

The Role of CJ'S Group in South Korea Diplomacy in Indonesia

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Abstract: Corporate diplomacy is a concept that describes the role of companies in state diplomacy. The corporation has an influence on the impression of its home country through its products so that it is effective for nation branding. CJ Group as a South Korean conglomerate company has become an actor in South Korea's corporate diplomacy in Indonesia, whether intentional or not. This research uses a qualitative descriptive method to find out how is the role of CJ Group in Corporate diplomacy. This research finds that the collaboration between the creative industries of South Korea and Indonesia is a forum for the practice of South Korean corporate diplomacy in Indonesia. The role of the CJ Group in corporate diplomacy is illustrated by its efforts as corporate diplomacy. This research also describes the advantages of South Korea from the role of the CJ Group as an actor of corporate diplomacy.

1 INTRODUCTION

South Korea is one of country that South Korea is one of the countries that is aggressively conducting cultural diplomacy and has had a positive impact on the country one of which is through the Korean Wave is described by the spread of Korean culture through creative industries such as television drama, music, fashion and also food.

The importance of cultural diplomacy for South Korea has been explained in the South Korean foreign policy report White Paper 2006. Cooperation is one of the implementations of South Korean diplomacy in Indonesia. Cooperation in the creative industry sector and on October 12, 2013 the two signed an MoU on creative industry cooperation by Mari Elka Pangestu (Minister of Tourism and Creative Economy of Indonesia) and Yoo Jinryoung (Minister of Culture, Sports and Tourism of South Korea) in the hope that their cooperation will increase, especially in the field of film, music and art.

The implementation of South Korean cultural diplomacy involve other actor beside government actor. CJ Group is one of the biggest companies in South Korea that engaged in the production of creative industries. In Indonesia, CJ has been heavily involved in bilateral cooperative relations in the creative industry sector.

In this paper, will discuss about the role of CJ Group in South Korea diplomacy in Indonesia. There

are two Theories that will use in this research: Cultural Diplomacy, and Cooperate Diplomacy. The main objective of cultural diplomacy is to influence public opinion which will influence certain foreign policy with its implementation in several forms. That is; Exhibition, propaganda, penetration, negotiation, competition, expert exchange. South Korea used these efforts to encourage the spread of Korean culture in Indonesia. (Warsito & Kartikasari, *Diplomasi Kebudayaan, Konsep, dan Relevansi Bagi Negara Berkembang: Studi Kasus Indonesia.*, 2007)

The Second Theory is *Corporate Diplomacy*. *Corporate Diplomacy* is one of public diplomacy which is characterized by the active role of government-supported corporations to promote their country through what they produce, whether it be material products such as fashion, food, information media, to the world of entertainment which will be a representation of the country (Rigo E & J. , 2009)

2 LITERATURE REVIEW

2.1 Cultural Diplomacy

Cultural diplomacy is one of the derivatives of public diplomacy which includes cultural values such as art, language, knowledge and information. Cultural diplomacy has the essence of "Mutual Understanding" where in the process, there is an

interaction of exchanging information and talking about culture so that it is easier to approach which will produce mutual understanding between countries. That way the interests on the agenda can be more easily achieved (Cummings, 2003).

The cultural diplomacy is a way for countries to achieve their interests without using the military where the interests are usually in the form of desire to get a positive assessment from people of other countries so as to facilitate cooperation in various sectors. But on the other hand, to conduct cultural diplomacy, the state must first recognize the characteristics of the destination country for more effective achievement (Jin, 2008). The main goal of cultural diplomacy is to influence public opinion that will affect certain foreign policy with its implementation consisting of several forms such as exhibitions, propaganda, competition, negotiations, penetration, exchange of experts (Warsito & Kartikasari, *Diplomasi Kebudayaan, Konsep, dan Relevansi Bagi Negara Berkembang: Studi Kasus Indonesia*, 2007).

2.2 Corporate Diplomacy

The development of the dynamics of international relations has made diplomacy actors not limited to government actors but has developed to involve non-government actors such as corporate. Development in corporate diplomacy can be used as tool to support public views and convey the messages that the government wants to convey (Ordeix & Duarte, 2009).

Corporate communications can play a role in build relation, increasing trust, fostering positive public opinion and influencing the image of the company's home country, all of which are goals of public diplomacy and nation branding. Corporate diplomacy is a form of public diplomacy characterized by the active role of corporations supported by the government to promote their country through what they produce whether it is material products such as fashion styles, food, information media to be the world of entertainment which will be a representation of the country. Corporate diplomacy is not only said to be form of corporate participation in public diplomacy in supporting government programs but also to support their views and help convey the messages they want to convey to the public so that corporations are include in the "Strategy of State Legitimacy abroad" section (Ordeix & Duarte, 2009).

3 METHOD

To answer how the corporate's role in diplomacy, this research will use qualitative research methods. Qualitative method is a way to find answer to research problems that have to do with data in the form of narratives whose sources are from the process of interviews, observations and document reviews. The approach in this research uses a case study approach where case studies are a method of providing a framework or research procedures that must be followed. The case study in this research is the creative industry cooperation between Indonesia and South Korea. This case study will provide a framework to help answer how the role of corporate in South Korean diplomacy.

4 RESULT AND DISCUSSION

4.1 Creative Industry in South Korea

One of the countries that has been recognized for its success in the era "Hallyu" or Korean Wave or also commonly known as the "Korean Wave" is an international phenomenon that has influenced the dynamics of the world since its emergence.

The complexity of cultural practices, customs and strong literature has become a phenomenon that sends influence of cultural not only nationally or at the local level but also transcends national boundaries.

The Korean Wave is a phenomenon that refers to the global popularity of Korean creative products and reflects the progress of South Korea's creative industry. The development of South Korea's creative industry became a turning point for Korea in improving their economy which had been hampered.

4.2 CJ Group as South Korea Creative Industry Actors

CJ (Cheil Jedang) Group is one of South Korean Multinational Company which are active in the creative industry. With the principle of spreading Korean culture through its products, CJ Group established 4 divisions, namely;

- a. *Delicious World* which is engaged in Korean food until now has expanded and has a fairly high popularity in various countries including Indonesia and has provided significant profits
- b. *Healthy World* engaged in research, biotechnology and food engineering to

- ensure the quality of food products produced.
- c. *Convenient World* engaged in the distribution of logistics and lifestyle needs. This division also has an extensive network for the export of creative industry products from Korea to various countries including Indonesia.
- d. *Joyful World* engaged in media and entertainment such as CGV cinema, film production, and boy group and girl group artists such as WANNAONE, Heize, Kim Jaehwan and others.

4.3 South Korea-Indonesia Creative Industry Cooperation

Cooperation in the creative industries of Indonesia and South Korea was inaugurated on October 12, 2013 the two signed the agreement *Memorandum of Understanding Between the Agency of Creative Economy of the Republic of Indonesia and the Ministry of Culture, Sports, and Tourism of the Republic of Korea on the Field of Creative Industries* which is an MoU on creative industry cooperation by Mari Elka Pangestu (Minister of Tourism and Creative Economy of Indonesia) and Yoo Jinryoung (Minister of Culture, Sports and Tourism of South Korea) in the hope that their cooperation will increase, especially in the fields of film, music, and art. (Kemenpar., n.d.)

The two countries then renewed the Memorandum of Understanding (MoU) on Creative Industries on May 16, 2016 between the Indonesian Creative Economy Agency and the Korean Ministry of Culture, Sports and Tourism containing several points of agreement, including:

- a. Exchange, education, training, and capacity building in the fields of film production technology, broadcasting content and digital content.
 - b. Information exchange about market and decision making
 - c. Sharing experiences about financing the creative economy, sources of costs, and investing in the creative economy.
 - d. Provide technical assistance in the development of performing arts, music, drama, cinema technology.
 - e. Organize exhibitions and participate in the market to promote cooperative partner relations.
 - f. Facilitate production programs and market them.
 - g. Joint Venture between creative industry projects in both countries.
 - h. Build strong relationships in the creative industries of each country.
- Since the signing of the MoU on Creative Industry cooperation between Indonesia and South Korea in 2013, the two countries have held several activities in various sub-sectors of the creative industry. These activities are also used as South Korea's efforts to practice cultural diplomacy in Indonesia.
- First, Korean Indonesian Film Festival. This festival is a program of the Korean Culture Center Indonesia (KCCI) which is held every October. The purpose of this festival is to introduce the traditions, culture, social life of the people of Indonesia and South Korea through films. This event is held at the CGV cinema (previously named Blitzmegaplex) in certain places (Sukimo, 2015)
- Second, Indonesia-Korea Cinema Global Networking. This program aims to be a forum for Indonesian film industry players to introduce and promote their business to attract the interest of the South Korean film industry with the target of increasing the quality, quantity, and reach of the Indonesian film industry network.
- Third, Joint Venture NET TV, KBS, and CJ Entertainment. This collaboration between NET TV, KBS, and CJ Entertainment is an agreement in the development, research, and investment in the broadcasting sector with the aim of improving the quality of Indonesian broadcasting content.
- Fourth, Korean Academy of Film Arts (KAFA) and Indonesia Workshop. This collaboration is carried out to develop the film industry in Indonesia. In addition, this collaboration aims to provide opportunities for the film industry of the two countries to further advance their cooperation.
- Fifth, Young Creator Indonesia Fashion Institute (YCIFI). This collaboration is a training program that focuses on the textile and fashion industry so that the younger generation is increasingly motivated to achieve success in this field and be able to compete at the global level. The program which was initiated on October 5, 2015 is not only to improve the quality of fashion industry players, this program is also a form of effort between the two countries to open up new cooperation opportunities.
- Sixth, Jakarta Fashion Week 2017. This activity is an exchange platform activity that facilitates South Korean and Indonesian designers for capacity building.
- Seventh, Cooperation for the Protection of Indonesian Musicians' Copyrights. The collaboration between Karya Cipta Indonesia (KCI) and the Korean

Society of Composer, Author and Publisher (KOSCAP) is a collaboration in terms of managing and protecting the Copyrights of Korean songwriters in Indonesia and vice versa.

Eighth, K-Food Fair Jakarta. This culinary exhibition certainly aims to further introduce South Korean culinary specialties in Indonesia. In addition, seeing that the majority of Indonesian people are Muslims, this event also provides halal products so that they can be enjoyed by all people in Indonesia. (KCC, n.d.)

Ninth, Jakarta Art Institute Painting Exhibition at Media Hill. This exhibition is an exhibition to promote Indonesian culture by displaying paintings and batik. The venue for this exhibition was held at one of the exhibition facilities owned by CJ E&M.

Tenth, One Village One Product. The One Village One Product MoU signed on July 27, 2019 is a collaboration between CJ Foodville, the Indonesian Ministry of Cooperatives and SMEs, the Korea Trade-Investment Promotion Agency (KOTRA) and local companies. In this collaboration, the Korean side through CJ Foodville is committed to helping improve the quality of coffee produced by local cooperatives, developing the use of chocolate products, and assisting in marketing strategies.

Lastly, the CJ CGV K-Pop Festival. Seeing the great interest of the Indonesian people towards K-Pop culture, CJ CGV Cinema collaborates with Warner Music Indonesia to hold the CGV K-Pop Festival in 2019. This activity is in the form of a K-Pop talent search event through making singing and dancing cover videos uploaded to YouTube and The best videos will get prizes for champions in various levels and categories.

In the agenda points of the Korean-Indonesian creative industry cooperation, it can be seen that cultural diplomacy also includes not only diplomatic relations between government or state actors but can also be carried out by private actors such as companies. Private involvement in cultural diplomacy can occur between companies and the government of the destination country for diplomacy or between companies (Business to Business).

4.4 The Role of CJ Group in South Korea Diplomacy in Indonesia

The role of CJ Group in creative industry cooperation between Indonesia and South Korea can be explained through the concept of Corporate Diplomacy. There are several things that companies do as an effort to assist the government in the diplomatic agenda, both in certain countries and globally. (White, , 2015)

In South Korean cultural diplomacy towards Indonesia, CJ has been involved a lot, such as in the Korean-Indonesian Film Festival, CJ CGV K-Pop Festival, joint ventures and several other agendas. Even in film collaborations, it is said that the reason Indonesia wants this collaboration is because of the success of CJ E&M which has been popular on the international stage and the many films produced by CJ E&M that have won awards at international events.

The involvement of CJ Group in several activities shows a role in cultural diplomacy. This shows that there is a mutually supportive relationship between the South Korean government and CJ where the government cooperates with CJ, who does have a reputation for proud products, is included in several activities, as well as CJ's support for government programs.

In terms of investment, CJ Group has been investing for a long time. Recorded in the manufacturing and food sectors from 2011 to 2015 CJ Group has invested 500 million US dollars (Bayu,, 2018). In 2016, CJ Group's investment in film entertainment and food reached US\$2.1 billion and the company's total investment across all business units in 2018.

In addition, the latest report states that as of November 2019 CGV's shares in PT Graha Layar Prima reached 68 million US dollars (Firdaus, 2019)

CJ's contribution to cultural promotion can be seen from his involvement in Imagine Your Korea which is a Korean tourism information center under the auspices of the Korean Tourism Organization (KTO).

Namsan Seoul Tower or N Seoul Tower Korea which is operated by CJ Group and the M-Countdown building which is a concert venue for K-Pop artists who are in great demand by K-Poppers from various countries, are both included in the list of recommendations for Korean tourist destinations in tourist guide books. Imagine Your Korea.

In addition, several CJ Artists were also involved as South Korean tourism ambassadors, namely Seolhyun for the 2016-2018 period, which was paired with one of the famous actors, Lee Min-ho (Visit Korea, n.d.)

The fact that Indonesia is a country with the largest Muslim population in the world, CJ made a product development in the form of 'Halal' certification in one of its food products branches, namely Tous Les Jours which is a bakery food product that is quite popular in Indonesia.

In the media sub-division, in addition to increasing the number of cinemas, CJ CGV has also

developed a new feature, namely "PlayActive Cinema" which is a new concept in cinema which is described by the unification of concepts between cinemas, sports activities and hangout places so that visitors do not only make CGV a place to watch movies but also as a center for entertainment and daily activities.

Corporate Social Responsibility a practice aimed at stakeholders. At the end Social Responsibility is used as a tactic to grow the company's legitimacy and influence and the rest will make it easier for the company to achieve its goals.

As a company that has proven its efficiency in the use of material, energy and water resources, CJ even received the Green Industry Award from the Ministry of Industry of the Republic of Indonesia.

In South Korean diplomacy in Indonesia through creative industry cooperation, CJ Group has a role as an actor in corporate diplomacy which can be seen from its efforts as an actor in corporate diplomacy, namely contributing to cultural diplomacy, investing in Indonesia (FDI), contributing to the promotion of the Korean tourism sector. South, carry out product development in Indonesia to carry out Corporate Social Responsibility activities.

4.5 CJ Group's Contribution to South Korea's Profit

Cooperation cannot be separated from the existence of national interests. The existence of the CJ Group as a South Korean corporation that has been heavily involved in South Korean diplomacy practices, has also contributed to South Korea's profits.

CGV Cinemas Indonesia earned a profit of Rp. 12.4 billion in 2017. This income was obtained through the export of Korean films to Indonesia through CGV. Income is also earned through investment in CGV which benefits CJ Group companies and also contributes to the South Korean economy (Prihatini, 2019)

The profits generated are not only economic but also have an impact on South Korea's image. Judging from CJ's films which became the best-selling films in Indonesia such as "Train to Busan", "Battleship Island", "Parasite".

The popularity of these films certainly affects the image of South Korea in the Indonesian people because films can be a tool of cultural diplomacy to convey cultural values. Film is considered an effective and easy way to spread cultural heritage because films are able to describe the situation in society to the public so that it will form the image of the country (Fadli, 2016)

Non-government actors in diplomacy play a role in create the image and reputation of their country. Popular culture, including music, film, entertainment, culinary, which is produced by the private sector is considered to have contributed greatly as a soft power that drives the wheels of diplomacy. The involvement of the private sector in diplomacy is demonstrated through explicit actions in diplomatic goals such as cultural exchange. (White, , 2015)

Corporate diplomacy is described as the government's effort to use private companies in its country to further encourage the expansion and improvement of products to various countries where these products will represent their country of origin in other countries.

5 CONCLUSION

The efforts made by the CJ Group as an actor of corporate diplomacy affect the impression of the South Korean itself. This impression also affects the relationship between Indonesia and South Korea where the cooperation between the two countries continues to increase at the level of "Special Strategic Partnership". Indonesia's desire to cooperate with CJ is proof that CJ has formed the image of South Korea as a country with an advanced creative industry. Revenues from product exports are also a sign of CJ's contribution to the South Korean economy.

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