation, information security, telecommunication standard and online content promotion policies were allocated to other government departments, such as MCT and Ministry of Public Administration and Security. Consequently, more than fifteen policies that were under the jurisdiction of the MIC were scattered into other ministries.

In addition, it is notable that the Framework Act on Broadcasting-Telecommunication was made in 2010 and this led to confusion in understanding existing concepts of broadcasting and telecommunication. In the Act, a compound word, 'Broadcast-Telecommunication' was introduced. According to the Act, the concept of broadcast-telecommunications refers to “the activities involving the transmission or reception of broadcasting and telecommunications contents through wired or wireless or other electronic means”. This was to indicate a new or existing converged medium, but even IPTV was not categorised as an example of broadcast-telecommunication, but it was just categorised as a broadcasting service in Broadcasting Act. In other words, the concept of broadcasting-telecommunication was a concept that only exists as an additional concept, which is not useful in practice. Moreover, there were still separated Acts which define broadcasting and telecommunication differently. Thus, the introduction of new concept meant that it just added an additional definition of broadcasting and telecommunication. Therefore, it can be said that the complexity of concepts in whole media sectors was increased by the introduction of the new concept.

In conclusion, the policy convergence brought about the convergence and divergence together in overall media policy system in Korea. That is, the inertia of existing media Acts was strong, so even though the organisational convergence between KBC, MIC and MCT was completed, the relevant Acts could not be merged. Instead, other new laws had to be made.

Meanwhile, some jurisdictions were maintained as organisations were merged, but others had to be separated as a result of policy convergence. The next part will examine KCC’s promotional and regulatory policies in 2008-2017. In so doing, the impact of policy convergence on actual media policy will be analysed.

8.2. KCC’s policies in 2008-2017

In this part, KCC’s overall policy achievements will be examined, to see the influence of policy convergence on media policies. From 2008 to 2013, KCC was a wholly integrated policy institution that had both promotional and regulatory authorities, covering all policy areas in broadcasting and telecommunication. However, in 2013, KCC's promotional functions were transferred to a newly established government department, Ministry of Science and ICT Future Planning (MSIP). MSIP was made to manage private sectors in broadcasting and telecommunication industries. Accordingly, KCC was changed to be a regulatory agency which oversees only broadcasting and telecommunication regulations. As a result, KCC's policy style and actual policies were significantly changed after 2013. The table below shows KCC’s main policy achievements presented in their annual reports published between 2008 and 2017. The words in each bracket shows some key words in their annual reports.

Table 14 KCC's Policy Achievements in 2008-2017

Year	Policy Achievements
2008 -2010	<ol style="list-style-type: none"> 1. The expansion and promotion of digital convergence (IPTV, Smart TV) 2. Promotion of competition in broadcasting market (DMB) 3. Promotion of competition in telecommunication market (Wibro, Price limits) 4. Making of safe and sound environment for media users (Protection of personal information, Internet of Things, Cloud service)
2011 -2012	<ol style="list-style-type: none"> 1. Realisation of global ICT hub Korea 2. Making of smart media ecology and new industry (Cloud, M2M, NFC, 3D broadcasting) 3. Promotion of digitalised broadcasting (Global media company, Deregulation of ownership) 4. Promotion of user welfare and information security (Competition in telecommunication market, Internet culture)

2013	<ol style="list-style-type: none"> 1. Realisation of impartiality and trust in broadcasting (Public interest, Public responsibility) 2. Welfare of media user as a citizen (Citizen's participation, Protection of young people) 3. Support for creative industry and media convergence (Public interest of broadcasting advertisement)
2014	<ol style="list-style-type: none"> 1. Making of trusted broadcasting (Public interest, PSB governance, Media diversity) 2. Support for broadcasting-telecommunication service (UHD, MMS, Deregulation of broadcasting advertisement) 3. Achievement of user protection and citizen's welfare (Personal information, Internet culture, Disabled people)
2015	<ol style="list-style-type: none"> 1. Reinforcement of the public responsibility, public interest, and impartiality of broadcasting (Public responsibility, Media diversity) 2. Vitalisation of broadcasting-telecommunication service (MMS, Deregulation of broadcasting advertisement, UHD) 3. Fair competition and user protection (Fair competition, Internet culture)
2016	<ol style="list-style-type: none"> 1. Increase of the public responsibility of broadcasting (PSB licence fee, User interest, Media diversity) 2. Promotion of fair competition and user protection (Fair competition, universality, Internet culture) 3. Reinforcement of content competitiveness and revitalisation of new service (UHD, MMS)
2017	<ol style="list-style-type: none"> 1. Reinforcement of public responsibility and public interest in broadcasting (Media diversity, Regional broadcasting) 2. Realisation of safe and fair broadcasting-telecommunication market (Price management) 3. Increase of vitality of broadcasting-telecommunication market (Broadcasting contents, UHD, MMS) 4. Increase of media literacy (Media education, Freedom of speech in Internet, Disabled people)

Source: KCC Annual Report (2008-2017)

As shown in the table above, in 2008-2012, KCC's policy achievements were mostly related to the promotion of competition and technology. In this period, KCC mainly focused on promotional policies that support the industries. Those promotional policies can be divided into

three categories. The first category was to develop ‘the convergence infrastructure’. Accordingly, KCC made the Framework Act on Broadcasting-Telecommunication, and supported researches relevant to the development of convergence infrastructure. The second category was to support ‘the dissemination of convergent media’, such as IPTV, DMB, and smart devices. The third category is to support ‘the exports of contents and technology’ of broadcasting and telecommunication. KCC used a lot of budget for those promotional policies.

However, Park, Jae-bok (25 Nov 2015, Head of Department in Overseas Sales Department, MBC), who has been in charge of exporting broadcasting contents for a long time at MBC and has made a great contribution to the success of the Korean Wave drama, said that KCC's promotional policies did not really help. According to him, rather, KBC effectively supported their export to overseas countries such as the Arab, Central Asia, and Central and South America. According to him, these countries were places where a broadcaster felt difficult to find its market, but KBC helped them to find a business opportunity. In addition, he said, Korea Creative Content Agency (KOCCA), which is an affiliate of MCT, was the biggest contributor for the export of broadcasting contents. He said that KOCCA has consistently provided excellent support for exporting Korean audiovisual contents to international markets such as MIPTV, MIPCOM in France and NATPE in the USA. In a similar vein, Bae, Gi-hyung (10 Dec 2015, Chief Manager in Overseas Sales Department in KBS), who has been working for many years in content export sales department of KBS, stressed that KCC emphasised industrial aspects but was not a great help to them. Like Park, he also said that KOCCA, an affiliate of the MCT, was more helpful in exporting their content in overseas markets.

When it comes to the KCC’s regulation in the period of 2008-2012, KCC actively pursued deregulation in cross ownership. As a result, newspaper-broadcasters were able to enter the broadcasting market in 2011, and this intensified the competition in the market. However, the new entrants in broadcasting market were all related to conservative newspapers. Thus, in the process of ownership deregulation, the conflict between conservative and progressive parties were severe. However, KCC was not able to make their voice, but just followed what the conservative party pursued in general. In this period, their ambitions for making competitive media markets as well as global media companies were very high. Even though their regulatory achievement includes public welfare, etc., it seems fair to say that those regulations were not the core interest of KCC.

In 2013, as promotional policies of KCC were transferred to MSIP, KCC became a regulatory institution for broadcasting and telecommunication. As a result, KCC’s overall attitude towards regulation was dramatically changed since 2013. Terms such as public interest, public responsibility, citizen welfare, media diversity, etc., were used quite frequently in their reports, showing that their interest was changed from economic values to normative values (see Just, 2009; Vick, 2006). Moreover, they started to focus on PSB’s values, so they made some efforts to give

technological, economic and political supports for PSB. Furthermore, the purpose of their competition regulation was also changed. In the past, they wanted to increase competition in order to nurture converged media and ultimately globally successful media conglomerate. But in 2013-2017, their purpose of competition was to secure fairness and low price, so as to protect market players and consumers in broadcasting and telecommunication markets.

In conclusion, KCC's actual policies were changed a lot in last decade in 2008-2017. In their early years of 2008-2012, their main achievements were competition and deregulation, which was aimed to make successful business in media. However, after they became a regulatory body, their main focus was changed to public interest issues. But as examined in previous chapters, the factors affected this change of KCC were not simple. At least there can be three factors which influenced the change. The first one is PSB strike in 2012, which affected overall discourse in broadcasting policy since 2013. The second one is the close relationship between the president and KCC. Because the president Park, Geun-hye pledged to rectify PSB's political independence problem, it seems that PSB and public interest issue became an important one for KCC. Last but not least, their change in focus was more feasible because they became a more specific institution, as a media regulator. Consequently, Korean case showed that policy convergence and establishment of KCC resulted in the marginalisation of public values in its early years, but after it experienced strong challenges from civil societies, it had to reposition itself as a regulator which focuses on public interest in media.

In the next part, sector-specific regulations in newspaper, broadcasting and telecommunication will be examined, to see whether the sector-specific regulations are still valid after policy convergence. To this end, historical examination of each sector's regulations and the comparison of regulations will be conducted.

8.3. Comparison of sector-specific regulations

It was often claimed in previous literature that sector-specific media regulations were marginalised due to policy convergence in some Western countries such as the UK. Indeed, the overall trend of marginalisation could be seen in Korean case, as shown in Chapter 5 as well as in this chapter. However, there were little studies which traced the practical changes in sector-specific regulations. Moreover, there seems no study that introduced sector-specific media regulations of Korean broadcasting and telecommunication. Thus, in addition to the analysis of changes in policy systems and KCC's policies, this chapter analyses the changes in sector-specific regulations of newspaper, telecommunication and broadcasting. Notably, newspaper was one of sectors that were affected by media convergence. In fact, Korean newspapers had big changes in terms of their ownership rules,

due to media convergence. Therefore, the question of the next part can be as follows: What were sector-specific regulations in Korean newspaper, broadcasting and telecommunication? To what extent these sector-specific regulations were changed after policy convergence? Is competition regulation replaced sector-specific regulations in practice? Accordingly, the sector-specific regulations are discussed in four sections; entry regulation, ownership regulation, competition regulation and content regulation.

Act and Enforcement Decree

Before examining the influence of media convergence on sector-specific regulations, some policy terms need to be defined first. Basically, ‘media policy’ means the sum of different media-related laws, and what media policy authority has done. However, there are hierarchical levels in the media law. In the highest level of the law system, there is ‘Act’. An Act is usually made in National Assembly. But in many cases the ‘Act’ cannot cover every little thing that happen in media practice. Therefore, in most cases the Act just sets the overall direction of a media policy, and the rest of it is assigned to relevant policy agencies. Then the agency makes the second highest laws according to the Act, which is called in Korea as ‘Enforcement Decree’ (Decree, hereafter). Media policy agencies such as KCC and MSIP has exclusive authorities in making and conducting Decrees. Thus, how they make Decrees can be seen as a parameter of their policy activities and directions. However, the Decree should follow what is written in the relevant ‘Act’. Therefore, when examine the Decrees to examine the activities of media policy agency, it is needed to read it across with relevant media Acts.

8.3.1. Entry regulation

As of 2017, there are four difference levels in entry regulation, and each level stands for different degrees of requirements for companies who want to enter the media market. The strictest level of entry regulation is ‘permission’ which requires the players to get official assessment and permission to enter the market. The next strict level is ‘approval’, which needs official permission too, but only simple check is required. And the next below level is ‘registration’ which requires companies to let the policy agencies know and officially register what they will do. Last, the most relaxed one is called ‘declaration’ and it just requires the players to let media agencies know. In general, broadcasting has been subject to stronger entry regulations than telecommunications and newspapers in Korea. When compared, broadcasting is the strictest market to enter, telecommunication is moderate, and newspaper is the most relaxed one in terms of entry regulation.

Table 15 Entry Regulations for Newspaper, Telecom and Broadcasting

Medium	Categories	Regulatory authority	Level of entry regulation
Newspaper	Daily	Governor of the Region (City)	Registration
	Weekly		
	Internet newspaper		
Telecom	Infrastructure Telecom	MSIP	Permission
	Quasi-infra Telecom		Registration
	Additional telecom		Declaration
Broadcasting	Terrestrial	KCC	Permission
		MSIP	Frequency test
	Satellite TV	MSIP	Permission
	Cable TV	MSIP	Permission
		KCC	Agreement to the permission
	All-genre and News PP	KCC	Approval
	Home shopping PP	MSIP	Approval
	General PP	MSIP	Registration
	IPTV	MSIP	Permission
	IPTV CP	MSIP	Approval (Home shopping), for others, registration or declaration
KCC		Approval (All-genre and News CP)	

Source: Newspaper Act, Telecom Business Act, Broadcasting Act

As shown in the table above, it is only needed for a company or a person to 'register' to start newspaper business. No matter if it is daily newspaper, weekly newspaper or internet newspaper,

all they have to do is register to the governor of the city or region. Thus, government is not involved in the entry regulation. The reason of the loose entry regulation is to guarantee the freedom of the press.

On the other hand, in telecommunication, there are three categories of business in the telecom market. These are 'Infra-telecom', 'quasi-infra telecom', and 'additional telecom'. Infra-telecom provides fixed line telephone service, mobile communication and internet service and owns its own network. If someone wants to do infra-telecom business, the person or company must get a permission from the MSIP minister to enter the market. On the other hand, quasi-infra telecom operates by borrowing infra-telecom's network and provides the same services as infra-telecom. To do this business, a registration is required. Meanwhile, 'additional telecom' provides any other telecom services which is not the same with infra-telecom service, but they still borrow the infra-telecom's network. A declaration is needed before starting the business.

Finally, in the case of broadcasting, there is no business that can be started by declaration. In general, permission or approval from KCC or MSIP is needed to start a broadcasting business. Among them, approval is needed to start all-genre and News PPs broadcastings which have journalism function. All other major players such as terrestrial broadcastings, cable TV, satellite TV, and IPTV services are subject to permission. All of these players must get re-permission in every five years. Registration is required to start a channel operating business, such as General PP or IPTV CP. Therefore, it is much easier to start a non-journalistic broadcasting business than a broadcasting with journalism functions.

Distribution of radio spectrum

In addition, when it comes to spectrum distribution, broadcasting and telecommunication were subject to different rules. That is, the spectrum for broadcasting is distributed by the government, and the spectrum for telecommunication is distributed through an auction. In broadcasting, government allocates spectrums according to their assessment on broadcasters. However, since 2011, the auction system was introduced in spectrum distribution in telecommunication sector. But before then, the government's permission was needed to use the spectrum in telecommunication too. Then the government charged telecommunication companies with rents for using the spectrums. However, since 2011 the auction system was adopted, and there were three auctions in 2011, 2013 and 2016. In these auctions, three oligopolistic telecommunication companies (KT, SK and LG) competed, and they were allowed to use spectrums for 5 years or 10 years.

8.3.2. Ownership regulation

In this part, ownership regulation in newspaper, telecommunication and broadcasting sectors will be examined. By comparing those regulations, the overall trend in ownership regulation will be presented, and the differences between those regulations will be discussed.

Ownership regulations in newspaper

In 1980, anyone could own only one of newspapers or news agencies. In other word, one person or group could have only one medium. This restriction continued for about 20 years since 1980. However, in 1998, newspaper ownership regulations began to be relaxed. Before then, only limited periodicals were able to receive foreign capital investments. But since the revision of the Newspaper Act in 1998, all newspapers have been allowed to receive a certain level of foreign investment. Furthermore, in 2009, by the amendment of the Newspaper Act, the ownership regulation was significantly eased, so a newspaper could own another newspaper in the same sector. Before then, for example, daily newspapers could not own another daily newspaper. Moreover, the regulations on the mutual ownership between daily newspapers and news agencies was also abolished.

Table 16 Ownership regulations in newspaper

	Daily newspaper	Weekly newspaper	Internet newspaper
Conglomerate	1/2	-	-
Foreigner	49%	-	-
Daily newspaper and News agency	-	-	-

Source: Newspaper Act

As a result of deregulation in the sector, as of 2017, there remains little ownership regulation in newspaper. Particularly, there are only two restrictions in terms of ownership regulation. First, conglomerate cannot own more than half of any daily newspapers. Second, foreign capital cannot own more than 49% of any daily newspaper. The next part examines overall trend in ownership regulation in telecommunication and broadcasting since 1990.

Deregulation trend in telecommunication and broadcasting

The deregulation in ownership regulation in Korean broadcasting and telecommunication began in 1990. This is similar to the general trend of marketisation and privatisation in the US and Europe since the 1980s (Hesmondhalgh, 2013). The following table shows the trend of ownership deregulation in Korean broadcasting and telecommunication since 1990.

Table 17 Deregulation of Ownership Rules since 1990

Year	Revision on cross ownership rules
1990	<ul style="list-style-type: none"> ● Deregulation of broadcasting ownership up to 30% from 0% (But conglomerate, daily newspaper, news agencies, and foreigner were not permitted to own broadcasting)
1998	<ul style="list-style-type: none"> ● Telecom ownership limit was abolished ● Deregulation of ownership rules for foreigner to have telecom
2000	<ul style="list-style-type: none"> ● Deregulation of ownership rules for conglomerate, daily newspaper, news agencies, and foreigner to have cable TV (up to 33%) ● Deregulation of the ownership rules between broadcasting companies
2001	<ul style="list-style-type: none"> ● Deregulation of foreigner ownership rules for Korea Telecom (KT)
2002	<ul style="list-style-type: none"> ● Privatisation of KT
2004	<ul style="list-style-type: none"> ● Abolition of cable TV ownership limit applied for conglomerate ● Deregulation of foreigner ownership rules for cable TV and PPs
2007	<ul style="list-style-type: none"> ● Deregulation of ownership rules for conglomerate to have satellite TV
2008	<ul style="list-style-type: none"> ● Loosing criterion that was used to set as a conglomerate (Revenue threshold criterion was changed from 3 trillion to 10 trillion won) ● Deregulation of the limit of market share for cable TV and PP
2009	<ul style="list-style-type: none"> ● Deregulation of ownership rules for conglomerate to have terrestrial TVs, all-genre channels, and news channels (the ownership permitted for the first time in the history) ● Abolition of ownership rules for satellite TV by conglomerate ● Deregulation of ownership rules for daily newspaper and news agency to have terrestrial TVs, all-genre channels, and news channels (the ownership permitted for the first time in the history) ● Deregulation of ownership rules for daily newspaper and news agency to have cable TV ● Deregulation of ownership rules for foreigner to have terrestrial TVs,

	<p>all-genre channels, and news channels (the ownership permitted for the first time in the history)</p> <ul style="list-style-type: none"> ● Deregulation of ownership rules for foreigner to have satellite TV and IPTV CP ● Deregulation of ownership rules between terrestrial TVs and cable TVs
2013	<ul style="list-style-type: none"> ● Abolition of telecommunication ownership rules for foreign countries with Free Trade Agreement (FTA)

Source: Broadcasting Act, Telecommunications Business Act

As shown above, the trend of deregulation in telecommunication and broadcasting ownership continued in 1990-2013. Particularly, telecommunication sector abolished restrictions on conglomerate's ownership of infra-telecom as early as 1998. As a result, conglomerates entered telecommunication market in around 2000, and they had M&As with smaller companies. This led them to be more dominant players in the market. Furthermore, Korea Telecom (KT) was privatised in 2002. Consequently, KT and two large conglomerates, SK and LG, have dominated telecommunication markets since the early 2000s.

On the other hand, in broadcasting, strong ownership regulations were applied by dictatorship government in the 1980s. However, in 1990, ownership regulations were relaxed, so it became possible to own up to 30% of broadcasters' shares. However, conglomerates, daily newspapers, news agencies, and foreign capital still could not own broadcasters' shares. In 2000, as Broadcasting Act was revised, the ownership regulation was greatly eased. Precisely, conglomerates, daily newspapers, news agency and foreigners were allowed to own up to 33% of cable TV and satellite TV for the first time in broadcasting history. In 2004, restrictions on the ownership of cable TV for conglomerates were abolished. In 2007, the restrictions on ownership of satellite TV for conglomerates were reduced from 33% to 49%. Consequently, it can be said that the ownership regulation in broadcasting has been steadily eased since the 1990s. Nonetheless, this deregulation of ownership was mostly about pay TVs such as cable TV and satellite TV. The ownership of terrestrial TV and other channels with journalism function were still prohibited until 2008.

However, in 2008, conservative party and KCC tried to increase competitions in broadcasting and telecommunications through deregulation of ownership. KCC actively relaxed ownership regulations in 2008 through amendment of decrees. For example, KCC relaxed the criterion of conglomerate. At that time, a corporate with the revenue of over KRW 3 trillion (about 2 billion in GBP) was recognised as a conglomerate, and if a company was regarded as a conglomerate, there comes more restriction for them in owning broadcasting companies. However, KCC eased the criterion to KRW 10 trillion, allowing more companies to own broadcasting.

On the other hand, 2009 was the year in which the biggest ownership deregulation took place. In this year, cross media ownership regulations between newspapers and broadcasting were greatly relaxed. The conservative government and the conservative party that formed majority in National Assembly, pushed the ownership deregulation in the pursue of competition in broadcasting market. As a result, for the first time in history, large conglomerates, daily newspapers, news agencies, and foreign capital were allowed to own broadcasting companies that have journalistic functions. The notes on amendment to the Broadcasting Act, in 2009, provides the reasons for the amendment as follows:

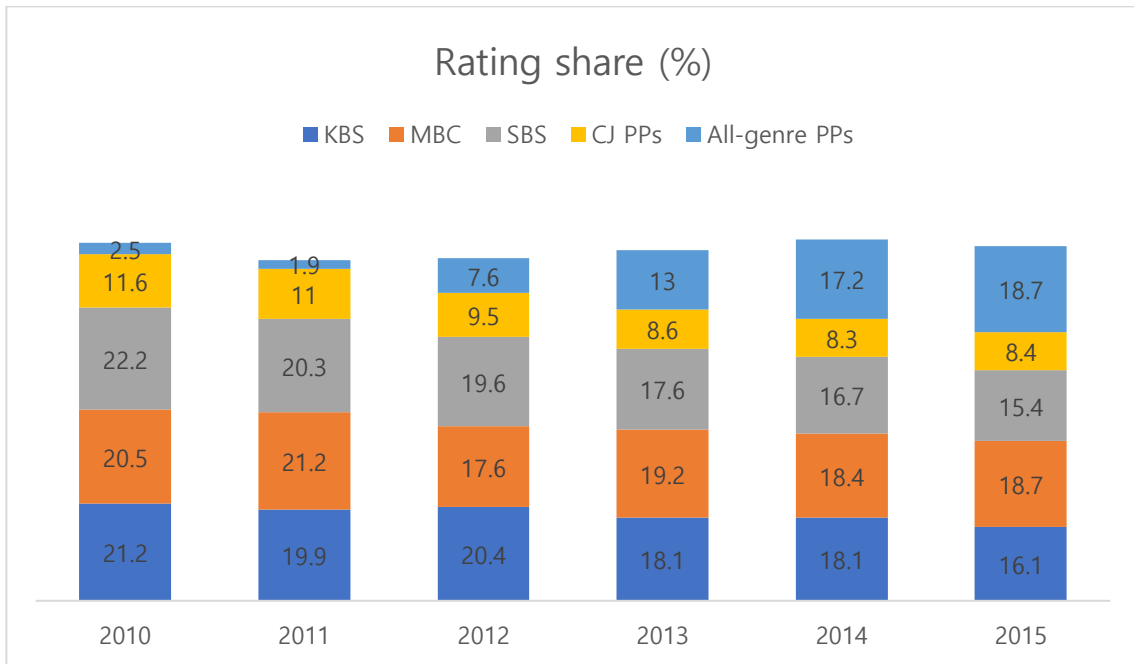
“The reason for the relaxation of regulations such as prohibiting the possession of shares or ownership of stocks under the current law, is to respond to the new media environment change that the newspaper, broadcasting, and the Internet converge, and respond to the global market trend. We intend to relax regulations, such as prohibition of ownership, in order to strengthen the competitiveness of our broadcasting industry and to create an environment suitable for the development of the media industry”.

However, the opposite party, which was then progressive party, fiercely opposed the deregulation of cross-media ownership between newspaper and broadcasting. They resisted because they believed that the government and the conservative party were trying to make favourable media environment by making more conservative broadcasters in the market. But the revision in relevant Acts was passed, and conservative newspapers could enter the broadcasting market in 2011. Consequently, it is evident that for more than twenty years since 1990, the trend of ownership deregulation in broadcasting, telecommunications and newspaper sectors continued. In particular, since 2008, government, conservative party and KCC all together pushed the deregulation in ownership.

Result of ownership deregulation in broadcasting

As a result of ownership deregulation, four conservative newspapers entered the broadcasting market as all-genre PPs in 2011. These all-genre PPs are important players in the broadcasting market, for they could provide news programme. The name of the broadcasters was: TV Chosun, Channel A, JTBC and MBN. As a result, the competition for viewership in broadcasting market was increased. And the rating share of terrestrial broadcasters, including PSBs, was gradually declined. The following figure shows the share of viewership from 2010 to 2015 after all-genre PP entered the broadcasting market.

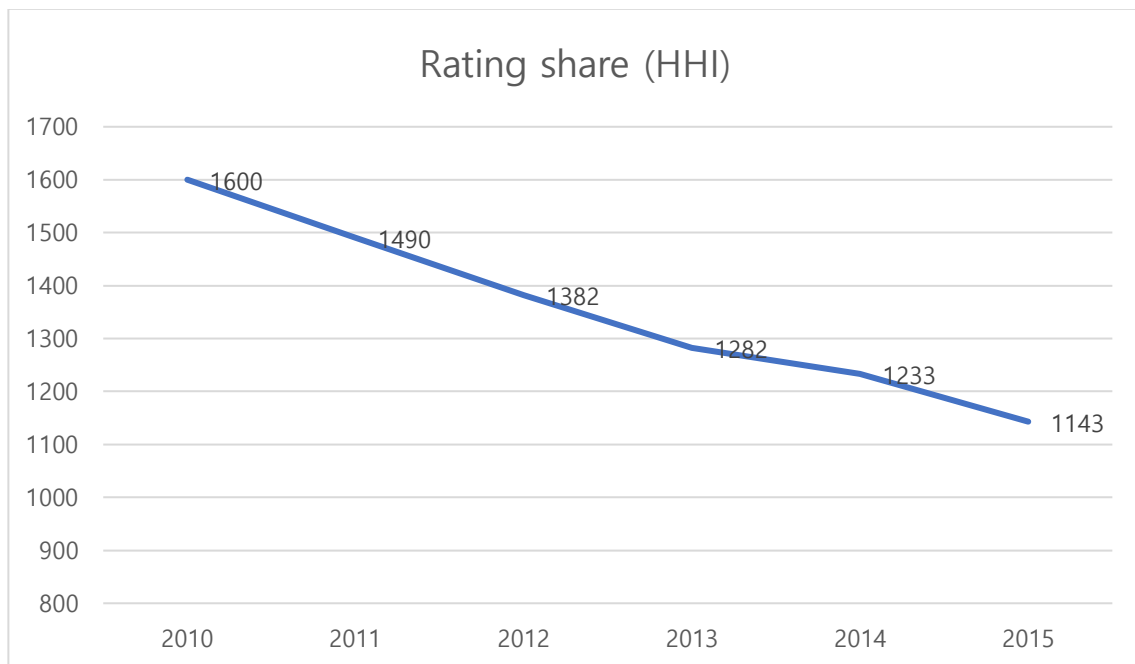
Figure 20 Rating share of main broadcasters in 2010-2015



Source: KCC (2016b)

As shown in the graph above, the rating shares of all-genre PPs increased rapidly. When it was launched in 2011, its market share was only 2.5% but it grew fast and reached 18.7% in 2015. In the same period, the share of terrestrial broadcasters KBS, MBC, and SBS continued to decline. On the other hand, CJ, a dominant PP who owns many influential channels including tvN and M.net, lost its rating share since 2011.

Figure 21 Herfindahl-Hirschman Index (HHI) of rating shares in broadcast advertising market in 2010-2015



Source: KCC (2016b)

On the other hand, according to KCC (2016b), due to the increase of competition in broadcasting market, the HHI (Herfindahl-Hirschman Index) of the broadcasting advertising market declined from 1600 to 1143 in 2010-2015. The HHI is one of the frequently used indices which can be used to measure the degree of market concentration. If the HHI index is 10000, it is classified as a monopolistic market, more than 2500 is a concentrated market, 1500-2500 is a moderately concentrated market, and less than 1500 is a competitive market (Noam, 2016:21). Therefore, according to KCC, with the advent of new broadcasters, the broadcasting advertising market, which had been formerly moderately concentrated market, became a competitive market. But the problem was that most of new all-genre channels are relevant to conservative newspapers. In fact, those broadcasters received many criticisms because it overtly showed political bias in their news programmes (CCDM, 2017)

The following two parts investigates ownership regulations in telecommunication and broadcasting in more details. In so doing, the comparison between ownership regulations will be conducted.

Ownership regulations in telecommunication

From 1991 to 1997, anyone except the government was not allowed to own more than 10% of the infra-telecom. The most dramatic deregulation on ownership happened in 1998. When compared to newspaper's case, most of ownership regulations in telecommunication were completely lifted ten years earlier. Especially, in 1998, the one-person share restriction on infra-telecom was abolished. Moreover, the restriction between domestic infra-telecom was lifted in the same year. But this deregulation should be understood in relation to FTA (Free Trade Agreement) which was discussed at that time. That is, before some FTAs came into force, Korea abolished cross ownership restrictions between domestic infra-telecom companies, in fear of domination of foreign capital on their infra-telecom. Thus, it seems that Korea had to allow big Korean companies to own telecommunication businesses, to protect their infrastructure from hostile foreign capitals. The following table shows the ownership regulations in telecommunication as of 2017.

Table 18 Ownership regulations in telecommunication

Owner	Infra-telecom	Quasi-infra telecom	Additional telecom
Conglomerate	49%	-	-
Foreigner	-	-	-
One-person	-*	-	-

Source: Telecommunication Business Act

* If a person wants to get more than 15% of share, or to become a major shareholder, the person should get the approval from minister of MSIP.

As shown above, there is almost no restriction for the limit of ownership in most of telecommunication businesses. However, the possession of infra-telecom for conglomerates is limited to 49%. Meanwhile, since 2004, some ownership regulations were added to prevent market failure in infra-telecom. Precisely, an approval from MSIP minister started to be required if an infra-telecom wants to merge or sell any part of their business. And if someone wants to own more than 15% of the shares of the infra-telecom, or if someone wants to become a major shareholder, an approval was required. However, any ownership regulation on quasi-infra telecom and additional telecom does not exist as of 2017.

In the meantime, with the abolition of such duties, universal service duty was established since 1998. The universal service obligation is to make sure that all users can be provided telecom services at affordable price. It can be understood as a public interest rule that is made to remedy potential market failure. The universal service is achieved by the following process. First, the minister of telecommunication department chooses a leading company in the market and let them

provide such universal service. Secondly, the rest of telecommunication companies support the leading company to compensate the company's expenses for universal service. In the next part, ownership regulations in broadcasting will be examined.

Ownership regulations in broadcasting

Similar to entry regulation, ownership regulation in broadcasting is much more complicated than in newspaper and telecommunication. Unlike newspapers and telecommunications, it has been very strictly regulated. As seen above, since 1990, broadcasting ownership regulation continued to be deregulated for more than 20 years. And in 2008 and 2009, the most dramatic deregulation happened in Korean broadcasting history. Nevertheless, compared to newspapers and telecommunications, the ownership regulation in broadcasting is still incomparably more complicated and demanding than newspaper and telecommunication. The following table shows ownership regulations in broadcasting as of 2017.

Table 19 Ownership regulations in broadcasting (%)

Owner	Terrestrial	All-genre PP	News PP	Cable TV	Satellite TV	General PP	IPT V	All-genre and News CP	General CP
Conglomerate	10	30	30					49	
Foreigner	0	20	10	49	49	49 (a)	49	20	49 (a)
Daily Newspaper And News Agency	10	30 (b)	30 (b)	49	49		49	49	
Terrestrial Broadcasting	5, 7 (c) or 10 (d)			33	33	3 (e)			
Cable TV	33	20 (f)	20			20 (f)			
Satellite TV	33	20 (f)	20 (f)	33	33 (g)	20 (f)			
PP						33 (h)			
IPTV								20 (f)	20 (f)
IPTV CP									

- (a) The FTA countries are not considered as foreigners.
- (b) Daily newspapers should submit data such as the total circulation before getting the permission to enter the market. However, if the subscription rate exceeds 20%, it will not be allowed to own shares in broadcasters.
- (c) A terrestrial broadcaster can have up to 7% of one terrestrial broadcasters. However, when terrestrial broadcasters already have another terrestrial broadcaster's share, it is limited to 5%.
- (d) Anybody cannot hold more than 10% of any terrestrial broadcaster.
- (e) Maximum of 3% of the number of operators, and up to six PPs can be owned.
- (f) This means 20% of the total number of PPs or CPs.
- (g) Anybody cannot own two or more satellite TVs.
- (h) The sum of PP sales cannot exceed 33% of total PP sales.

As shown above, the ownership regulation in broadcasting is very complicated. But it can be understood more easily by understanding the hierarchy of ownership regulations in broadcasting. That is, the regulations can be divided into four levels according to the degree of strictness. Firstly, terrestrial broadcasting is subject to the most demanding ownership regulation, for they use radio spectrum and have journalism function. Accordingly, they have been the most influential players in Korean broadcasting history. Moreover, as they are usually PSBs, who are supposed to keep impartiality, terrestrial broadcasters are subject to the strictest ownership regulations. Secondly, there are all-genre PP (Programme Provider), news PP and all-genre and news CPs (Content Provider, virtually same to PP). Those are Pay TV channels who have journalism function. Although they are subject to lighter ownership regulations than terrestrial broadcasters, they are still subject to rather strong ownership restrictions compared to the other players, as they can affect public opinion. Thirdly, there are Pay TV platform players such as cable TV, satellite TV, and IPTV. They had radical deregulation since the 1990s as the overall Pay TV industries expanded. Accordingly, they are subject to lighter ownership regulations than terrestrial, all-genre and news channels. Fourthly, there are general PP and CP, which do not have journalism function. The lowest level of ownership regulation is applied to them. In addition, it is notable that political parties can not own the shares of broadcasters. This restriction can be understood as an attempt to secure political independence of broadcasting. In case of newspapers or telecommunications, there is no restriction like this. In the next part, competition regulation of newspaper, telecommunication and broadcasting will be examined and compared.

8.3.3. Competition regulation

In this part, competition regulations in newspaper, telecommunication and broadcasting will be examined. The below table compares the competition regulations in those media.

Table 20 Competition regulations in newspaper, telecom and broadcasting

Media	Category	Competition regulation	Post regulation
Newspaper	Daily	-	Public opinion survey
	Weekly		
	Internet		
Tele-communication	Infra	-	Competition research
	Quasi-infra		
	Additional		
Broadcasting	All Broadcasting	Up to 30% of rating share (except for KBS, EBS)	Media Diversity Committee & Competition Committee
	Cable TV, Satellite TV and IPTV	Up to 1/3 of total subscribers	

Source: Newspaper Act, Telecommunication Business Act, Broadcasting Act

As shown above, there is no competition regulation in newspaper and telecommunication markets. However, public opinion survey and market competition research are conducted as post regulation to check the degree of concentration in the markets.

Meanwhile, in broadcasting, there is a 30% rating share limit to any broadcasters except for some PSBs. When this limit is exceeded, the broadcaster is forced to reduce the rating share to less than 30%. However, the government-owned public broadcasters KBS and EBS are not subject to this regulation. This shows their special status as PSB. When it comes to Pay TV platforms, the number of subscribers should not exceed a third of the total number of Pay TV subscribers. Furthermore, it is notable that KCC established several committees to prevent too much concentration. Firstly, KCC established 'Media Diversity Committee' to check the degree of diversity in public opinions. The committee developed a measure to check the overall concentration of journalism media in newspaper and broadcasting. Secondly, in 2011, KCC established the 'Competition Committee' to monitor the competition in broadcasting and telecommunication markets. These can be understood as post regulations of KCC to prevent market failure.

In conclusion, it is evident that broadcaster's competition regulation is more demanding than that of newspaper and telecommunication. On the other hand, it was found that in most cases,

there are back-up regulatory measures which is used to monitor the degree of concentration in the market. In the next part, content regulations in newspaper, telecommunication and broadcasting will be examined.

8.3.4. Content regulation

In this part, content regulation between those media will be compared. The table below presents content regulations and relevant institutions in newspaper, telecommunication and broadcasting.

Table 21 Content regulation in newspaper, telecom and broadcasting

	Content regulation	
Newspaper	The Press Arbitration Commission	
Telecommunication	KCSC	
Broadcasting	Compulsory retransmission	KBS and EBS
	Compulsory channel	Government channel National Assembly channel Religious channel Channel for disabled people Regional channel Public interest channel
	Compulsory production ratio	Domestic production ratio (in TV, animation, and film) & Independent production ratio
	Programme assessment	KCSC Broadcasting Assessment Committee, Universal Service Committee, Audience Right Committee, etc.
	PSB	KBS, EBS and MBC

Source: Newspaper Act, Telecom Business Act, Broadcasting Act

As shown above, there were no special rules in newspaper and telecommunication for content regulation. In newspaper sector, the Press Arbitration Commission deals with the disputes related to newspaper articles. Telecommunication sector also does not have specific rules for content

regulation, but KCSC oversees online contents. In general, self-regulation is a dominant form in content regulation of newspaper and telecommunication sectors.

However, in broadcasting, there are many content regulations regarding channels and contents. Firstly, there are some public channels that Pay TV companies must include. More precisely, cable TV, satellite TV and IPTV should re-transmit the main live channels of KBS and EBS. It is to fulfil universal service remit of KBS and EBS, as people pay license fees for the two broadcasters. In addition, government channel, National Assembly channel, religious channels, channels for disabled people, regional and additional public interest channels should be included in pay TV's channel portfolio, no matter their customers want them or not. Furthermore, there are production quotas for terrestrial and all-genre broadcasters. Accordingly, they are obliged to broadcast domestically produced contents, as well as contents that are created by independent production companies. In terms of content standard, KCSC and other content-related committees work together for the assessment of broadcasting contents.

Moreover, broadcasting has PSBs. Although the clear concept of public broadcasting in Korea is not specified in Broadcasting Act, KBS, EBS and MBC are generally recognised as public broadcasting in Korea. This is based on three public standards: spectrum use, public ownership, and public appointment. Among those three PSBs, KBS and EBS meet all three public criteria mentioned above. They all use spectrum and national broadcasters, and they are owned by Korean government, and their Board of Directors and CEOs are appointed through public procedure, and they receive licence fees from the public. MBC is slightly different to KBS and EBS, but they also have some public characters, as they use spectrum, and they are owned by a public institution, and their directors and CEOs are appointed through public process. However, MBC is run by advertisement revenue. In particular, in the case of KBS, the Broadcast Act stipulates the purpose of KBS' establishment and their remit as a public service. According to the Broadcast Act, KBS was established 'to make a fair and sound broadcasting culture'. KBS 's public responsibility includes fairness, public interest, universal service, viewer convenience, national culture promotion, and national harmony. These responsibilities are similar to what European scholars have suggested as common remits of public broadcasters (Hanretty, 2012:16; Iosifidis, 2012:8; Siune and Hulten 1998:24).

In conclusion, the content regulation in newspapers and telecommunication are almost absent, compared to that of broadcasting. Precisely, as newspaper's freedom of speech has been regarded as the most important regulatory goal, newspaper was not subject to strict content regulation. In terms of telecommunication's content regulation, the personal conversation and private information have been regarded as something that should not be regulated, because the regulation could obstruct the people's privacy. Accordingly, KCSC was only one who was in

charge of contents on the internet. However, in broadcasting, various rules were applied as content regulations, and there are PSBs who have public responsibilities to create desirable contents.

8.4. Conclusion

To sum up, policy convergence brought about both convergence as well as divergence in overall legal systems and authorities in media policy. Korean case showed that policy convergence did not result in the reduction of number of laws and authorities. In other words, it can be said that the convergence itself was an additional factor that increases the diversity in legal system and authority.

Meanwhile, KCC's policy was dramatically changed in last decade. In its early period, the institution mainly focused on promotional policies and economic principles, but it was changed after it was repositioned as a regulator. KCC started to focus on regulatory policies and public interest issues. Therefore, it can be said that policy convergence in Korea affected the changes in media policies, but it gradually lost its influence as some bad side effects of policy convergence appeared, and as some critical changes were made regarding its organisational structure and authorities accordingly.

In the meantime, despite of the overall trend of deregulation, sector-specific regulations in newspaper, telecommunication and broadcasting were generally maintained. As seen above, the broadcasting regulatory system has been more complicated and demanding than those of telecommunication and newspaper regulations. This difference is due to the fact that newspapers, telecommunications, and broadcasting serve different public interests and social values (Iosifidis, Steemer and Wheeler, 2005; Michalis, 1999; Vick, 2006). Therefore, it seems that there was 'resistance' or 'inertia' in media regulations, despite of technological development in media. Therefore, as Iosifidis (2002:40) said, "convergence arrives slowly. [...] Technology might change the media environment, but that does not imply that concerns about pluralism, diversity, free speech, etc, traditionally protected by sectoral regulation, are less valid." Furthermore, Fagerjord and Storsul (2007:26) emphasised that the 'different regulatory principles of different media' are still significant in digital environment. They said: "even if digitized, different media still vary in their characteristics, usages and purposes. Different media play different roles in society and politicians and regulators still perceive the need for regulation to be different". Therefore, it can be said that policy convergence brought about convergence as well as divergence in media laws and authorities. Furthermore, its influence was gradually decreased on media policies. Lastly, sector-specific regulations were generally maintained, despite of policy convergence and deregulation trends in media. The next chapter summarises the whole thesis and discusses some important theoretical points and practical findings from this thesis.

9. Conclusion

This thesis examined media convergence in terms of its concept, discourse, and influence. The influence of media convergence was examined regarding market, governance and policy. In this conclusion chapter, the findings from above examinations will be discussed, and some practical recommendations for media policy will be presented.

9.1. The problem of concept of media convergence

This thesis examined four problems of the concept of media convergence. Firstly, the concept's broadness was addressed as a problem, for this led to hasty generalisation. Therefore, more detailed explanation of media convergence was presented, by suggesting media value chain model in understanding the concept. Thus, on the basis of examinations on relevant literatures as well as practical observations, it was argued that the concept is little related to contents and platform levels, but it is more relevant to network and device levels in media value chain. Secondly, it was addressed that the term can be overlapped with other existing words, such as telematics, vertical and horizontal integrations. Therefore, it was argued that this overlapping character of the concept can increase confusion. Thirdly, in line with those problems presented above, it was also addressed that the term had strong character of exaggerated presumptions. The concept was often used in the context which sees the media convergence would expand rapidly, because the concept itself contained strong character of presumption. The presumption of the concept was that the blurring between overall media is happening and would continue in the future. Lastly, it was shown that sometimes the concept was paradoxically used to describe a phenomenon which seemed quite opposite to what it means. That is, the concept was frequently used in practice to describe what was actually the divergence of media. For example, in many cases the concept was used to stand for what multimedia and multiplatform means. This is paradoxical, as it actually described a diversifying trend in media when the term itself was supposed to describe something converged. Therefore, this thesis argued that this paradoxical presentation of the concept could lead to even more confusion in understanding the term.

A practical recommendation for media policy can be made on the basis of the above examinations. That is, even though it could be hard to define a new term when it was newly emerged, the term should be carefully defined and explained on the basis of actual examinations. As the understanding of concept can ultimately affect policy decision making in the process of policy discussion, the term used in the field of media policy has to be clarified. And once policy decision is made, for example, if a governance reform was applied, this is not easy to reverse.

Moreover, it can be suggested that there need some studies that can update the policy terms as time goes by. Notwithstanding the suggestion above, it seems more likely that there would be confusion while a technological development is in progress. However, the clarification might have done as the understanding of the concept of technology has developed. However, in the case of media convergence, this seemed not achieved, as the first concept of it made in the 1980s continued to be used as similar in relevant studies and policy debate for more than 30 years. Therefore, it seems right to be careful enough when using a concept, and it would be better studying and clarifying the concept, before using it when the phenomenon of concept is not thoroughly examined. The undesirable consequences of the ambiguity of the concept were well presented in this thesis.

9.2. The emergence of convergence discourse

Due to the ambiguous character, the concept was easily manipulated to make some discourses. As some studies showed, the discourse was relevant to liberal ideology, which was prevalent when the term emerged. The convergence discourse was a social belief that media convergence is proceeding rapidly, so deregulation and policy reform should be introduced quickly in reaction to this change. This belief contributed to the development of media convergence in overall media sectors from technology to policy. Notably, as in Korean case, the convergence discourse contributed to the application of policy convergence, because the country's ambition to make global media conglomerate was very high. Accordingly, media convergence was used to justify deregulation and restructuring of the policy system. However, as shown in Convergence Committee's white paper, public values and PSBs were marginalised, as convergence discourse was predominant.

By examining the discourses shown in the process of policy debate as well as in converged agency's official papers in Korea, it was confirmed that the convergence discourse was there, and the discourse led the converged agency to be the follower of convergence discourse, particularly in its early days of establishment. Furthermore, it was evident that convergence discourse was relevant to liberal ideology. Thus, when compared to other cases, it can be said that convergence discourse in Korea was similar to what found in the process of establishment of Ofcom in the UK. Furthermore, as Ofcom showed liberal approaches to broadcasting policy particularly in its early days, KCC also showed competition-centred style during first 5 years of its establishment. But, as there was a government reshuffle after 5 years in Korea, KCC was changed to be a regulator and the core discourse in their publications was dramatically changed.

In conclusion, it is notable that this kind of discourse can be made again in the future when following two preconditions are made. First, new technology. As shown in Korean case, the

discourse can be formed when new technologies and new business opportunities arise. Therefore, it seems better for policymakers to bear in mind that in the early stages of the development of new technology, the expectation as well as reckless presumption on the technology could occur, and this can lead to the formation of a discourse, which is not quite helpful in understanding the development of new technology more accurately. Second, strong politico-economic ideology. As shown in the cases from the UK and Korea, a discourse can be formed by the political and economic ideology which is quite prevalent in that day. However, as a certain politico-economic ideology can brought about biased approach to media policy, it seems important to make ideological balance in policymaking. Furthermore, from the analysis of discourse, it could be reaffirmed that the definition of a concept does really matter, for when it is not clearly defined, it can be easily manipulated as a discourse by someone who has the power for agenda-setting.

9.3. Influence on market

This thesis also examined how and to what extent the media convergence actually influenced on Korean broadcasting and telecommunication markets. The analysis showed that something that can be called as ‘content’ convergence was not found, and traditional genres of audiovisual contents were still dominant. Furthermore, ‘platform’ convergence was also difficult to found, but instead a new over-the-top (OTT) players such as Netflix was presented as an important player. However, in network and device levels, some significant examples could be found. In terms of ‘network’ convergence, it brought bundle service such as TPS and QPS to customers. However, in Korea, it resulted in an increase in telecommunication’s market share. On the other hand, IPTV was the most successful media convergence model in Korea, but it was partially due to the vigorous support from KCC. Meanwhile, convergent media such as DMB and Data PP had a very small impact on the market. When it comes to device convergence, its development was triggered by smart devices which was basically a ‘connected mobile computers’. However, rather paradoxically, the device convergence resulted in diversification of media possession and usage patterns rather than convergence.

In conclusion, it can be said that media convergence affected the market, but it mainly affected network and device levels in media value chain. Furthermore, except for some converged network services such as bundle services and IPTV, most of convergent media have played peripheral roles in broadcasting and telecommunication market even after 10 years of its introduction. In device level, the convergence brought about both convergence and divergence. Therefore, in general, despite of the media convergence, the existing broadcasting and telecommunication markets maintained as in the past. In other words, media convergence was not

a big bang or a comet that had decisive impact on the Korean markets. Therefore, Korean case showed that the new technology and new services are more likely to have limited influence on media market, in practice.

9.4. Influence on governance

The influence of media convergence on the governance system of broadcasting and telecommunication was an important subject that this thesis investigated. As the convergence discourse promoted the reform of the governance system of broadcasting and telecommunication, Korea adopted policy convergence by integrating policy agencies. In the thesis, there were three sections for the examinations of the influence on governance. Firstly, the process of policy convergence was examined, by analysing Convergence Committee's white paper. Secondly, the overall process of establishment of KCC and its governance system were examined in relation to PSB's political independence. Thirdly, the power struggle within KCC was examined. The following sections will discuss those in more details.

9.4.1. Turf war between agencies

It could be said that the Convergence Committee was established to solve the long-lasting conflict between KBC and MIC. As noted, those two agencies fought for almost a decade because they wanted to have the jurisdiction of the new convergent service, IPTV. Notwithstanding much efforts to solve the conflict in early 2000s, it was not successful. In Convergence Committee, those two bodies continued to insist for what they wanted. In the process of governance reform debate, it was found that those who participated in the discussion tended to extend their jurisdiction and power over media. In the case, none of them suggested to reduce their own authorities voluntarily on any policies they managed. Moreover, it was found that all of them suggested a governance system that is similar to theirs. This showed that there can be a strong resistance from media agencies in the process policy governance reform, because they tend to keep what they had before. In Korean case, this irreconcilable gaps between agencies led Convergence Committee to make a compromising settlement after all. That is, as the committee tried to satisfy all agencies while not making their own decision, they made KCC as an institution with contradictory remits regarding regulation and promotion. However, it was almost nothing more than a compromise, and it was found that this contradictory settlement had to be reorganised later, as governance structure needed to be divided according to the different principles of broadcasting and telecommunication policies.

On the basis of this analysis, a practical recommendation can be drawn. As Convergence Committee was established as a government-centred institution where many stakeholders discussed, the overall discussion was led to somewhat administrative engineering debate. This was because the government's focus was mainly on solving the long-lasting conflict between relevant agencies. However, as there are various principles and values in media policy, which should be considered when conducting the reform of a policy system, it seems better to make a professional-centred institution for the discussion of media policy reform. Therefore, people who have specific expertise in media policy, such as media policy researchers and relevant law makers, can be the most appropriate participants in that kind of social discussion. Indeed, some scholars who participated in the process of discussion pointed out that the discussion of media convergence was too much biased to economic value. Furthermore, National Assembly rejected the KCC Establishment Bill first, as they understood that there should be differentiated approaches to the governance systems of broadcasting and telecommunication.

9.4.2. Political independence issues

On the other hand, Korean case showed that the power concentration could occur by policy convergence. Moreover, it was also found that highly politicised countries can be further politicised through media policy reform. In the case of Korea, the contradictory status of KCC eventually resulted in a close relationship between KCC and the president. Accordingly, the president was able to affect PSB programmes through KCC and CEOs he appointed. This interference eventually provoked the biggest and longest-ever PSB strike. During the strike, many PSB workers had to be fired, transferred, suspended and had their wage cut. As confirmed in personal interviews with PSB workers, this was something that could not be recovered soon. But thanks to their relentless effort, the issue could be known by the public, and accordingly, the president candidates pledged to solve the political independence problem of PSB. Moreover, some clauses in Broadcasting Act were amended to prevent appointing a person close to the president as a commissioner of KCC. In the meantime, some European studies regarding political independence showed that the degree of political independence of media agency can be determined by the degree of political democratisation of individual country. That is, the written and formal statement which declares the political independence of media policy agency is not likely to be a decisive factor for actual independence of media agencies.

Reflecting the examinations above, some practical suggestions can be made. As noted above, informal activities between political power and media are more decisive factor for political independence. Therefore, if there was an institution where the journalists can anonymously report the 'informal' interruptions, then the political independence matter could have been managed better.

Furthermore, some educational and cultural effort can be also made to promote the social recognition of PSB's independence. In the meantime, Korean case reaffirmed that the legislation of clear definition and remit of PSB are so important for its desirable function in the society (see Feintuck and Varney, 2006). As examined above, Korean PSB was conceptually unclear at the time when Convergence Committee was held, and this led to the marginalisation of PSB in the discussion, and this resulted in the marginalisation of PSB values, including its political independence and impartiality. In addition, it can be addressed that presidential election period could be a good timing for making an issue social agenda, as shown by PSB strikers. Moreover, some influential social media platforms such as Youtube and Facebook can be useful tools for civil society, as it helped them in disseminating what they are about. Korean PSB workers strategically conducted the protest during presidential election period using various social media, and they successfully made their agenda recognised by the people and the president candidates. Eventually, most of president candidates pledged that they will solve the political independence problem of PSB. And, as will be examined later in this chapter, the actual changes in broadcasting policy were made.

9.4.3. Hegemony struggle

The conflicts between KBC and MIC began in early 2000s and lasted almost for a decade. But their hostile relationship could not be recovered even after the establishment of KCC. The organisational war could be finished when MIC succeeded in grabbing hegemony in KCC. This meant that the fight was eventually ended by the victory of telecommunication side. Accordingly, some argued that the ascending of telecommunication's policy principles, such as competition and universal service, was due to the predominance of MIC members in KCC. However, in a different perspective, it can be said that MIC could win KCC because their policy principles were similar to government's general policy principles. This can be a reasonable approach, because it was evident that the relationship between government and KCC was very close.

Based on the examinations above, two practical lessons can be learned. Firstly, it would not be a wise approach to merge two totally different agencies into one agency, particularly when they had conflict for a long time. As in Korean case, MIC and KBC were quite different in their organisational culture, wages, and viewpoints on media policies. Accordingly, it would have been better to establish a new policy institution for converged media, rather than merging existing agencies. Secondly, it is worth considering the scale of relevant industry as well as the organisational culture when integrating policy institutions. That means, it is more likely that a policy institution of bigger industry can be more powerful than a policy institution of smaller industry. As an interviewee said, the lobbying power of industry is related to the overall influence

of the policy institution. Thus, if there is a media policy agency that is relevant to a big industry, such as telecommunication, the policy institution also can be quite influential in government as well as in National Assembly. Furthermore, it is more likely that an institution who has more unified culture and clearer hierarchy can be more powerful than less unified and less hierarchical institution.

9.5. Influence on policies

In the last chapter of this thesis, the actual policies in broadcasting, telecommunication and newspaper were examined, to see the degree of influence of policy convergence. To this end, the changes and continuities in media laws and jurisdictions were examined. And then, KCC's actual policies in last decade were analysed by examining its annual reports. Lastly, the sector-specific regulations in broadcasting, telecommunication and newspaper were also examined. Details of the examinations will be discussed below.

9.5.1. Systematic changes in laws and authorities

It was found that the policy convergence brought convergence as well as divergence in relevant media Acts and policy institution's authorities. That is, existing laws such as Broadcasting Act and Telecommunication Business Act remained almost the same as in the past. However, due to the new convergent media such as IPTV, an additional Act had to be made. KCC Establishment Act and Broadcasting-Telecommunication Development Act were also additional laws that increased not only the number of related laws, but also the complexity within overall media policy system. Furthermore, when it comes to the jurisdiction of media policy institution, there happened both convergence as well as divergence. Maybe, it is more reasonable to think that many jurisdictions were merged into the converged institution rather than diverged, as a result of policy convergence. But the actual result showed that some jurisdictions had to be scattered, and even an additional body, such as KCSC, had to be established, as a result of policy convergence. Therefore, in Korea, policy convergence brought not only convergence, but also divergence in the media policy system. From this examination, it can be learned that the existing legal system and authorities can be quite rigid to changes, so the convergence of existing laws and authorities can be a difficult task.

9.5.2. Competition-centred policies

On the other hand, competition-oriented policies were found as the result of policy convergence. In fact, in the early years of KCC, they showed competition-oriented and economic-centred style in broadcasting policies. They focused on competition and economic values, while ignoring sector-specific values and socio-cultural principles. However, as will be discussed below, the internal diversity and socio-cultural values cannot be promoted by the competition alone. Competition, in particular, is more suitable as a tool for promoting external diversity. Therefore, specific measures for internal diversity is needed.

The value conflict in media policy

According to Vick (2006), telecommunication and broadcasting developed differently as they pursued quite different values that are difficult to be compromised. In particular, telecommunication and newspaper were recognised as areas where market competition and autonomy can be applied as the main regulatory principles. However, broadcasting, especially public broadcasting, was recognised as the field where many strict regulations on entry, ownership, competition and content were applied. Therefore, Vick (2006:59) argued that if telecommunication and broadcasting policies are merged into a single policy institution, the ‘value conflict’ between those two principles can occur. In a similar vein, Just (2009:102) argued that “convergence exacerbates this value conflict in communications because it unites sectors with historically diverse regulatory models (print vs. broadcasting vs. telecommunications), in which cultural and economic values prevail to different extents.”

Indeed, telecommunication and broadcasting have developed different policy principles. When it comes to telecommunication, it was thought to be an area where natural monopoly could take place, therefore, competition, universal service, and access right were the most important principles (see Michalis, 1999). However, the personal communications made through telecommunication networks have been regarded as private ones which should remain confidential. Therefore, there was little regulation in regard to the contents of telecommunication. In line with this, most of the content distributed through internet heavily relied on self-regulation (*ibid.*). However, broadcasting began as a state monopoly in most countries, but it soon developed as dual monopoly and then oligopoly system where public services compete with several private broadcasting companies (Siune and Hulten, 1998:27). However, due to its use of radio spectrum which belongs to the public, as well as its considerable influence on the public, broadcasting regulations has been relatively more comprehensive and stronger than any other media regulations (Gibbons, 1998:4-5). However, due to the advent of Pay TV broadcasting such as cable TV, satellite TV and IPTV, the regulatory logic based on frequency scarcity was weakened

(Hesmondhalgh, 2013:131-132). Nonetheless, the concern about the monopoly or oligopoly of private companies emerged as a new challenge to the broadcasting regulation (Freedman, 2008:105-121). Furthermore, content regulation in broadcasting was a crucial, which differentiates broadcasting regulation from the others (Iosifidis, 2002:33-38). The importance of content regulation continues because the social influence of media contents can be considerable notwithstanding the development of media technology. Therefore, as Dwyer (2010:14) said, "traditional concerns do not just disappear because of new media delivery modes."

On the other hand, some predictions were made that there would be the dominance of competition law or economic logic and the marginalisation of sector-specific regulation or socio-cultural principles after regulatory convergence. And this was proved in the US, the UK and some European countries (Iosifidis, 2011). In line with this, Latzer (2009:417) also argued that "an expected effect of convergence is the increased economization of the media sector. At the same time, there are fears that socially motivated regulation is being undermined, even endangering the principles of public service broadcasting. The strengthening of the role of the general competition law in the convergent communications sector at the expense of sector specific regulators can be regarded as an indication of the undermining of socially motivated regulation." Furthermore, Just (2009:113) also criticised that "supporting a shift from sector-specific communications regulation to the sole application of general competition law, for instance, is merely a shift to another normative goal."

Why competition law is not sufficient?

Meanwhile, there have been a number of studies that pointed out the limitations of competition law in media policy (see Albarran, 2013; Born and Prosser, 2001; Cornia, 2016; Doyle, 2013; Feintuck and Varney, 2006; Freedman, 2008; Gibbons 1999; Graham, 2013; Iosifidis, Steemers and Wheeler, 2005; Just, 2009; Lunt and Livingstone, 2012; Noam, 2016; McQuail, 1992; Napoli, 1999; Park, 2014; Vick, 2006; Weeds, 2013). To summarise these arguments, the most significant reason why competition law is insufficient was that competition law cannot guarantee 'internal (or content) diversity' by itself alone.

External diversity

According to these studies, there are two kinds of diversity that matter: External diversity and internal diversity. First, external diversity refers to outlet diversity. More precisely, when there are many different players in the market, it can be said that external diversity is high. And at the same time, external diversity also means diversity of ownership. For example, if there are many media companies, but these are owned by relatively small people, we cannot say that the external diversity is high. Therefore, when various owners provide many different types of media, it can be

seen as a market with high external diversity. To guarantee the high external diversity, competition law is applied. Thus, the purpose of competition law is to secure various players as well as various ownerships in media market.

Many theorists, on the other hand, saw that media market is likely to form a natural monopoly due to factors such as economies of scale, economies of scope, as well as frequency scarcity. In other words, it is a market where the external diversity naturally decreases. In Broadcasting and telecommunication markets, it is difficult to enter the market because of the high initial cost in starting the business, and therefore a small number of operators are likely to dominate the market. When it comes to media content production, it costs a considerable amount of money to create the first original copy, but it costs little to make the additional copies of it. Therefore, the more you sell with a content through the various windows or platforms, the more profit you have. Usually, media business is run with high fixed cost for facilities, equipment, and human resources. Therefore, securing as much market share as possible is an essential key for success and stable management of media companies. For this reason, media companies seek vertical integrations such as mergers between network company and content company, or horizontal mergers between network companies and another network companies. Therefore, the media industry has been recognised as one of the industries where economies of scale are applied. In addition, making additional profits by using the audiovisual contents (i.e. TV animation) can be a good strategy for media companies. Thus, they try to sell content-relevant goods (i.e. character toys) to earn additional profits. Furthermore, the goods business can help the consumption of actual TV content itself. In other words, it creates a virtuous cycle of consumption. Because of this principle, the broadcasting industry has been known as a field where ‘economies of scope’ can be applied. Disney, for example, does not only make TV and film animations, but also it runs a theme park, the Disney World and sells character goods such as Mickey Mouse. Therefore, economies of scale and economies of scope make media companies naturally seek to be more monopolistic in relevant markets.

Meanwhile, particularly in broadcasting and telecommunication markets, the external diversity can be lowered because of their use of frequencies. Basically, the frequency is scarce and belongs to everyone. Therefore, the number of frequency users must be limited, so there have been entry (licencing) regulations for the businesses. Moreover, as it is natural material like an air, someone who uses the spectrum should be subject to public responsibility. Due to these specific characters of radio spectrum, the both have been recognised as the industries that can form oligopolistic markets.

In addition, the broadcasting contents is an ‘experience goods’, so it is hard to know the actual value of this product until someone actually has watched it. For this reason, media companies use strategies that allow consumers to believe in the value of media contents. The first

strategy is to hire famous stars. Film makers or broadcasters use the star's fame to give consumers a high expectation. And this means the increase in overall costs, which in turn leads to economies of scale and scope. That is, as they invested much money into the star actors or actresses, they would have to sell the contents as much as possible to compensate the cost. And the second strategy to secure many audiences, is doing marketing activities. Indeed, media companies spend huge amount of money for marketing. But this kind of marketing activities also increase the overall expenditure, and in turn, it makes them to pursue as much as economies of scale and scope. For these reasons, the broadcasting sector is likely to form monopolistic or oligopolistic market. And this can cause market failure such as unfair trade, cartel, price-fixing and price increase. To prevent the market failure, competition law is applied, and it is there to prevent a specific company from being too powerful in the market. Therefore, it is an important regulation that is indispensable to the broadcasting as well as telecommunication policy fields.

Internal diversity

However, internal diversity is not necessarily achieved through the activation of such competition. Internal diversity means not only content (genre) diversity but also opinion and cultural diversity reflected 'within' each audiovisual content. This internal diversity is important because it promotes the development of democratic society and it also helps understanding different cultures in the society.

However, a large number of operators (with many owners) in the market does not guarantee that there are diverse voices (viewpoints) and cultures. Rather, the opposite is more likely to happen. Basically, media companies compete to each other for profit. This is the foremost goal of commercial media companies. And it is more likely to be a secondary goal for them to increase democracy and to educate social and cultural issues. Moreover, it is more realistic to think that the commercial companies would pursue those goals only when the activities make a good profit. Consequently, commercial media companies make contents that appeals to as many people as possible. In so doing, it is likely that they produce the most popular contents, not socially desirable ones. Furthermore, it is also possible that the owners or CEOs of media companies, who have a major influence on media companies, can eventually have similar political views or similar social biases. Even if the number of owners is big enough, the diversity of opinions, cultures and social representations may not be different enough. In other words, there is always the probability that the increase of external diversity will not eventually result in the increase of internal diversity, even if the various owners run various media in the market.

On the other hand, broadcasting, especially television broadcasting, still has the greatest influence among many media. It is also non-excludable and non-rival because it is a 'public goods'. That is to say, broadcasting programmes flow in the air, so that it is impossible to stop watching

broadcasting (non-excludable) and is supplied in abundance, so that someone's consumption does not limit other's consumption (non-rival). Due to these characters as public goods, broadcasting suppliers cannot secure money because they cannot exactly charge its audience. In turn, it can be argued that the broadcasters cannot maintain their service, if they are not subsidised. This has been a major reason for imposing licence fee to the public. Nowadays, there are many people who subscribe Pay TV, but terrestrial broadcasting is still being watched. Especially, countries such as the UK are actively using terrestrial multi-channel platforms, for example, Freeview. Furthermore, broadcasting is 'merit goods', and generates 'externalities' for the whole society. Good broadcast programmes not only provide enjoyment, but also promote citizenship and thus have a positive effect on the whole society in a long-term basis. On the contrary, negative externalities can be made through anti-social, obscene, and violent programmes. Therefore, broadcasting is a public goods with high impact, so it can cause the high degree of externalities, whether it is good or bad. Therefore, there is a need for a system that can always provide socially desirable content and make 'positive' externalities. In other words, internal diversity needs to be guaranteed in broadcasting regulation. The public service broadcasting (PSB) is a unique system that was created for this need. Therefore, public service broadcasting is run by license fee to be free from economic influence. If there is an economic interference in PSB, it would be hard to ensure their internal diversity. And PSB's political independence has been regarded as an important precondition for their internal diversity and impartiality. By creating such a special environment, public service broadcasting can provide citizens with various genres, viewpoints, and cultures.

In conclusion, external diversity and internal diversity are both important in broadcasting and telecommunication market. Competition law guarantees external diversity. However, the increase of external diversity does not always result in the increase of internal diversity. Therefore, a special measure is needed to positively increase the internal diversity. Public media, therefore, should work with competition law to maximise the external and internal diversity altogether. In other words, when applying the competition law in the broadcasting and telecommunication markets, it is important to secure the internal diversity by strengthening the public service broadcasting system at the same time.

9.5.3. Correlation between system and policy

On the other hand, the correlation between policy system and actual policy was examined by examining KCC's organisational change. As seen above, KCC was reformed in 2013 as a convergence regulator when a new government came to power. Since then, KCC's focus was changed, especially in terms of broadcasting regulation. Before it was reorganised, KCC's main focus was the economic and industrial aspects of broadcasting. In other words, they were a faithful

follower of convergence discourse. Since 2013, however, they started to pay more attention to public interest and public broadcasters. As noted above, there could be several other reasons for KCC's change, such as civil society's effort including PSB strike, etc. Nevertheless, it would be hard to say that the systematic changes of KCC never affected the actual policy changes of KCC at all.

Consequently, KCC's case showed that regulatory agencies can be more interested in public interest than a converged media policy agency who should manage both promotional and regulatory policies. Therefore, a practical lesson can be learned from this, that it would be more appropriate to establish a dedicated regulator for media regulations, and to allocate the promotional policies to government departments.

9.5.4. Inertia of sector-specific regulations

Last but not least, the thesis examined how the regulations on newspapers, telecommunications and broadcasting in Korea were affected by policy convergence. As examined, since the 1990s, there were overall trends of deregulation in newspaper, telecommunication and broadcasting in Korea. However, in 2008 and 2009, after the introduction of policy convergence, cross-ownership rules between newspaper and broadcasting were deregulated. As a result, relevant sector-specific regulations were lifted. Nevertheless, even after more than 10 years of policy convergence, those sector-specific regulations regarding entry, ownership, competition and content regulations, were generally maintained. Particularly, based on the comparison between the sector-specific regulations of newspaper, telecommunication and broadcasting, it was found that broadcasting regulations were the strictest and the most complicated among them. Furthermore, it was evident that this trend was maintained with considerable gaps between broadcasting and others, and it seems that the difference will be maintained afterwards, too.

9.6. Conclusion

So far, the theoretical findings and practical recommendations of this thesis were discussed. The thesis argued that there were some problems regarding the concept of media convergence, and these problems are relevant to the emergence of certain discourses, which were called as convergence discourses. The thesis argued that convergence discourse was not quite helpful in making effective and efficient media policy and governance system, for it marginalised certain policy principles that cannot be dismayed. However, this imbalance did not last forever. Eventually, the governance system and many relevant institutions and policies were reorganised, renamed,

redistributed and revitalised. But all of these could be done after enormous social conflict, personal discourages, family sufferings and huge cost of money and time. And it seems to be a right moment to say that this thesis was written on this criticism. But it was not to say that the media convergence did nothing good in media, but it was to say that behind all the shining developments of digital media, there were some problematic points which should not be ignored.

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