

## **Institutional Strengthening in The Era of Indonesian Versus Korean Film Industry Constestation**

**Amanda Elista<sup>1</sup>, Alfiana<sup>2</sup>, Masykurotur Rizqi Aji Putri<sup>3</sup>,  
Anis Nur Fadhillah<sup>4</sup>, Tri Yuniningsih<sup>5</sup>**

<sup>1</sup>Public Administration Department, Universitas Gadjah Mada, Indonesia.

<sup>2</sup>Management and Public Policy Department, Universitas Gadjah Mada, Indonesia.

<sup>3</sup>Public Administration Department, Sebelas Maret University, Indonesia.

<sup>4</sup>Public Administration Department, Universitas Gadjah Mada, Indonesia.

<sup>5</sup>Public Administration Department, Diponegoro University, Indonesia.

\*Corresponding author, email: amandaelista@mail.ugm.ac.id

### **Abstract**

The creative economy industry has great potential in the movement of a country's economy, including Indonesia, unfortunately, domestically produced films are still less popular. This is inversely proportional to the public's enthusiasm for Korean dramas and films where Indonesia ranks first in the world as the largest K-Pop fan country. Korea's success in the film industry is inseparable from the role of Korean government agencies. This research aims to provide an overview portrait of the Indonesian film industry amid the existence of Korean films and see institutional strengthening using 3 institutional pillars according to Richard W. Scott. The institutional pillars used are regulative, normative, and cognitive pillars. The method used is descriptive qualitative through survey, in-depth interview and literature study. The results of the study are 1) the popularity of Korean dramas and films dominates and even beats Indonesian films/dramas, 2) The institutional pillars have not run well. This condition can be seen from existing problems such as the absence of institutions that regulate film in Indonesia from upstream to downstream, the absence of regulations related to the protection and development of production houses and local OTT platforms, and the absence of a roadmap for Indonesia's future film industry.

### **Keywords:**

institutionalization; creative industry; film

### **Introduction**

The creative economy is believed to be a field capable of becoming a new engine in the economic wheel in Indonesia. This sector has great potential as a catalyst in accelerating economic growth. The creative economy is a new economic concept where ideas, creativity and innovation are the main capital in driving the economy. Among the 17 main sub sectors of the creative economy, film, animation and video are sub sectors that are still lacking interest in Indonesia (Databoks, 2021). Video ranks 3rd lowest as the sub sector with the least percentage of labor in Indonesia (Dkatadata & Databoks 2021).

The lack of public interest in the film, animation and video subsector is the government's homework to encourage citizens to work in this sector. The film, animation and video subsector

is a subsector that has great potential in increasing economic growth in Indonesia. This is because this subsector is able to explore large employment opportunities for people who work in this sector (Azhar, 2017; Ma'ruf et al., 2022).

The lack of interest from people working in this sector is inversely proportional to the public's enthusiasm for this subsector. Quoted from *Methodology: K-Pop Video creation by market* (2020-2021), Indonesia ranks first in the world as the country with the largest K-Pop video creation in the world. This proves that Indonesian citizens are very enthusiastic about this industry. Not only in terms of K-Pop video creation. The large target market for video creation is unfortunately not matched by the enthusiasm of its citizens to work in this sector. Among the various foreign cultural penetrations that have entered Indonesia. K-Wave or commonly known as "Hallyu" is the most popular foreign culture in Indonesia. This is evident from Indonesia's ranking as the country with the largest K-Pop fans in the world (Goodstats, 2021).

The success of the spread of K-Drama in Indonesia cannot be separated from the role of Korean Government agencies, namely KOCCA (Korea Creative Content Agency), which supports the expansion of the spread of K-POP around the world (H.-K. Lee, 2020; H. Lee, 2023; Park & Kim, 2020). K. Lee, 2020; H. Lee, 2023; Park & Kim, 2020), KOFICE or (Korea Foundation for International Cultural Exchange) which plays a role in the spread of culture and academic programs (Nguyen & Özçaglar-Toulouse, 2021) and KTO (Korean Tourism Organization) which plays a role in the spread of culture & tourism and is directly responsible for Korean foreign exchange (Marlinda et al., 2020; Pan et al., 2021), 2023; Pan et al., 2017; Trolan, 2017).

In addition to the role of the government, there is an important role of the private sector, namely paid content providers (OTT) platforms such as Netflix, VIU & Viki. This institution also helps the spread of K-Drama content in Indonesia. This is in line with research conducted by (Messerli & Locher, 2021; Nam et al., 2023) regarding the contribution of Netflix and Viki in the successful spread of K-Drama in the world, including in Indonesia. Apart from the film institutions developed by Korea, government and non-government institutions in Indonesia also contributed to the open space for Korean films and dramas to gain popularity in Indonesia. In the field of cinema, Indonesia has also often won international awards such as in the films Yuni, Penyalin Cahaya, Marlina Si Pembunuh dalam Empat Akta, and many more.

However, when compared to the shows that often appear on local television screens, the quality is still very far away. The same storyline, setting, and players make people bored and eventually move to Korean Drama. Especially if the episodes are aired up to thousands even though the storyline only repeats around that. The selection of players who are not old enough to play adult characters is also a sad and unfortunate thing in the world of Indonesian television.

Hence the importance of the Indonesian Broadcasting Commission's role in selecting the right shows to be aired on television. KPI certainly cannot run alone, LawNo. 33 Year 2009 on Film has mandated the Indonesian Film Agency (BPI) to be responsible for organizing film festivals in the country, participating in festivals abroad, organizing film weeks abroad, promoting Indonesia as a location for foreign filmmaking, providing input for the progress of film and conducting film research and development. This body is independent and legitimized because it is formed by the community while still getting support facilities from the government.

In the opinion of Fajar Nugros, film director and also Head of IDN Pictures, one of the things that makes the difference between Korean Drama and Indonesian Sinetron is the production value where Korea gives space and time to develop the story and shoot so that the technical quality is maintained. This time and space is equal to the production budget. In 2021, Sandiaga Uno as Minister of Tourism and Creative Economy once made a statement that the government provided a number of incentives for the creative industry including films during the pandemic. He hopes that these incentives can help produce good quality content. The Saiful Mujani Research and Consulting (SMRC) Institute revealed that 2019 was the peak of glory in the history of the national film industry. At that time, there were 53 million national movie tickets sold out.

The series of statements above illustrate the development of the film and drama series industry as part of the creative industry, which is the scope of work of a number of institutions, both governmental and non-governmental. A series of related institutions, the Ministry of Tourism and Creative Economy, Kemendikbud, LSF, and the Indonesian Film Board (BPI) are institutions that increasingly have a core role. The assumption is that when these institutions are strong, the progress of the film and drama industry in Indonesia will also progress accordingly. There are three institutional pillars by Richard W. Scott (2008: 2014) that can be used as instruments in the development of new era institutions, namely 1) the regulative 2) normative and 3) cognitive pillars. The institution can play a role in this.

Theoretically and historically, institutional strengthening has become a strategy and collective goal for organizations to achieve. Recent research on Institutional Theory has moved forward from investigating organizational behavior in static institutional environments to more dynamic institutional environments (Child & Tsai, 2005; Dacin *et al.*, 2002). Suddaby (2010) argues that institutional theory should encompass four parts namely: (1) the role of organizations; (2) the discourse of institutional processes and their impact; (3) the processes of institutional formation, maintenance and destruction; and (4) cognitive views of roles and their limits, and how these affect behavior in organizations. Combining the concepts outlined by Greif (2005) and Scott (2001), *institutionalism* is defined as a set of norms, rules and values that operate

within a particular environment that help generate behavioral regularities among actors affected by that environment. Two aspects that empirically become government instruments to exercise control over institutions to meet public needs are policies and regulations. Simply put, *institutionalism theory* emphasizes that organizations are open systems strongly influenced by the organizational environment, but it is not only competitive and efficiency-based forces that play a role. Socially constructed belief systems and rules have enormous control over the organization, both in terms of structure and execution of work (Scott, 2014).

This article describes the results of research related to field data and facts with a three-pillar approach to institutional strengthening according to Richard W. Scott (2008: 2014) which can be used as an instrument in the development of new era institutions. *First, the* regulative pillar emphasizes institutional strengthening through elements of legitimacy, such as rules of the game, monitoring, and law enforcement. A series of existing rules and regulations become guidelines and directions of movement that are followed jointly by every element in the institution.

This can lead to organizational compliance with the law as well as individual compliance with the law. Institutions in this pillar should be more similar in regions that have strong governments and established legal systems. *Second, the* normative pillar deals with the values and norms that are collectively agreed upon and adhered to. These established ground rules make institutions believe that it is morally and socially unacceptable not to abide by them. The normative institutional concept contributes to institutions that emphasize more influence to stabilize social beliefs and norms that are both internalized and enforced on members of society. *Third, the* cognitive pillar is attached to cultural forms such as the maintenance of cultural forms in order to guide society, the creation of rituals and the explanation of symbols in the reality of life which are usually used as thoughts contained in culture in society. (Scott, 2008: 59).

Thus, the research focuses on exploring these three pillars, as well as analyzing to provide solutions through the gaps obtained from theoretical proposals with empirical conditions that continue to develop. Exploration is carried out based on three key points of research questions, namely: (1) Why Korean films/dramas can attract the interest of Indonesian people, so that they can gain popularity and existence compared to Indonesian films ? ; (2) How are the institutional dynamics of the film industry in Indonesia seen from the three institutional pillars (regulative, normative, cognitive) elaborated with the form of *lesson learned* from the Korean Film Industry? The purpose of data analysis and theoretical elaboration can provide an overview to readers regarding the full portrait of the film industry in Indonesia amid the existence and popularity of Korean films/dramas. Also, providing institutional strengthening solutions from the three pillars analysis with the hope of contributing to the progress of the Indonesian film industry.

## Methods

The research used a descriptive qualitative approach the instruments are:

1. *A survey* through the distribution of questionnaires in the form of open-ended questions to examine public perceptions regarding the existence, popularity and impact of the development of Korean films and drama series in Indonesia, as well as their influence on Indonesian films and drama series.
2. *In-depth interviews* with a number of *stakeholders* to map the availability of regulations for government and/or non-government institutions to carry out their role in developing the national film industry. As well as, mapping the existence of a standard operational processor reference in implementing the role of each related institution to strengthen and build cooperation; and
3. *Literature study* related to review and comparative analysis through previous research related to the research topic.

## Results and Discussion

### Description of Public Perceptions related to the Existence and Popularity of Korean Movies/Dramas in Indonesia

The condition of the Indonesian film industry is one part of the creative industry in performance is still far from the expectations of the progress of the state and nation. Whereas the film, animation and video subsector is a subsector that has great potential in increasing economic growth in Indonesia through labor absorption (Azhar, 2017; Ma'ruf et al., 2022). However, the most obvious challenges are exacerbated by the free market scheme in the practice of film/drama industry capitalism. It can be seen from the lack of control over foreign films/dramas to enter Indonesia. As a result, Korean Drama is the most popular product in Indonesia (Databoks, 2022).

Departing from this phenomenon to support institutional strengthening. Researchers have conducted primary data collection through survey instruments related to public perceptions regarding the existence and popularity of Indonesian and Korean Movies/Dramas. This study used a final sample of 57 responses with a percentage of 87.5% being female. The categorization of respondents is Indonesian citizens (WNI), over 18 years old (adults) and have a fanatical interest and fondness for films and / or drama series, especially Korean films. The majority of respondents are 24 years old, dominated by students and university students who live in Java.

Based on the research results, various interesting facts stemming from respondents' perceptions. The initial assumption built by researchers based on secondary data, namely Databoks (2022), which states that Korean Drama is the most popular product, was confirmed in

the study with 77.2% of respondents stating that they preferred Korean Drama over Indonesian Film/Drama. More detailed perceptions related to the comparison of the quality of Indonesian and Korean Movies/Dramas. Indonesian Movies/Dramas are still considered to be in the standard of ordinary quality (50.9%) and still far from the indicator of excellent quality (1.8%). In contrast to the public perception of Korean Movies/Dramas, which are in good quality (47.4%) and very good (45.6%). Correlated with the quality that is considered very good, Korean Movie/Drama viewers show the intensity and duration of watching movies/dramas that can be said to be extreme. A total of 10.5% of responses are willing to allocate time every day with a duration of 3-6 hours (43.9%) to watch Korean Movies/Dramas.

In contrast, Indonesian movies/dramas are only watched once a month (36.8%) with a duration of 1-3 hours (68.4%). In terms of numbers, Indonesian Movies/Dramas still need to work hard to close the *gap* in public perceptions related to craze and assessment of quality.

Various reasons were expressed by respondents regarding the reasons for their preference to watch Korean Movies/Dramas. *First*, Korean film institutions are able to read the market needs in Indonesia. The top three genres most favored by movie/drama audiences in order are action, romance and comedy. Seen from the row of Korean Film/Drama titles favored by the public from the results of this study, namely Ordinary Day, Gosh Doctor, Big Mouth, Replay 1998, Goblin, Mouse, Start-up and several other titles. It can be said to be in line with data from (GoodStats, 2022) regarding the top three Korean Movies/Dramas favored by audiences in Indonesia, namely romance, action and crime. This alignment can be a claim that Korean Film/Drama production institutions can read market needs. *Second*, the production components and concepts of Korean Movies/Dramas have succeeded in captivating the majority of the Indonesian population. The attraction in the form of good looking actors and actresses and the plot of the drama that is able to stir the emotions of the audience is a magnet for fans of Korean Movies/Dramas in Indonesia (Valenciana & Pudjibudojo, 2022). *Third*, the presence of publication and information *platforms* that encourage Korean Movies/Dramas to mushroom in Indonesia, the high frequency of viewers is also followed by the proliferation of platforms for watching K-Dramas (Jakpat, 2022).

The research data shows that 43 respondents accessed movies/drama through Netflix application, followed by VIU (23 people) and Video (12 people). Interestingly, only 3 respondents accessed movies/drama through Iflix, which is managed by Indonesia, compared to the number of respondents who used illegal platforms such as telegram. This is certainly a disadvantage for Indonesia, not only in terms of state revenue from the film industry, but also in terms of smart digital literacy awareness looks bad. *Finally*, Korean Movies/Dramas are spread with a persuasive

approach. Recommendations for movies/dramas that become must-watch *lists* are dominantly obtained through schemes that are close to millennials and the younger generation, namely social media through advertisements on Instagram, Facebook, Twitter and other *platforms*. Also, the influence of friends or peers contributes to the attraction of the audience.

This research maps into three parts. *First*, Korean films/dramas illustrate globalization and foreign influence on the mindset and determination of the future of the Indonesian nation. After frequently watching Korean movies/dramas, the majority of respondents want to know more about the country and culture (32 respondents). Intense viewing of Korean Movies/Dramas also motivates viewers in Indonesia to want to study and/or work in Korea, to allocate time to find out about the lives of Korean *public figures*. *Second*, Korean movies/dramas are perceived by the majority of viewers in Indonesia to have succeeded in providing positive values related to loyalty and the struggle to pursue love and ideals, patterns of friendship and social interaction, to strategies and tactics and strategies for victory in life. In addition, the attraction of Korean culture dominates in the content of these *Korean Movies/Dramas* to contaminate the *Korean Wave* in Indonesia. There are several values in Korean Movies/Dramas that conflict with Indonesian culture, such as ambitiousness in work, customs, manners and behavior towards parents, *beauty standards*, female perspective, and normalization of cultural differences. This can have a negative impact if not managed and controlled by the community and stakeholders.

There are constructive suggestions from public perception in this study. The majority of respondents who could choose more than one in the statement criticized and considered that the things that need to be addressed from Indonesian Movies/Dramas are: (1) monotonous storylines (49 people); (2) conflicts/problems that are too convoluted and do not make sense (45 respondents); (3) too many advertisements (28 respondents); (4) unattractive animation, contact and tune displays; (5) no moral values contained (22 people); (6) unattractive titles (17 respondents); to (7) actors who are less popular, less qualified and do not match the characters in the story (12 people).

Although the public realizes that not all Indonesian films/dramas deserve similar criticism. Some movies/dramas that get responses, such as: (1) *Habibie and Ainun* as a film that contains moral messages related to the love of the country, as well as the determination to achieve hopes, dreams and true love; (2) *Buya Hamka* which successfully displays good cinematography and actors, as well as a neat story, although it still needs to be addressed by Indonesian film schemes that only show the good side of the character in biographical films; (3) *Lara Ati* as a film that promotes Indonesian culture and instills positive values for youth during the *quarter life crisis*, although it still needs to be addressed from the storyline that is still not harmonized

between the chapters of the film; and (4) Mencuri Raden Saleh with an easy-to-understand storyline, quality actors, although it still needs to be addressed in the cinematography. There are also several other films that deserve appreciation and become *starting points* for the development of the film industry in the future.

The strategies offered by the public for the development of Indonesian Film/Drama according to their dominance are sequentially as follows: (1) learn from Korea in determining the film/drama script, starting from the plot, plot, conflict and title; (2) characterize the film/drama according to Indonesia's own culture, without imitating; (3) special and more budget allocations for the Indonesian film industry; to (4) mock studies to Korea to strengthen the role of institutions (Ministry, BPI, KPI and production houses). As an effort to strengthen institutions, public perception confirms in this study that the institutions most responsible for advancing the Indonesian Film/Drama industry are: (1) movie production houses (38.6%); (2) the public (14%); (3) Indonesian Film Agency (15.8%); (4) Ministry of Economy and Creative Industries (14%); and (5) Indonesian Broadcasting Commission.

However, this institution cannot be interpreted as a separate entity when viewed in terms of institutional strengthening. This is because organizations are open systems heavily influenced by the organizational environment, but it is not just competitive and efficiency-based forces at work. Socially constructed belief systems and rules have enormous control over the organization, both in terms of structure and execution of work (Scott, 2014). In highlighting the contestation of Indonesian versus Korean cinema, the following mapping identifies *stakeholders*.

**Table 1.**  
**Identification of Indonesian Versus Korean Film Institutions**

No.	Indonesian Film Institutions			Korean Film Institution		
1.	Government		Ministry of Education, Culture, Research & Technology	Government		South Korea Ministry of Culture, Sports and Tourism
			Indonesian Film Board			Korean Tourism Organization (KTO)
			Ministry of Tourism and Creative Economy			Korean Culture and Information Service (KOCIS)
			Indonesian Film Censorship Board			Korean Film Council (KOFIC)
2.	Private	Provider	Netflix	Private	Provider	Netflix
			VIU			Wavve



No.	Indonesian Film Institutions			Korean Film Institution		
			Telegram	Private	Agency	Tving
			We TV			Coupang Play
		Production House	MD Entertainment			SM Entertainment
			MNC Picture			YG Entertainment
			Sinemart			JYP Entertainment
			Mega Kreasi Films			Hybe Entertainment
3.	NGO		Yayasan Masyarakat Mandiri Film Indonesia	NGO		Korean Foundation
			Konfiden Foundation			CJ Cultural Foundation
			Indonesian Film Society			
			H. Usmar Ismail Film Center Foundation			
4.	Indonesian Film Lovers Community		Cine Cribbe Community	Korean Film Lovers Community		Hallyu Community
			Sumatra Film Community			
			Visually Impaired Community Love Indonesian Film			
			Kupang Film Community			
			Intertextual Film Community			
			Jakarta Short Film Community			
			Garden Screen Community			

Source: analyzed by the author from various literature, 2023

## Identification of Three Institutional Pillars of the Indonesian Film Industry

### Pillar of Regulation

The regulative pillar emphasizes institutional strengthening through elements of legitimacy, such as rules of the game, monitoring, and law enforcement. A series of existing rules and regulations become guidelines and directions of movement that are followed jointly by every element in an established institution (Scott, 2008: 2014). Based on this, existing rules and regulations become guidelines and define boundaries for the organization. In its application in the world of film in Indonesia, there are several institutions that handle films and are specifically regulated through regulations, namely the Indonesian Film Agency, the Ministry of Education, Culture, Research and Technology, the Ministry of Tourism and Creative Economy, and the Film Censorship Board (LSF).

Based on existing regulations, the institution that has the most responsibility in the world of cinema in Indonesia is the Ministry of Education, Culture, Research and Technology. This is based on Law No 23 of 1951 on the Handover of Pilem Discernment Affairs and Law No 33 of 2009 on Film. Looking at the existing regulations, they are fairly old compared to the development of the film world and the creative industry today. In practice, the Ministry of Research and Technology is responsible for the upstream process of creation and production. Downstream processes such as the industrial and business areas of film are the responsibility of the Ministry of Tourism and Creative Economy (MoJ, 2022).

Kemenparekraf as a downstream responsible is contained in Presidential Regulation No. 142 of 2018 concerning the National Creative Economy Development Master Plan 2018- 2025, where film is included in the creative economy subsector (Kemenkumham, 2022). Based on the results of interviews with Kemenparekraf, it was conveyed that in its implementation, Kemenparekraf is not only downstream but also takes care of upstream, namely related to film resources and there is its own division related to film human resources.

This means that the existing regulations are indeed lacking and have not been able to become the main guideline in the implementation of film development in Indonesia. Indonesia is certainly targeted to develop its cinema to the international arena, but in practice, the relevant ministries do not have a definite target and roadmap regarding the future direction of Indonesian cinema. Kemenparekraf as one of the institutions that handle the promotion process says that the government is only a facilitator, whereas the government should have a very large role here to be able to mobilize all parties in accordance with the direction of the laws and regulations (Interview with Deputy Marketing Kemenparekraf, 2023).

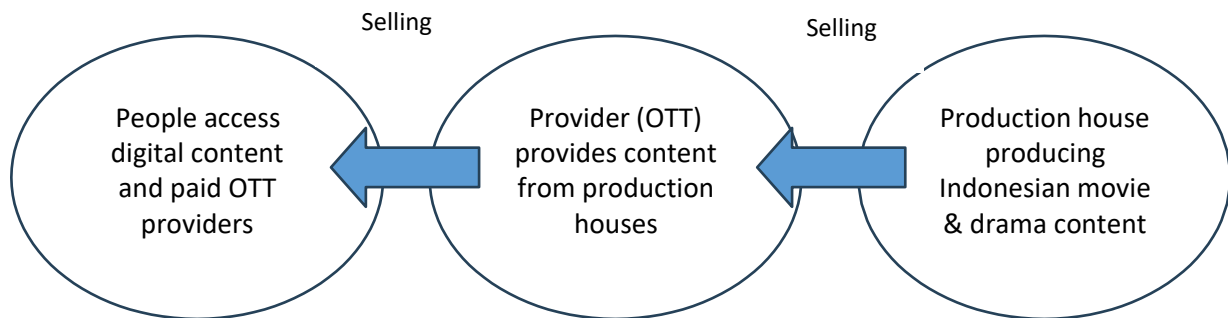
Film affairs in Indonesia are not only handled by two ministries, but there are also other institutions that are specifically regulated, namely the Indonesian Film Agency (BPI) and the Film Censorship Board (LSF). The number of institutions responsible for Indonesian cinema means that the government must be able to accommodate these institutions to communicate and coordinate. Based on the interview results, this is actually a big obstacle because there is still frequent overlapping and rotation of leaders within the ministry. This makes it often the running program must be communicated and even changed due to a change of leader (Interview with Deputy Marketing Kemenparekraf, 2023). This condition should be minimized by having a definite roadmap so that even though there is a change in leadership, it still moves in the same direction according to the roadmap.

BPI is specifically regulated in Presidential Decree No. 32/2014 on the Inauguration of BPI and Law No. 33/2009 on Film. In terms of the institution itself, BPI has an unclear concept of

the institutional form. This is because BPI is an independent private institution that needs to be inaugurated by the president. The unclear institutional form makes BPI also less effective in carrying out the obligations of Indonesian cinema (Kemenkumham, 2022). Another institution that handles film in Indonesia is the LSF or Film Censorship Board. The institution is specifically regulated in Government Regulation No. 18/2014 on the Film Censorship Board. In its implementation, LSF experiences many obstacles such as the lack of numbers and opportunities to improve the competence of human resources, especially censorship personnel, the lack of infrastructure support and institutional problems. The institutional problem itself can be seen from LSF which is a non-structural institution but is under the ministry and its supporting system is ASN (Kemenkumham, 2022). The relationship between LSF and other institutions also experiences obstacles, for example with the working partners of Commission I DPR, while LSF's duties and functions are closer to Commission X DPR (Kemenkumham, 2022).

In the effort to disseminate Indonesian cultural values & norms through films & dramas, there are two major institutions that play a role, namely 1) production house institutions & 2) OTT (Over The Top) media service. In terms of production houses, these institutions include 1) MD Entertainment 2) MNC Picture 3) Sinemart and 4) Mega Kreasi Films. Their role is to produce content for Indonesian films and dramas. Once the content has been produced, it will then be sold to digital content providers, Over The Top (OTT) such as 1) Netflix 2) VIU 3) Telegram and 4) We TV. The public can access all Indonesian movie & drama content through this platform.

The presence of these two major institutions has created problems in the form of fierce competition between production houses and fierce competition between OTT providers. The aura of fierce competition is especially experienced by OTT organizations. Their overly dominant role in digital content expansion with a profit orientation and market competition between OTTs has made local Indonesian OTTs tend to lose out to international OTTs such as Netflix. They compete in the contestation of providing content that is favored by the public (Kim et al., 2016; Sasono., 2022., Nam et al., 2023). Netflix's dominance as a giant OTT in Indonesia, was once considered to be in direct competition with a state-owned telecommunications company (Telkomsel), causing debate, Netflix is also considered a provider that lacks in supporting & providing Indonesian film & drama content (Sasono, 2022).



**Figure 1. Relation between Production House, OTT Provider and People**

*Source: analyzed by the author, 2023*

Besides OTT, production houses and agencies are also involved in the market competition to produce Indonesian film & drama content. Big names of Indonesian production houses such as 1) MD Entertainment 2) MNC Picture 3) Sinemart and 4) Mega Kreasi Films Indonesia compete with each other in selling digital content to OTT providers. There is a symbiotic relationship of mutualism between production houses that produce content, then sell it to OTT providers. From OTT providers, they provide content for sale to the public. The relationship of roles and contributions between these institutions can be seen in Figure 1, related to the correlation of roles between production houses, OTT providers and the public as consumers. This is also reinforced by a question from the Deputy Marketing of Kemenparekraf who stated that *"The relationship between production houses and OTT Providers is mutually beneficial (symbiosis mutualism), we actually benefit from the existence of OTT Providers that spread digital content"* (Interview with Deputy Marketing, 2023).

Despite the symbiotic relationship, the fierce competition between local production houses and foreign OTT providers needs to be controlled by the government as the market regulator. In order to protect local production houses & OTT providers from dominating Indonesia's digital content market, the government needs to provide friendly (favorable) regulations for local production houses & OTT providers in Indonesia. Through policies that are friendly to local entertainment entrepreneurs both from production houses & OTT providers, they will have the enthusiasm to succeed in the local film industry. These friendly policies can be in the form of 1) low taxes for local entertainment companies 2) the allocation of funds (subsidies) to support the production of Indonesian films & dramas and 3) protection policies for local entertainment entrepreneurs from the threat of foreign entertainment companies. The government as a private regulator also needs to have roadmaps that are able to provide policy direction and strategies in developing the Indonesian digital content market. This is in line with the

media industry policy in Korea which implements 1) quota policy which stipulates that every Korean screen must show local Korean films & dramas with a proportion of domestic films for 73 days per year 2) film & drama rating policy which is a policy that requires all digital content to be approved by the Korean Media Rating Board (DPMK) 3) foreign film restriction policy in Korea with a proportion of restricting foreign film airtime to 75% of all films for terrestrial television drama rating policy which requires all digital content to be approved by the Korean Media Rating Council (DPMK) 3) Foreign film restriction policy in Korea with the proportion of foreign film airtime restrictions up to 75% of all films for terrestrial television & 80% on cable & satellite television 4) in 2020 the South Korean government established a policy of regulating OTT market platforms through the Telecommunications Business Act which requires content providers to ensure local network stability (U. S. Commercial Service Korea, 2023). S. Commercial Service Korea, 2023).

OTT platforms are now required to ensure stable connections, share contact information for customer service, and report to local regulators in case of service failures. Any OTT platform that attracts an average of more than one million users per day and accounts for more than one percent of internet traffic in the country is subject to these regulations. These regulations are in place to protect Korea's local production houses & OTT platforms against the threat of foreign entertainment organizations (U.S. Commercial Service Korea, 2023).

### **Cognitive Pillar**

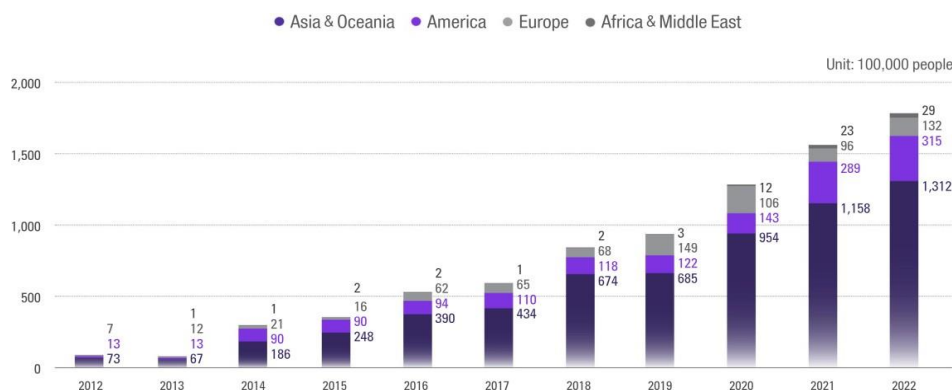
The last pillar emphasizes more on the individual level in terms of culture and language. Institutions "mimic" other more successful and established organizations to ensure their actions conform to "taken for granted" and unconscious behaviors that are almost unthinkable to the people in the region (Scott, 2014). Cognitive cultural institutional elements are attached to cultural forms such as the maintenance of cultural forms in order to become community guidelines, the creation of rituals and the explanation of symbols in the reality of life that are usually used as thoughts contained in culture in society. (Scott, 2008: 59). In the case of Indonesian versus Korean film contestation, Korea's success in conducting massive cultural expansion can be an example for Indonesia in the process of strengthening Indonesian institutions.

The form of concern for Indonesian film & drama was born from the existence of various communities & foundations of Indonesian film lovers. Names such as Yayasan Masyarakat Mandiri Film Indonesia (YMMFI), Yayasan Konfiden, Masyarakat Film Indonesia (MFI), and Yayasan Pusat Perfilman H. Usmar Ismail emerged based on the love for Indonesian cinema so that it is non-profit. The magnitude of the Indonesian people's concern & concern for the

Indonesian film industry is also shown by the proliferation of communities of Indonesian film lovers such as Komunitas Cine Crib & Komunitas Film Sumatra (Permana et al., 2019; Saputra, 2021), Komunitas Tunan Tunan Cinta Film Indonesia (KTCFI), Komunitas Film Kupang, Komunitas Perfilman Intertekstual (KoPI), Komunitas Film Pendek Jakarta (KFPJ), & Layar Taman (Good News, 2022).

Where all these communities grow and develop in the midst of society on the basis of concern for Indonesian films, for this community is tasked with reviewing local Indonesian films. This community actively reviews and criticizes Indonesian films and educates the public regarding cultural values in local Indonesian films (Permana *et al.*, 2019; Saputra, 2021). The main activities of these communities are 1) watching local films 2) discussing and 3) working (Good News, 2022).

The problems generally experienced by this community include 1) public perception of the Indonesian film world which is still Jakarta-centric 2) Indonesian film content that is not fully localized 3) broadcasting rules have not been implemented properly 4) there are interests that must be adjusted to the partnership of large production houses (Permana et al., 2019). The Cine Crib community has not carried out film review activities in a structured manner (reviewing films only based on the convenience of the film reviewer (Saputra, 2021). Unlike Indonesia, in Korea the film lovers community grows and moves on the basis of the movement of Korean film lovers, but under the protection & regulation of the Korean Culture Center owned by the Korean government, they form a large community with the name Hallyu Community. This community has a vision & mission in spreading & educating Korean culture including films & dramas to all K-Pop lovers. This community moves under the auspices of the Korean Culture Center whose distribution is around the world under the name of the Indonesian Hallyu Community, Thai Hallyu Community, American Hallyu Community & so on. All of these communities are integrated by the Korean Culture Center in each country (Korea Foundation, 2022).



**Figure 2. Number of Hallyu Community Members by Region per Year**

*Source: Korea Foundation, 2022*

The institutional problems that exist in Indonesia are a reflection of how Indonesia is not yet ready from an institutional perspective to create a good film system. This can be seen from the form of the institution that is still unclear even though there are regulations governing the form, duties and functions of the institution. The relationship between institutions has also not been effective and good because there is no definite separation of the boundaries of the main tasks and functions between ministries and related state institutions. This certainly has an impact on the implementation of existing institutional regulations.

These institutional problems must of course be resolved immediately for the advancement of Indonesian cinema. If you look at the Korean government, they have been overhauling institutions and establishing various policies that support Korean artists since 2000 (Joon-ho, 2021). The institution that has responsibility from upstream to downstream is the Ministry of Culture and Tourism, where the ministry has divisions that support the development of Korean culture such as the Cultural Content Promotion division (Joon-ho, 2021). Good communication between institutions in Korea also occurs, where the government, film industry, consumers, and academia have clear tasks and functions and support each other, creating a system that supports Korean cinema (Joon-ho, 2021).

This is certainly a reflection for Indonesia where when looking at the existing problems and the development of Korean cinema, Indonesia needs an institution in charge of regulating Indonesian cinema from upstream to downstream which is regulated in legislation. Good and effective communication between institutions and actors involved in cinema is also something that must be built to support the progress of Indonesian cinema.

## **Normative Pillar**

Many studies emphasizing normative processes focus on professional or collegial networks, interlocking directorates (individuals serving on multiple boards of directors), or support provided through informal ties. Institutional scholars argue that regulatory activities perceived as containing coercive pressures often rely more on normative and cognitive elements (Scott, 2014). These pillars are largely concerned with social propriety and obligation. Scott (2008) defines these as the values (what is preferred or considered appropriate) and norms (how things should be done, consistent with those values) shared by society. The concept of normative institutions thus contributes to institutions that place more emphasis on influences to stabilize social beliefs and norms that are both internalized and enforced on members of society.

Based on Figure 2, it can be seen that the trend of the Hallyu Community around the world is increasing every year. We need to learn from Korea in terms of organizing the film lovers community. Korea has a Korean Culture Center in every country that is the driving force of the Hallyu Community around the world so that the K-Pop industry can be successful not only in Korea, but throughout the world. The intervention of the Korean Government through the KCC still exists, even though the Hallyu Community was founded on the basis of love (fandom) for K-Pop culture. This is where the role of the government regulates the process, but still provides freedom for the development of the Hallyu Community. In the process, the Hallyu Community under the auspices of the Korean Government's KCC, always conducts market research on films and dramas favored by its fans. This can be used as a lesson for Indonesia to conduct assessment and market research in an effort to accelerate the quality of Indonesian films and dramas in the future.

## **Conclusion**

This research focuses on two things, namely providing an overview to readers regarding the full portrait of the film industry in Indonesia amid the existence and popularity of Korean films/dramas. Also, providing institutional strengthening solutions from the analysis of three pillars, namely regulative, normative and cognitive (Scott, 2008: 2014). Analysis of the findings in the study confirms that the popularity and existence of Korean dramas is very dominant in Indonesia, even beating Indonesian films/dramas. This condition is mostly felt by the younger generation for various reasons. When this is allowed to drag on, it will certainly lose the film industry and cause disruption and a national identity crisis. To overcome this, the research found a number of recommendations. *First*, the public offers a number of suggestions, including: (1) learn from Korea in the preparation of film/drama scripts; (2) characterize Indonesian films/dramas; (3) allocate a special budget; and (4) mock studies of film institutions in Indonesia



to Korea or other more developed countries. *Second*, there needs to be one institution in charge of regulating Indonesian cinema from upstream to downstream with mutual synergy and collaboration regulated in legislation. *Third*, optimizing regulations that support the protection and development of the quality of local production houses & OTT Platforms. *Fourth*, there needs to be an *assessment* related to the needs of the national market which is the basis for quality film/drama production and local community empowerment schemes. *Fifth*, as a form of accelerating the existence and popularity of Indonesian Film/Drama, there needs to be a *roadmap* accommodated by the government, with the Ministry of Women and Creative Industries as the *leading sector*.

Apart from the recommendations based on in-depth analysis of facts and field data, the researcher realizes that this research still encounters research limitations. Therefore, to increase the contribution, the researcher suggests that future research can look at the issue of film/drama contestation in Indonesia in a broader scope not only between Indonesian and Korean films/dramas. Also look at the issue with a different approach not only from institutional strengthening. Also, analyze facts and data with different research methods, such as critical discourse, quantitative data, and even big data.

## References

- Azhar, M. (2017). *Mapping the Potential of Creative Industries Subsector Film, Animation and Video Audio Visual Content Creator Group in Solo 2014-2016*. Institut Seni Indonesia (ISI) Surakarta
- Chowdhury, D. (2021). *Institutional Theory*. ResearchGate. a chapter in Knowledge and Competitiveness in Elite Institutions in Bangladesh: Implications for Governance, Bangladesh University Grants Commission, 2015. Retrieved from [https://www.researchgate.net/publication/350751384\\_Institutional\\_Theory](https://www.researchgate.net/publication/350751384_Institutional_Theory)
- Chung, J.-E. (2012). *From Developmental to Neo-Developmental Cultural Industries Policy: The Korean Experience of the "Creative Turn."* 20-28. Retrieved from <http://theses.gla.ac.uk/3676/>
- CJ Newsroom. (2022). *How CJ Cultural Foundation Champions Emerging Creators*. Sustainability Content. Retrieved from <https://newsroom.cj.net/how-cj-cultural-foundation-champions-emerging-creators/>
- Cui, Geng, & T. S. Chan. (2016). *Asian Businesses in a Turbulent Environment Uncertainty and Coping Strategies*. AIB Southeast Asia Series. <https://doi.org/10.1057/978-1-137-48887-9>.
- Dacin, M. Tina, Jerry Goodstein & W. Richard Scott. (2002). *Institutional Theory and Institutional*

- Change: Introduction to the Special Research Forum*. The Academy of Management Journal, Feb., 2002, Vol. 45, No. 1 (Feb., 2002), pp. 45-56. Retrieved from <https://www.jstor.org/stable/3069284>
- US Department of Commerce. (2023). *South Korea - Country Commercial Guide*. International Trade Administration U.S. Department of Commerce. Retrieved from <https://www.trade.gov/country-commercial-guides/south-korea-entertainment-and-media#:~:text=The%20Korea%20Communications%20Commission%20limits,in%20cable%20and%20satellite%20television.>
- Greif, Avner. (2003). Review essay of The Architecture of Markets: An Economic Sociology of Twenty- First-Century Capitalist Societies by Neil Fligstein. *Contemporary Sociology* 32, 148-152
- Good News. (2022). 5 Film Communities in Indonesia: Watch, Discuss, and Create. Created by Fath Putra Mulya. October 16, 2022. Retrieved from <https://www.goodnewsfromindonesia.id/2022/10/16/komunitas-film-indonesia>
- Jeremy, Key (2023). *News CJ Cultural Foundation, Korean Film Council, TIFF Launch Fund*. Screen Daily. Retrieved from <https://www.screendaily.com/news/cj-cultural-foundation-korean-film-council-tiff-launch-fund/5185903.article>
- Ministry of Education and Culture of the Republic of Indonesia. (2023). *Verification and Validation of H Usmar Ismail Film Center Foundation*. Center for Data and Information Technology of the Ministry of Education and Culture of the Republic of Indonesia. Retrieved from [https://vervalyayasan.data.kemdikbud.go.id/index.php/Chome/profil?yayasan\\_id=9DAB547D-64BF-4456-A799-FAAC6FE910E8](https://vervalyayasan.data.kemdikbud.go.id/index.php/Chome/profil?yayasan_id=9DAB547D-64BF-4456-A799-FAAC6FE910E8)
- Ministry of Education and Culture of the Republic of Indonesia. (2015). *Ministry of Education and Culture Profile*. Retrieved from <https://www.kemdikbud.go.id/main/tentang-kemdikbud/visi-dan-misi>
- Kim, J., Kim, S., & Nam, C. (2016). Competitive dynamics in the Korean video platform market: Traditional pay TV platforms vs. OTT platforms. *Telematics and Informatics*, 33(2), 711-721. <https://doi.org/10.1016/j.tele.2015.06.014>
- Korea.Net. (2022). Kocis Booklet; Welcome to Korea. Ministry of Culture, Sport and Tourism. Available access: <https://www.kocis.go.kr/ebook/ecatalog5.jsp?Dir=415&eclang=en>
- Korea Foundation. (2022). *Analysis of Global Hallyu Status*. Issuu.com. Retrieved from [https://issuu.com/the\\_korea\\_foundation/docs/2022\\_analysis\\_of\\_global\\_hallyu\\_status](https://issuu.com/the_korea_foundation/docs/2022_analysis_of_global_hallyu_status)
- Korean Ministry. (2023). Ministry of Culture, Sport and Tourism Dashboard. Yu In Cho Website. Retrieved from <http://www.mcst.go.kr/english/>

- Lee, H.-K. (2020). Making creative industries policy in the real world: differing configurations of the culture-market-state nexus in the UK and South Korea. *International Journal of Cultural Policy*, 26(4), 544-560.
- Lee, H.-K., & Zhang, X. (2020). The Korean Wave as a source of implicit cultural policy: Making of a neoliberal subjectivity in a Korean style. *International Journal of Cultural Studies*, 24(3), 521-537. <https://doi.org/10.1177/1367877920961108>
- Lee, H.-K. (2020). Making creative industries policy in the real world: differing configurations of the culture-market-state nexus in the UK and South Korea. *International Journal of Cultural Policy*, 26(4), 544-560.
- Lee, H. (2023). 377 Cinema and Television. In J. Han, R. Pacheco Pardo, & Y. Cho (Eds.), *The Oxford Handbook of South Korean Politics* (p. 0). Oxford University Press. <https://doi.org/10.1093/oxfordhb/9780192894045.013.24>
- Marlinda, A. P., Al-Fadhat, F., Cipto, B., & Jubba, H. (2023). Halal tourism as a strategic option for South Korean tourism. *Journal of Islamic Marketing*, 14(5), 1276-1290.
- Ma'ruf, M. I., Kamaruddin, C. A., Sari, Y. P., & Rahmawati, D. (2022). Analysis of the Creative Economy Potential of East Java Province. *E-Mabis: Journal of Management Economics and Business*, 23(1), 49-58.
- Messerli, T. C., & Locher, M. A. (2021). Humor support and emotive stance in comments on Korean TV dramas. *Journal of Pragmatics*, 178, 408-425. <https://doi.org/10.1016/j.pragma.2021.03.001>
- Nam, J., Ro, D., & Jung, Y. (2023). Netflix's presence: Investigating content producers' understanding of Netflix in the Korean media industry. *Telecommunications Policy*, 47(4), 102525. <https://doi.org/10.1016/j.telpol.2023.102525>
- Nguyen, A., & Özçaglar-Toulouse, N. (2021). Nation branding as a market-shaping strategy: A study on South Korean products in Vietnam. *Journal of Business Research*, 122, 131-144
- Permana, R. S. M., Puspitasari, L., & Indriani, S. S. (2019). Indonesian film industry in the perspective of North Sumatra Film Community filmmakers. *ProTVF*, 3(2), 185. <https://doi.org/10.24198/ptvf.v3i2.23667>
- Pan, S., Santos, C., & Kim, S. (2017). Promoting tourism, projecting power: The role of television commercials. *Journal of Travel & Tourism Marketing*, 34(2), 192-208.
- Park, Y. M., & Kim, Y. (2020). User Perceptions of a Digital Archive for Content Creation: Focused on the Korea Creative Content Agency (KOCCA)'s 'Culturing.' *Journal of the Korean BIBLIA Society for Library and Information Science*, 31(1), 285-310.
- Putri, I. P., Liany, F. D. P., & Nuraeni, R. (2019). K-Drama and the Spread of Korean Wave in

- Indonesia. *ProTVF*, 3(1), 68. <https://doi.org/10.24198/ptvf.v3i1.20940>
- Saputra, S. J. (2021). The review process of Indonesian films by the Cine Crib film community. *ProTVF*, 5(2), 247-269
- Saputra, D. (2022). 10 List of Production Houses in 2022 in Indonesia, Many Good Sinetron Productions. Trenggaleng Media Website. Retrieved from <https://trenggalekpedia.pikiran-rakyat.com/hiburan/pr-1654127941/10-daftar-rumah-produksi-tahun-2022-di-indonesia-banyak-produksi-sinetron-bagus-bagus>
- Sasono, E. (2022). Measuring the Economic Capacity of the Indonesian Film Industry. *Film Economy*, 1(1), 93-107
- Schwak, J. (2021). Domesticating Competitive Common Sense: Nation Branding Discourses, Policy-makers and Promotional Consultants in Korea. *Global Society*, 35(2), 247-268. <https://doi.org/10.1080/13600826.2020.1791056>
- Scott, W. R. (2001). *Institutions and organizations (2nd ed.)*. London/New Delhi: Sage Publications.
- Scott, Richard. (2008). *Institution and Organization: Ideas and Interest*. USA: Sage Publication.
- Scott, W. Richard. (2014). *Institutions and Organizations: Ideas, Interests and Identities*. Fourth Edition. SAGE Publications, Inc. California
- Shin, S. I., & Kim, L. (2013). Organizing K-pop: Emergence and market making of large Korean entertainment houses, 1980-2010. *East Asia*, 30, 255-272
- Suddaby R. (2010). Challenges for Institutional Theory. *Journal of Management Inquiry*, 19, 14-20
- Trolan, J. (2017). Korean tourism marketing: The need for a clear message. *Journal of Issues in Business Management and Economics*, 5(5), 81-87.
- Valenciana, C., & Pudjibudojo, J. K. K. (2022). Korean Wave; The Phenomenon of Korean Pop Culture among Millennial Teenagers in Indonesia. *Journal of Diversita*, 8(2), 205-214.