THE DONGA ILBO ADVERTISING COERCION AND FORCED LAYOFF CASE

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This paper looks at the Donga Ilbo Advertising Coercion and Forced Layoff Case in South Korea during the years 1974-1975, focusing on the confluence of three institutions: the press, the state, and commercial forces. A look into history finds that the state, dissatisfied with the Donga Ilbo's reporting, leveraged market forces to force it into compliance with its view of proper reporting. This represented a watershed moment in the history of press-state relations in South Korea. The highly contentious state-press relationship, observed at the time of the layoff, can still be seen today. To explore the relationship between the press, the state, and commercial forces, this paper does the following: First, theories of media are introduced to provide a basis for analysis. Second, a brief history of the Korean press leading up the Donga Ilbo case is covered followed by a detailed overview of the layoff case itself. Lastly, the paper concludes by commenting on the implications of a contentious state-press relationship and current government-media relations in South Korea.

Introduction

The end of the twentieth century witnessed fundamental changes in the world’s political and economic structures, combined with technological revolution. South Korea too, faced an unprecedented transition towards democracy in the late 1980s and early 1990s. This change has resulted in liberalization and deregulation in many spheres. The media industry is an important sphere that has been loosened from the grip of the state. The press has become freer since this time and has gained increasing independence. However, the truth is, the press will always be under the influence of power coalitions, mainly those of the state and the market. This can be distinctly observed in the Donga Ilbo Advertising Coercion and Forced Layoff Case that occurred during the years of 1974-75 in South Korea. The state took advantage of the relationship between the press and advertisement, and used it as a means to indirectly control information. This
was a rare case in Korean history when the government aimed to regulate press in a roundabout manner. This paper will describe the event in detail and observe the dynamics of power relationships between the government, journalists, managers of newspaper companies and readers in the media. The last section will take a look at state-media relations in South Korea today.

Theories of Media

In her book chapter, *Commercialization, Consumerism and Technology*, Jane Chapman explores the commercialization of media in the twentieth century. Technological breakthroughs along with industrialization, was structured to maximize profit through the exploitation of mass market consumers aided by advertising. Increased urbanization and literacy created a new mass market for the media, pioneered by newspapers. The overall impact of the business development of newspapers had the effect of linking “commerce to ideology,” which was used to legitimize market practices. The rise in the importance of advertising, fostered by the press, created an environment where powerful managers could consolidate their influence with economies of scale and further concentration of ownership. International news agencies were able to produce newspapers in mass scale and volume. Newspapers during this period paved the way for what Kellner has described as one of the main trends of contemporary capitalist societies: “…the synthesis of advertising, culture, information, politics and manipulation.”¹ Since these changes occurred, media has been highly dependent on advertisement for capital in commercialized societies. The press cannot be severed from their commercial feature — their companies that exist in the capitalist system must depend on advertisement to survive.

The press is also influenced by the political structure of a society. Seibert et al. wrote, “the press always takes on the form and coloration of the social and political structure within which it operates and serves as a mirror of the system of social control whereby the relations of individuals and institutions are adjusted.” To observe the relationship between social systems and the press, certain basic beliefs such as “the nature of man, the nature of society and the state, the relation of man to the state, and the nature of knowledge and truth,”² must be examined. Seibert also stated that freedom contracts and restraints tighten as the stresses on the stability of the government and the structure of society increas-

es.\textsuperscript{3} The history of the Korean media has faced continuous tensions and compromises with political power. Under authoritarian regimes throughout most of the latter twentieth century, media has been functioning under the state’s tight grip. Media and those with political power have maintained a close relationship in Korea, and at time have been “collusive,” where the media do not perform their role as social critics but form unlawful ties with power.\textsuperscript{4} The Korean press, whose relations with its government have been characterized by “a never ending tug of war,” is largely an epitome of Korean society.\textsuperscript{5}

The History of Korean Press, 1945-1987

The troubled history of Korean press freedom reflects its socio-political environment. A look at Korean press from the First Republic leading up to the Donga Ilbo case will show that press freedom has been chaotic, with more restrictions than protections by laws and policies. During 1945-1948, under the US Army Military Government in Korea (USAMGIK), Korea was exposed to western traditions of press freedom. Under the introduction of libertarian concepts of press freedom, growth of newspapers of both right and left ideologies arose. As a result of competition, “yellow journalism” was created where newspapers used vivid features and sensationalized news to gain readership and increase circulation. To cope with communist propagandistic and rebellious activities brought on by Korean yellow journalism, the American military personnel announced Ordinance No. 88 in 1946, which required registration and licensing of publication.\textsuperscript{6} The USAMGIK reversed its own stated principles and imposed several authoritarian measures, including censorship of the communist press.\textsuperscript{7}

The First Republic was established in 1948 under Rhee Syng-man. His state in the 1950s was fragmented, underdeveloped, and powerless, being seized by political society.\textsuperscript{8} Rhee guaranteed freedom of expression as one of South Korea’s basic constitutional rights but supporting it only in theory. The Kwangmu
Press Code, a repressive decree enacted by the Yi Dynasty in 1907 to deal with newspaper licensing, was still invoked under his regime. During the Korean War, military censorship was imposed on newspapers and even after the armistice of 1953, the regime held a tight grip on the Korean press. As the sociopolitical strains on his presidency increased in the late 1950s, Rhee became more authoritarian in his relationship with the press. He enacted the repressive National Security Act and shut down the production of Kyunghyang Shinmun, the leading opposition paper at that time.9

Rhee’s regime ended during the popular student uprising of April 1960 and was replaced by a parliamentary system under Chang Myon. Under Chang Myon, the old licensing system was replaced with a registration system which caused a chaotic press situation as in 1945-46. It was difficult to tell fact from rumor as there was much confusion about the sources of information. This situation did not last long, however, as the Second Republic was overthrown in a military coup led by General Park Chung-hee in 1961. Park’s coup was in part due to his concern with the chaotic press situation during the Chang Myong regime.10

From 1961 to 1987, Korea was governed by its most repressive regimes. Freedom of the press was more or less restricted under Park Chung-hee and Chun Doo-hwan. In 1961, Decree No. 1 was issued, ordering “prior censorship of all newspapers, magazines feature articles, comics, cartoons, editorials, photographs, and foreign news.” In addition, there were approximately twenty different laws issued covering the media.11 Park ruled with an “iron hand,” with constitutions and decrees as well as institutions adjusted to suit his needs. Hence he could not be concerned with a free press or an independent judiciary. In a speech before Korean newspapermen in April 1966, Park warned against attacks on the government and urged the press to work with the government in “developing a constructive attitude with which to meet the demands of the new age and the new situation.”12

In addition to suppression, a collusive relationship between the state and press began to form under Park in the early 1960s. Unlike the previous regime of Rhee Syng-man which was mainly suppressive, the governments of Park and

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9 You and Salwen, “A Free Press in South Korea: Temporary Phenomenon or Permanent Fixture?” 313.
10 Youm, “South Korea’s experiment with a free press,” 113.
Chun adopted the policy of suppression and appeasement. To accomplish his economic development goals, Park often mobilized the Korean Central Intelligence Agency (KCIA) to conduct extralegal activities, and invoked a series of emergency decrees to muzzle the press. Park’s repressive regime reached its climax in 1972 with the ‘Yushin’ Constitution legitimizing his rule through a false constitutional body that routinely elected and reelected him. Under this system, anyone critical of his presidency was cracked down on through emergency decrees, some even forbidding conversations let alone publishing editorials that suggested the desire of revising the constitution to permit free debate and democracy against his rule.

Donga Ilbo Advertising Coercion and Forced Layoff Case

It was within this context that the Donga Ilbo Advertising Coercion and Forced Layoff Case took place. There were several catalytic events that led to this event. In April 1971, the state pressured senior editors and supervisors to criticize and threaten journalists who reported student protests or negative coverage on the Presidential elections of 1971. Thus, journalists who participated in demonstrations were singled out in the offices and in the field. An atmosphere of negative reinforcement and favoritism occurred in Korea’s media industry. Furthermore, the state increased its ability to repress further by revising the 1963 Media Law in 1973. The initial Media Law gave the government authority to monitor and censor any media publications as well as televised and radio news. The revised Media Law gave the president power to censor before or after the publication of undesirable materials and to have total control over written and televised channels. This revised law gave Park near absolute power over the media. In addition, the government forced mergers of several newspapers to consolidate organizational control over media companies. The aftermath of this revision sparked protest from journalists from various media companies and organizations including Donga Ilbo (November 20, 1973), Han’guk Ilbo (November 22, 1973), Chosun Ilbo (November 27, 1973), Joongang Ilbo (November 30, 1973), Dongyang Pangsong (November 30, 1973), Kidokkyo Pangsongguk (November 12, 1973), Munhwa Pangsongguk (November 28, 1973), Han’guk Sinmun P’yŏnjip Wiwŏnhoe (December 5, 1973), and others.

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The most crucial response to the revised Media Law and censorship by the government was *Donga Ilbo*’s Declaration of Action for the Freedom of Media (*chayu ŏllon silch’ŏn sŏnŏn*) on October 24, 1974. In the Declaration for Freedom of Media, *Donga Ilbo* journalists vowed to take part in the movement for media freedom and continue reporting on the repression of students and other groups, even if it meant enduring persecution. This statement sparked a series of journalist-instigated protest events in 1975. When the Declaration was put forth, the media had already become a target of public criticism and distrust for failing to fulfill their social responsibilities. Thus, the Declaration was an expression of the frustrations felt by journalists. Soon after, college students, religious groups, writers, and professors followed to support the *Donga Ilbo* journalists.\(^{17}\) The Declaration was a significant statement for media freedom, and a host of other newspapers and media groups made similar declarations. Over 31 newspapers and media groups in total, including some government sponsored media organizations, actively fought for media freedom following the *Donga Ilbo*’s Declaration.\(^{18}\)

The government intervened not long after. In response, the state coerced advertising companies under contract with *Donga Ilbo* to cancel placement of advertisements in the newspaper and its two sister media firms, the monthly *Shin Donga* and *Donga Broadcasting System* (DBS).\(^{19}\) On December 24, 1974, the state declared that “no business or corporation or any other group will advertise in the *Donga Ilbo* newspaper,” effectively cutting off their main source of funding. This action was met by fierce resistance from various social groups. Other media groups, students, Christians, intellectuals, individuals, and even one military soldier bought advertisement space to maintain publications of *Donga Ilbo*. Most of these advertisement spaces were used to insert words in support for *Donga Ilbo* journalists and the freedom of press. The purchasing of advertisement space gained so much momentum that people stood in long lines outside of the *Donga Ilbo* building in downtown Seoul. Groups that bought such advertisements also organized fund raising events to support *Donga Ilbo*.\(^{20}\)

The following statements were written in the advertisement spaces purchased by civilians:

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18 Shin et al., 42.
20 Shin et al., 42.
Readers of *Donga Ilbo* fought for freedom of press against the state and the abusive powers of those in media. The Korean audience did not remain passive receivers of the government’s messages, but they were able to read between the lines and understand the social situation despite censorship and distortion of information by the state. This decoding by the readers is parallel to Stuart Hall’s theory of encoding and decoding. Hall gives significance to the role of the decoder and emphasizes that what is encoded is not necessarily accepted by the readers. Decoders are likely to comprehend messages different from what the encoder intended when common codes and social positions are not shared. The readership of *Donga Ilbo* represents this oppositional reading. The reader understands the messages but rejects them and brings an alternative frame of reference.\(^{22}\)

The readers of *Donga Ilbo* aided journalists in their struggle against state repression. The purchasing of advertisement spaces enabled the newspaper to continue publishing, but only for a short period of time. Ultimately, this was not enough to maintain production of the newspaper. Furthermore, the state pressured managers to fire journalists who were active in the media freedom or democracy movement.\(^{23}\)*Donga Ilbo*’s board of directors eventually fell into the submission by the government and on seven occasions, between March and May of 1975, the *DongA Ilbo* fired 49 journalists and “indefinitely suspended”

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the employment of 84 others. In order to maintain their business, managers of Donga Ilbo yielded to the wishes of the government. This portrays the press’ dependence on advertisement for source of funding—without advertisements to bring in capital, they were not able to maintain production.

The Donga Ilbo is still a topic of concern in today’s Korean society. On October 29, 2008, the Truth and Reconciliation Commission formally recommended that the state and Donga Ilbo “apologize to those who were fired and make appropriate amends” for what the commission defined as “a case in which the state power apparatus, in the form of the KCIA, engaged in serious civil rights violations.” The commission reported the KCIA summoned advertising companies to its infamous facility in Seoul’s Namsan neighborhood and coerced them into signing written documents pledging to cancel their contracts with Donga Ilbo and Donga Broadcasting. Furthermore, individuals who bought smaller advertisement spaces for DongA Ilbo were either called in or physically detained by the KCIA and threatened with tax audits. The commission cited the DongA Ilbo for “surrendering to the unjust demands of the Yusin regime by firing journalists at the government’s insistence, instead of protecting the journalists that had stood by the newspaper to defend its honor and press freedom.”

The commission cited executives at the time for “failing to admit that the firings were forced by the regime” and for thereby “going along with suppression of press freedoms for claiming they were being fired for managerial reasons.”

### Transition to a Freer Press

The assassination of Park did not change the political scene much as Chun Doo-hwan continued the suppressive military regime. Thus, press freedom continued to suffer in Korea. The relative freedom that Korean press now has was declared in the June 29, 1987 speech of President Roh Tae Woo, then chairman of the ruling Democratic Justice Party. He stated:

“[T]o promote the freedom of the press, the relevant systems and practices must be drastically improved. The Basic Press Law, which may have been well meant but has nonetheless been criticized by most journalists should promptly be either extensively revised or abolished and

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25 Ibid.
replaced by a different law. Newspapers should again be permitted to station their correspondents in the provinces, the press card system should be abolished and newspapers should be allowed to increase the number of their pages as they see fit. These and other necessary steps must be taken to guarantee the freedom of the press to the maximum. The government cannot control the press nor should it attempt to do so. No restrictions should be imposed on the press except when national security is a risk. It must be remembered that the press can be tried only by an independent judiciary or by individual citizens.”

Since this declaration, the legal framework on press freedom has become less restrictive. The Basic Press Act of 1980 was repealed in November that year, and replaced with two separate statues, the Act on Registration of Periodicals and the Broadcast Act. The Act of Registration of Periodicals does not authorize the Ministry of Public Information (MPI) to cancel registration of periodicals but still permits suspension of registration if the publisher filed an application by unlawful means. The Broadcast Act gives power to the president to appoint the members of the Broadcasting Commission, but also gives authority to the Commission over programming and broadcasting policies. Lee Jae-won, a former Korean news reporter and current professor of journalism stated: “Relations between the press and the government have been turbulent and explosive in the modern history of Korea. Relations in the future will depend largely on the margin of safety the government feels toward domestic political stability and perceived external threats to Korea’s security.” Thus in practice, laws may vary in degree depending on the ruling style of political leaders, and Korea’s press will continue to be influenced by the political structure. As Youm stated, “a nation’s press system is free, not necessarily because of constitutional guarantee, but because an unintimidated judiciary protects the press against government encroachment.”

Government-Media Relations Today

Since the democratic transition, press has become “free,” but the government continues to play a crucial role in defining the structure of the media: ownership, content, and relationship with the state. The result is a highly contentious relationship, wherein the government still exercises—or attempts to exercise—

28 Youm, “South Korea’s experiment with a free press,” 114-115, 120.
29 Youm, “Press Freedom under Constraints: The Case of South Korea,” 881.
control. The development of “political parallelism” and a rapidly expanding media market after the democratic transition are important factors that explain a contentious government-media relationship.

Political parallelism refers to the degree of ideological alignment between the press and political parties. The level of political parallelism in South Korea is high, a result of Korea’s press structure. In other consolidated democracies, the press plays the role of the “fourth estate,” checking the power and influence of the government and other political institutions. In Korea, the role of the press is fundamentally—that is, structurally—different. In a majoritarian political system with weakly institutionalized parties, the press plays the role of demarcating political and social cleavages, in addition to articulating and advocating public policies. The result is a press that plays a highly politicized role. Thus, progressive dailies champion the progressive cause, while conservative dailies defend conservative policies.30 The structure of the press-party parallel, as it is often called, makes a contentious press-government relationship all the more likely. The Kim Dae-jung tax audit in the early 2000s and the current press-government relationship reveals as much.

President Kim Dae-jung’s Sunshine Policy was one of the main points of contention between his government and the conservative press. The conservative Chosun Ilbo, Joongang Ilbo and Donga Ilbo, continuously criticized Kim and his Sunshine Policy from the beginning of his presidency.31 Kim’s historically contentious relationship with these conservative papers, especially the Chosun Ilbo, was an obvious factor in the ardent criticism of the policy, since the newspapers gave it almost no time before they started to criticize his new policy. In response to these widely publicized and consistent criticisms from the conservative press, Kim decided that he was going to fight back, even if he had to use coercive methods against the press that he had once criticized as an opposition leader. In February 2001, the Kim administration launched a tax audit of Seoul-based news media. A National Tax Service (NTS) investigation into inheritance taxes led to massive fines imposed on the big three conservative newspapers, as well as some jail time for certain conservative newspaper executives. The results of the audit revealed that 23 news media organizations and owners concealed between 1995 and 2000 an aggregate income of about $1 billion and were assessed a total of $388.9 million in back taxes and penal-

ties. The Korean Fair Trade Commission added fines for alleged unfair trading practices of $18.6 million on 16 of the news media firms. Representing a disproportionate amount of financial burden towards Kim’s biggest critics, about $200 million in penalties were imposed against *Chosun Ilbo*, *Donga Ilbo* and *Joongang Ilbo*. Furthermore, Bang Sang-Hoon, president of the *Chosun Ilbo*, Kim Byung-Kwan, joint owner of *Donga Ilbo* and Cho Hee-Joon, who controls *Kookmin Ilbo*, all executives from critical conservative newspapers, were arrested and jailed.\(^{32}\)

Along with the development of political parallelism, a dynamic media market emerged after the breakdown of the state’s grip on the monopolistic media in the late 1980s. This ever-expanding market fostered severe competition between media outlets. Pressure from proprietors, managerial groups and advertisers increased, and journalists submitted to managerial demand while neglecting professional values.\(^{33}\) The government intervened in the competitive media market as a large advertiser for newspapers as well as a competition regulator. The establishment of the Korea Communications Commission (KCC) in February 2008 during the Lee Myung-bak administration demonstrates this intervention. The internal structure of the KCC allows for the possibility that the commission will be dominated by the party in power, influencing the media through an array of channels including licensing and personnel decisions.\(^{34}\) The Lee Myung-bak administration and the KCC were accused of favoring conservative newspaper companies in the licensing of new general-programming cable television channels. Also under the Lee administration, more than 180 journalists were penalized through dismissal or other sanctions for writing critical reports about government policies or promoting press freedom. More recently, on April 16, 2013, the International Federation of Journalists (IFJ) sent a letter to newly elected president Park Geun-hye urging her to intervene to secure the reinstatement of these dismissed journalists. The IFJ also pressed for further action to restore freedom of the press and media independence.\(^{35}\)

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Conclusion

As the Donga Ilbo Advertising Coercion and Forced Layoff Case highlights, the press is greatly influenced by power coalitions of the state and commercial forces. Commercially, there exists an “unbridgeable contradiction between participatory, democratic communication and capitalist modes of organization and practice”\textsuperscript{36} that remains a fundamental problem for the media industry. And then there is the power of the state, which exists to control the press to its disadvantage. Further to these reasons, there is the post-democratic transition emergence of political parallelism and the rapid growth of the media market, both of which contribute to the structural limitations on press freedom. Thus, although the press has become free(er) since the end of authoritarian rule, government intervention, direct and indirectly via the market, still persists, hindering press freedom in South Korea. As the Kim Dae-jung and Lee Myung-bak cases show, the South Korean media is still to this day very much under the grasp of the state.

In 2011, Freedom House downgraded South Korea’s “freedom of the press” status from “Free” to “Partly Free,” while other international reports continue to raise concerns about restrictions on freedom of expression. Some may argue this dilemma is being mitigated with the rise of alternative media in South Korea.\textsuperscript{37} An important example of this phenomenon is the rise in podcast news during the Lee Myung-bak presidency. Most popular of these podcasts was “Naggomsu” under Ddanzi Ilbo that challenged mainstream media. Whether the development of such alternative media will significantly impact the relationship between the press, the state and market forces is yet to be determined but worthy of further research.


\textsuperscript{37} Pinzon, Ramirez, et al. “Alternative Media.”