

WHEN HEGEMONY PREVAILS: A DISCOURSE ANALYSIS OF
TWO KOREAN NEWSPAPERS DURING THE 2008 FINANCIAL CRISIS

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Studies at the Missouri School of Journalism provided me an opportunity to look back on what I did in the past and figure out what I will do in the future as a journalist in a fledgling democracy, South Korea. Freedom House categorized South Korea as a “partly free” country in 2011, a downgrade from the “free” country status since the 1980s when the nation was ruled by a military regime. Although I agree with the organization’s observations and am one of the journalists muzzled by South Korea’s re-emerging authoritarian government, I felt deep shame and anger in viewing the report. Nonetheless, I believe history will go forward although progress will not look linear. The study at the Missouri School of Journalism strengthens my belief in the possibility of a democratic press in South Korea, and I now return to my country with recharged hope and courage. Freedom will win, and I will fondly remember my life experiences in America.

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ABSTRACT

This research seeks to find out if the American hegemonic ideology was embedded in two Korean newspapers (conservative and progressive) during the U.S. financial crisis of 2008. In addition, it seeks to explore how American hegemony was portrayed according to the political orientation of the two papers. In this research, American hegemonic ideology or America-centered ideology means that America is the center of the world and Korea is in the periphery; thus, what happens in America will affect Korea very much, but not vice versa.

The research finds that American hegemonic ideology was present in Korean newspapers, regardless of their political orientation. The two Korean newspapers, *Chosun* and *Hangyoreh*, seem to propagate the view that America is the financial center of the world while Korea is one of the emerging nations in the periphery of the world. Thus, almost everything in the Korean economy seems destined to depend on the development of the U.S. economy according to Korean newspapers. Consequently, the Korean newspapers seem to consider it natural that the Korean economic situation is and will be automatically conditioned by the development of the U.S. economy, which was quite different from reality.

CHAPTER 1

INTRODUCTION

There is a popular saying in the Korean financial market: If New York City sneezes, Seoul will catch cold. As the phrase indicates, Korean market participants take the news from New York seriously. Also, the Korean media often place great value on news from New York because the United States is an important nation to the Korean economy. But in what way is it important to the Korean economy? Is it so categorically important to dominate all other economic, social, and political factors affecting the Korean economy? Or is it simply one of the important factors affecting the Korean economy?

I have doubted for many years whether Korean journalists, including myself, are too preoccupied with the American hegemonic ideology. These doubts arose whenever important incidents happened in the United States, such as the 9/11 terror or the U.S. financial crises. The incidents are important to the Korean public, but just how important and why? Is it possible for journalists to gauge the level of news significance? Can journalists competently assess reality? Is it possible for journalists to be absolutely objective and to be detached from their conventional knowledge or established perceptions?

Those questions are linked with the ever-lasting inquiry of whether the news is a mirror of society or a construction of reality. If the news is constructed, how and why is it constructed?

This study explores a reasonable answer to these questions through a case study of two major Korean newspapers during the 2008 financial crisis. The U.S.-originated 2008 financial crisis will provide the context for this study's discourse analysis. The study will examine whether or not Koreans' America-centered ideology exerted a major influence on shaping Korean news articles.

In addition, the aim of this study is to show how Korean media shaped its news content during the 2008 financial crisis according to different political orientations: conservative and progressive. As a result, the study not only provides empirical evidence of whether or not hegemonic ideology was embedded in the Korean media but also the way it was portrayed according to the different political orientation of the newspapers.

THE 2008 FINANCIAL CRISIS — AN OVERVIEW

Lehman Brothers filed for Chapter 11 bankruptcy protection on September 15, 2008. However, even prior to Lehman Brothers' filing for bankruptcy, the world's financial markets were already volatile. There was widespread concern that many American financial institutions might suffer a liquidity crunch, and this fear grew with the collapse of the U.S. housing bubble, which peaked in 2007.

The announcement of the Lehman bankruptcy triggered one of the worst single-day losses in the U.S. stock market. The Dow Jones closed just above 500 points (-4.4%), the largest drop by points in a single day since the day following the attacks on September 11, 2001. The KOSPI Index also closed a bit over 90 points (-6.1%) on

September 16, 2008. The Korean stock market was not open on September 15 because of the Korean Thanksgiving holiday.

The Dow Jones bounced back 1.3% the following day as the Federal Reserve Bank announced the creation of a secured credit facility of up to \$85 billion, to prevent AIG's collapse. The KOSPI also bounced back 2.7% that day. However, it retreated 2.3% on September 18, 2008, as the Dow Jones plunged 4.06% the next day.

The American economy went into a recession before Lehman Brothers declared the bankruptcy. According to the National Bureau of Economic Research, the U.S. official recession began December 2007 and ended June 2009, making the 18-month slump the longest since the Great Depression. The unemployment remained high at 9.1% as of September 2011, according to the Bureau of Labor Statistics.

In Korea, there was speculation among economic experts as well as the public that the Korean economy would record a negative growth as long as the U.S. economy was in a recession. Contrary to the speculation, the Korean economy grew 0.2% in 2009 and 6.1% in 2010, one of only three nations among 31 OECD member countries that showed positive economic growth in 2009. Korea also recorded 3.5% of unemployment rate in 2010, the lowest level among the G-20 nations, according to Statistics Korea (2011).

This outcome might be explained by two main factors. First, the South Korean economy was dependent more on the Chinese economy, which grew 8.7% in 2009, rather than on the American economy, which recorded -2.4% growth in the same year. It is interesting to note South Korea's trade dependence both on China and the U.S. for the last two decades. In 1991, South Korea's trade dependence on China was 2.9% while its dependence on the U.S. was 24.42%. On the contrary, South Korea's dependence on the

two powers was conspicuously reversed during the last two decades. The U.S. accounted for just 9.71% of South Korea's trades while China for 20.53% in 2009 (Lee, 2010). Second, in terms of annual average exchange rate, the Korean won¹ against the U.S. dollar depreciated to 1,276 won in 2009 and 1,138 won in 2010 from the level of 1,102 won in 2008 and 929 won in 2007. The sudden depreciation of the Korean won against the U.S. dollar caused by the 2008 financial crisis made Korean exporters more competitive in the global market. Korean exports were 52.7% of the nation's GDP as of the end of the second quarter in 2011.

¹ The *won* is the South Korean currency.

CHAPTER 2

LITERATURE REVIEW

I covered literatures about the concept of hegemony, news frame, humans' cognitive limitations, and Korean history in relation to American hegemony. By doing so, I wanted to funnel broad theories of media phenomena into a more specific explanation relevant to the research. The literature review provides a theoretical background to justify the research.

HEGEMONY

Williams (1960), following Gramsci's definition, said that "hegemony is an order in which a certain way of life and thought is dominant, in which one concept of reality is diffused throughout society in all its institutional and private manifestations, informing its spirit all taste, morality, customs, religious and political principles, and all social relations" (p. 587).

Gramsci's hegemony is not itself a matter of economic interest, according to Park (1999). Park said that hegemony refers to the process of building cultural leadership, which is not necessarily based on false consciousness, mystification, or distortion. Thus, the concept of hegemony incorporates both negative and positive elements of ideology as a critique of domination; that is, ideology as both an instrument for class domination and as a field for resistance to the structure of domination on the cultural front. According to Park, Gramsci saw that political domination in modern capitalist democracies is built on a whole range of cultural, moral, and intellectual leadership in civil society. Thus, "when

hegemony in civil society is effective, political domination is consensually achieved without recourse to coercion in political society” (p. 104).

Hall (1982) said that “hegemony means dominance, which is accomplished not with the due measure of legal legitimate compulsion but principally by means of winning the active consent of classes and groups who are subordinated within it” (p. 85).

NEWS FRAMES

Gitlin (1980) defined media frames as persistent patterns of cognition. He said that frames enable journalists to process large amounts of information quickly and routinely: to recognize it as information, to assign it to cognitive categories, and to package it for efficient relay to their audiences. Therefore, to him, “news frames are unavoidable” (p. 7). In defining a news frame as something that makes the world beyond direct experience look natural, Gitlin said that “hegemonic ideology enters into everything people do and think is natural and meshes with common sense through which people make the world seen intelligible” (p. 10).

Tuchman (1978) said that news does not mirror society. He argued that in the process of describing an event, news helps to constitute it as a shared social phenomenon. Tuchman also argued that the organizational routines of objectivity and newsworthiness serve the status quo by creating a myth of credibility for statements made by official sources. According to Tuchman, news defines and shapes that event, as much as news stories are constructed. Thus, humans create “the relevance of our collective past to our present and future actions by invoking elements of the past to justify present actions” (p. 195).

Lippmann (1922) also said that because “the real environment is altogether too big, too complex, and too fleeting for direct acquaintance, we have to reconstruct it on a simpler model before we can manage it” (p. 11). According to Lippmann, “we pick out what our culture has already defined for us, and we tend to perceive that which we have picked out in the form stereotyped for us by our culture” (p. 31). Lippmann concluded that every newspaper, when it reaches the reader, is the result of a whole series of selections.

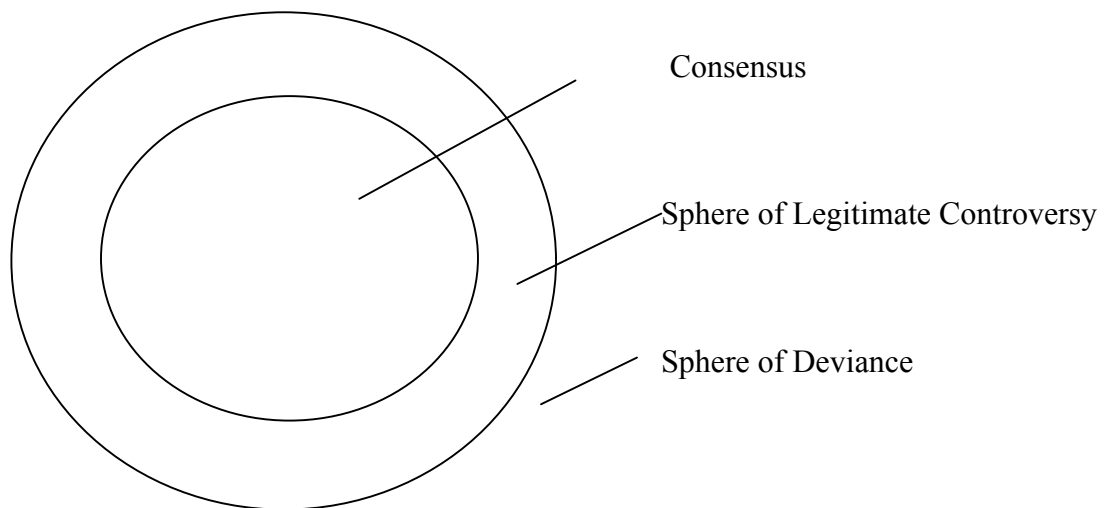
Graber (1993) was in line with Lippmann, when she said that inevitably, the stories that are published represent a small, unsystematic sample of the news of the day. According to Graber, in this sense, every issue of a newspaper or every television newscast is a “biased sample” of current events (p. 140).

Fowler (1991) also said that “from a broader perspective, news reflects, and in return, shapes the prevailing values of a society in a particular historical context” (p. 222). Fowler said that “if newspapers are reproducing a discriminatory ideology, then their power and pervasiveness make their unexamined categorizations a matter of concern” (p. 122). Fowler suggested that “the articulation of ideology in the language of news fulfills, cumulatively and through daily reiteration, a background function of reproducing the beliefs and paradigms of the community generally” (p. 124).

Hall, Critcher, Jefferson, Clarke, and Roberts (1978) agreed with Fowler when they said that “the process of ‘making an event intelligible’ is a social process—constituted by a number of specific journalistic practices, which embody crucial assumptions about what society is and how it works” (p. 55). Thus, media reinforces the existing social order not only by defining what significant events are taking place but also

by offering powerful interpretations of how to understand these events. Therefore, the media help to reproduce and sustain the definitions of the situation that favor the powerful in society, not only by actively recruiting the powerful in the initial stages where topics are structured but also by favoring certain ways of setting up topics and maintaining certain strategic areas of silence. Consequently, they suggested that we should ask, “What, other than what has been said about this topic, could be said?” and “What questions are omitted?” (p. 65).

Hallin (1986) provided a model for explaining the news media’s pro-establishment bias in terms of journalistic practices. According to him, there exist three different spheres of journalistic practices, namely the spheres of consensus, legitimate controversy, and deviance.



Hallin concluded that American media during the Vietnam War rarely presented opposing views against the sphere of consensus, and most journalists supported consensual values such as capitalism, patriotism, and American democracy.

JOURNALISTS AS LAYMEN WITH COGNITIVE LIMITATIONS

Kahneman, Slovic, and Tversky (1982) discussed cognitive biases under uncertain events that stem from the reliance on judgmental heuristics. They said that those biases could occur despite the fact that interviewees were encouraged to be accurate and were rewarded for the correct answers. In addition, they found that the reliance on heuristics and the prevalence of biases are not restricted to laymen. They said that experienced researchers are also prone to the same biases when they think intuitively. They warned that although these heuristics (representativeness, availability, adjustment from an anchor) are highly economical and usually effective, they lead to systematic and predictable errors.

Neuman, Just, and Crigler (1992) pointed out that when individuals do not have enough time and energy to fully survey the political horizon, they might rationally use some cognitive heuristics to make the task more manageable. Therefore, the key problem focuses on whether or not the use of shortcuts distorts.

Stocking and Gross (1989) confirmed that research had shown that people, even when instructed to be objective, tend to seek and select information in ways that confirm their initial beliefs. In addition, they said that other research has shown how people under conditions of information overload resort to stereotypical thinking. Thus, they concluded that it is unreasonable to suppose that journalists, too, systematically do not fall victim to these cognitive biases and errors. For example, reporters, even when they believe they are being objective, may seek and select information in ways that confirm their initial beliefs.

Schiller (2001) said that although the news media presents itself as a detached observer of market events, journalists themselves are an integral part of these events. The

reason why the media provide similar content in the stock market, according to Schiller, is that “many news stories seem to have been written under a deadline to produce something, anything, to go along with the numbers from the market” (p. 61). He said the claim that news cannot predict what will happen in the future is just a “tag-along” interpretation only after the events happen (p. 63).

KOREAN JOURNALISM WITHIN ITS HISTORICAL ENVIRONMENT

Wallerstein (2004) said there were three basic elements to world-systems analysis: space, time, and epistemology. He said that the modern world-system was an integrated system of multiple states and cultures with an axial division of labor, a system that had a historical life. He said that since the world system had been created, it had structures that were simultaneously enduring and evolving and would at some point move far from equilibrium and come into structural crisis leading to its demise and replacement.

Cummings (1984) asserted that to understand the Northeast Asian political economy (Japan, Taiwan, and South Korea), one should see it through the context of two hegemonic systems: the Japanese absolute power until 1945 and American hegemony since the late 1940s. Cummings made it clear that the hegemony he referred to meant “the demarcation of outer limits in economics, politics, and international security relationships, the transgressions of which carries grave risks for any non-hegemonic nation” (p. 6). After pointing out that the United States did not just give military and economic aid to the region but deeply influenced economic programs and the societies themselves, Cummings argued that the region’s development cannot be considered as an

individual country phenomenon; instead, it is a regional phenomenon composed of a tripartite hierarchy of core, semi-periphery, and periphery.

Im (1987) acknowledged the development of authoritarian capitalism in South Korea and described a high rate of economic growth as efforts of the military junta that tried to replace democracy with economic development as well as legitimize its rule by economic development. He explained the vital role of the United States in the economic development of South Korea and the political and strategic reason why the United States provided massive economic grant aid in the 1950s and favorable quotas to South Korean exports in the 1960s: “The post–World War II Korean state was, in fact, created by the United States as a critical anti-communist buffer state for the protection of U.S. security and strategic interests in Northeast Asia” (p. 242).

Choi (1996) categorized 1,825 members with Ph.D.s in the list of Korean Economic Society as foreign-trained economists and Korean-trained counterparts. He found that foreign-trained economists outnumbered their Korean-trained ones, especially in the capital city of Seoul. Of all the foreign-trained economists, he found that an overwhelming majority, 79%, was trained in the United States (p. 100). Consequently, Choi said that the Americanization of economics in South Korea brought increasing “professionalization, prevalence of mathematical and econometric methodologies, and the absence of genuine scientific disputes to society” (p. 119).

Kwak (2005), defining South Korea as traditionally a strong authoritarian, neo-Confucian state, explained that the nation has been democratized to at least some extent, although the degree of this democratization is problematic. He said that in Korea, the notion of freedom of the press as a tool of democratic self-government is constitutionally

guaranteed, but it does not have deep historical roots as Western European and Anglo-American thought. As a result, in spite of democratization, journalism practice and operational practice of the media organizations have not significantly improved.

Kim and Hamilton (2006) said, while explaining the emergence of a Korean alternative Internet media (Ohmynews.com) in Korean history, that the conservative political sphere blocked the progress of social democratization seeking to preserve the old system. They pointed out that mainstream newspapers and broadcast organizations could be seen as part of the conservative sphere. They explained that there was a subterranean duality of consciousness in the social and political struggle between the progressive and the conservative: Confucian authoritarianism versus liberalism, nepotism versus fair competition.

Song (2007) compared the roles of progressive online news services with those of mainstream newspapers in developing reactions to the deaths of two school girls by a U.S. military vehicle into massive anti-U.S. protests in 2002 in South Korea. Song found there were clear differences between the online news services and the mainstream conservative newspapers' coverage in terms of articles, the compositions of news sources, and the frames used to make sense of the issues. In his study, Song identified *Chosun Ilbo* as a leading national daily having conservative editorial leaning and *Hangyoreh* as the only national daily with a progressive editorial orientation.

In summary, the literature review showed that hegemonic ideology is one concept of reality diffused throughout society, which is dominant and prevailing; however, as a result of competing with other ideologies, it is not static. Since the literature review also showed that news reflects and shapes the prevailing values of society in a particular

historical context and that media frames provide a persistent pattern of cognition, it can be understood that hegemonic ideology will be reflected and reproduced in news and media frames.

Based on the literature review, it is also possible to see humans' cognitive limitations as well as Korean journalists situated in their national history, which were enormously influenced by America since World War II. In this way, American hegemony is expected to be prevalent in Korean media content during the 2008 financial crisis given the social and historical circumstances faced by the Korean journalists. Im (1987) argued that the Korean state was literally created by the United States since World War II, and Choi (1996) showed that Korean economists who give explanations and interpretations about what happened to Korean media are mainly American-educated.

Thus, it seemed impossible for Korean journalists to detach themselves from Koreans' America-centered ideology and to objectively observe the situation of the 2008 U.S. financial crisis. Korean journalists might have resorted to their stereotypical thoughts and beliefs when the financial crisis erupted. However, it is possible to observe a difference in news frames between Korea's conservative newspaper and the progressive paper. Therefore, my research questions can be summed up as follows.

RQ1: Was there an American hegemonic ideology embedded in the Korean newspapers in reporting the 2008 financial crisis?

RQ2: If American hegemonic ideology was present, how was it portrayed in the progressive and conservative newspapers?

CHAPTER 3

DISCOURSE ANALYSIS

To answer the research questions, a discourse analysis was conducted on two Korean newspapers' coverage of the Lehman Brothers' collapse. Discourse analysis is a useful approach for examining underlying structures in discourse that reflect knowledge and beliefs, such as the American-centered ideology that I suggest is present in Korean journalism.

According to Van Dijk (1990), discourse is a “specific form of language use...interpreted as a complete communicative event in a social situation” (p. 164). Van Dijk distinguished discourse analysis from “sentence grammars” in that discourse analysis focuses on phenomena beyond the sentence; thus, it includes not only observable verbal or non-verbal features but also cognitive representations and strategies involved during the production or comprehension of discourse. Defining discourse as a complex unit of linguistic form, meaning, and action, Van Dijk sought to find not only an explicit account of structures but also a social context of discourse.

Van Dijk (1988) also said that the media rely heavily on such socially shared knowledge and beliefs. In other words, Van Dijk said that “the social schemata of journalists are strategically applied in their construction of news events” (p. 27). Therefore, it can be understood that media discourse can show how dominant ideology or power is naturalized or reproduced in a society. In other words, media discourse might portray a hegemonic ideology in a particular historical context of a society.

Hence, to find evidence of hegemonic ideology in Korean newspapers, I borrowed Van Dijk's (1988) tool of analysis. Van Dijk (1988) said that we do not merely refer to individual sentences or a sequence of sentences but to the report as a whole. Van Dijk analyzed the structures of discourse as the following: local structures composed of sentence structures and sequential structures; global structures composed of topics, themes, and schemata; and relevance structures or rhetorical orientation at all structural levels of a text. For example, Van Dijk analyzed frequency, size, headline or lead, actors, topics, and schemata of the news articles about the assassination of Lebanese president Gemayel. I analyzed the following four aspects of the articles: presentation of news, headlines, themes, and news sources.

In my analysis, presentation of news means frequency and placement of articles and words. Headline will be considered to represent the main subject of the articles. Themes are the small subjects of the articles, so some of the themes conflict with the main subject of the articles. By news sources, I mean that journalists used either named or unnamed interviewees or that the two Korean newspapers quoted from international news agencies such as *CNN* or the *New York Times*.

Since my research is to find out if there was an American hegemonic ideology embedded in Korean news articles during the period, I need to define *American hegemonic ideology*. In this paper, *American hegemonic ideology* or *America-centered ideology* means that America is the center of the world and Korea is in the periphery; in other words, what happens in America will affect Korea a lot but not vice versa. Therefore, under the American hegemonic ideology, there should not be much that

Koreans can do about their economy without actions from America, the center of the world.

I analyzed news articles of two Korean newspapers, *Chosun* and *Hangyoreh*, during the financial crisis triggered by Lehman Brother's filing for bankruptcy on September 15, 2008. All articles of the two newspapers, from September 16 to 18, 2008, that mentioned the U.S. financial crisis were included in the analysis. I downloaded the articles from each newspaper's databases and then translated them into English before coding them.

As Song (2007) said, *Chosun* can be defined as a leading national daily paper of conservative editorial leaning, and *Hangyoreh* is the only national daily with a progressive editorial orientation. *Hangyoreh* was established by the result of the 1987 massive democratic movement in South Korea. Korean citizens and journalists sacked by the military dictatorship regime collected money to establish the liberal newspaper company in May 1988. According to a 2010 survey conducted by the Korean Journalists Association, the only national association encompassing most Korean journalists, Korean journalists selected *Hangyoreh* as the most credible newspaper and *Chosun Ilbo* as the fifth. However, in terms of medium influence, *Chosun Ilbo* scored the top and *Hangyoreh* the seventh.

CHAPTER 4

THE AMERICAN HEGEMONIC IDEOLOGY IN KOREAN NEWSPAPERS

During three days in 2008 (September 16, 17, and 18), *Chosun* had 58 articles regarding the U.S. financial crisis and *Hangyoreh* had 53. The two papers placed the articles about the financial crisis as top news of the front page for that time period. Both newspapers also prepared special headlines indicating special reports about the incident for two days since September 17. Especially, since September 17, after Korean financial markets collapsed with the news of Lehman Brothers' filing for bankruptcy, *Chosun* published 49 articles about the financial crisis and *Hangyoreh* had 42 articles of the financial crisis for just two days. Both newspapers allotted the first four or five pages for the news of the financial crisis during that period.

PRESENTATION OF NEWS

Both the *Chosun* and the *Hangyoreh* filled their pages with articles concerning the 2008 financial crisis, replete with emotional and tumultuous words and expressions, during three days. In words such as “center,” “periphery,” “even,” “global,” “psychological,” “unavoidable,” “inevitable,” and “vicious circle,” I found how the two papers defined what is America, Wall Street, and Korea.

A. FREQUENCY AND PLACEMENT OF ARTICLES

It was the last morning of the Korean Thanksgiving holiday in 2008. *Chosun* made the front page headline big and bold: “Global Economy Hit Hard by Wall Street Shock.” There were two following articles below the main article. The articles about the financial crisis on the front page were followed by second and third pages. The second page had one big article in the center, with the headline, “Unavoidable Short-Term Impacts on the Domestic Stock Market, Foreign Exchange Rate and Export.” The third page was also filled with three related articles. On the top right-hand side of the third page, there was a picture of Lehman Brothers’ female employee carrying a box from an office of the U.S. investment bank. On that day, September 16, 2008, *Chosun* published eight articles, including an editorial concerning the U.S. financial crisis.

Next day, on September 17, 2008, *Chosun* had a headline on the front page: “The Largest Shock Ever to the World Economy Since 9/11,” showing the newspaper’s interpretation of the situation. Followed by two articles on the front page, pages three, four, five, and six have a total of 12 related articles, three articles per page. There was no other article except for the advertisements in these four pages. In addition, throughout the four pages, *Chosun* had a special headline on the top of the pages that read: “The U.S. Started the Financial Earthquake.” Thus, readers could see from the special headline that every article of the four pages related to the financial crisis.

Related articles also appeared on sections devoted to domestic politics, international affairs, editorial boxes, and columns. *Chosun* also published articles about the financial crisis in the business section. Two main articles in the front and second pages of the business section were analysis reports of the financial crisis, and there were related

reports scattered through the rest of the section. In sum, for just one day on September 17, 2008, *Chosun* had 27 articles mentioning the U.S. financial crisis.

The placement of *Chosun*'s articles was not so different the next day on September 18, 2008. *Chosun* had two articles about the financial crisis on the front page; one on the second; and three articles each on the third, fourth, and fifth page. *Chosun* filled the three consecutive pages, from pages three to five, with nine articles of financial crisis with the special headline, "The U.S. Started the Financial Earthquake," on the top of each page. There was no other article except for the advertisements through these three pages like the previous day. *Chosun* loaded the articles of financial crisis on the business section again: one main article on the front page and three articles on the second page of the section. Thus, *Chosun* had 23 articles discussing the U.S. financial crisis on September 18, 2008. In sum, *Chosun* had 58 articles during the first three days of the financial crisis.

Hangyoreh also had similar placement of articles as *Chosun* during three days. *Hangyoreh*'s headline of the main article on the first day was rather long: "Growing Fears on U.S. Wall Street of Domino Bankruptcies...Inevitable After-Storms Coming to the World's Financial Market," which was not much different from the tone that *Chosun* had. *Hangyoreh* also filled the second page with two related news items and the third page with three articles. On the third page, I found a picture of Lehman Brothers' female employee carrying a box from an office of the U.S. investment bank, which was similar to the photo used by *Chosun*. *Hangyoreh*'s front page of the business section also began with two articles on the financial crisis. Thus, *Hangyoreh* had nine articles, including one editorial, regarding the U.S. financial crisis on September 16, 2008.

Next day, on September 17, 2008, *Hangyoreh* defined the situation as a financial tsunami on the front page headline: “The U.S.-Originated Financial Tsunami Drove Korean Markets Into Panic.” Followed by two articles of the front page, the next pages (2, 3, 4, and 5) are filled with 12 articles about the financial crisis. There was no other article except for advertisements throughout these four pages. Moreover, *Hangyoreh* was similar to *Chosun* in introducing a special headline. Like *Chosun*, *Hangyoreh* had a special headline throughout the four pages on the top: “The Global Financial Shock From Wall Street.” Thus, *Hangyoreh*’s readers also could see from the special headline that every article of the four pages focuses on the financial crisis. *Hangyoreh* also had related articles in various sections of the paper: domestic politics, international affairs, editorial boxes, and columns. *Hangyoreh* also published the front page of the business section with three articles dealing with the financial crisis. Thus, *Hangyoreh* had 23 articles regarding the financial crisis of September 17, 2008. Given that *Hangyoreh* usually issues a fewer number of pages than *Chosun*, I cannot say that 23 articles for one day was comparatively fewer than *Chosun*’s 27.

Hangyoreh continued placing great news value on the financial crisis the following day, September 18, 2008. From the front page to the sixth, *Hangyoreh* presented 15 articles about the financial crisis. The front page had two articles, the second page had two, the third page three, the fourth page three, the fifth page three, and the sixth page had two articles. *Hangyoreh* also kept its special headline from the previous day: “The Global Financial Shock From Wall Street,” from page two through page five. Pages three, four, and five were filled with the article of the financial crisis except for advertisements. *Hangyoreh* delivered six more articles on the pages of the editorial and

personal financial management. Consequently, *Hangyoreh* presented 21 articles on September 18, 2008. During three days, *Hangyoreh* presented a total of 53 articles about the financial crisis.

B. WORDS

Similar to their impactful placements of the articles, both newspapers showed strong words defining and describing the situation of the U.S. financial crisis. As they already showed in the special headlines (*Chosun*: “The U.S. Started the Financial Earthquake;” *Hangyoreh*: “The Global Financial Shock From Wall Street”), both newspapers defined the situation with the words of financial hurricane, tsunami, and turmoil in many articles. What was noticeable was that both newspapers quoted several times “once-in-a-century crisis” when defining the situation, which was the description of the crisis by Alan Greenspan, the former chairman of the U.S. Federal Reserve Board (*Chosun*: 5, 53; *Hangyoreh*: 9, 16, 41).

Both papers similarly used strong words such as “plunge,” “plummet,” “collapse,” “evaporate,” “crash,” “sweep,” and “dive” in describing the movements of the financial markets. I collected the words used in describing and defining the situation by the two newspapers. Table 1 shows the similar words and expressions the two newspapers used in describing and defining the financial situation.

❖ Table 1. Words Describing the 2008 Financial Crisis

	<i>Chosun</i>	<i>Hangyoreh</i>
Describing the situation	Plunge, plummet, jolted, collapse, evaporate, crash, swept, dive, soar, surged, shock, stun, panic, surprising, desperate, devastated, frantic.	Fears, catastrophic, collapse, shock, shocking, worried, panic, plunge, soar, dampen, plummeting, crashed, concerned, insecure, urgent, frustrated, mad, melt-down, shaky, tumbling, dried up, chaotic, dark clouds, gloomy, swept.
Defining the situation	Financial hurricane, domino defaults, defaults crisis, financial crisis, once-in-a-century crisis, international financial tsunami, financial turmoil, credit crunch, disaster.	Domino bankruptcies, once-in-a-century crisis, tsunami, Black Monday, turmoil, system's crisis, liquidity crunch, financial crisis.

What was more meaningful to this study was found in the words defining what is America, Wall Street, and Korea. While expressing concern that the U.S. financial crisis would make “unavoidable short-term impacts” on Korean financial markets, *Chosun* divided nations around the world as “advanced nations such as the U.S., emerging nations like South Korea” in the article (*Chosun* 4). A *Chosun* columnist also saw Korea as “a small country” when he argued that Korea should adopt the U.S. dollar as its currency (*Chosun* 49). In addition, *Chosun* acknowledged that “the U.S. economy is playing the steering role in the global economy” (39). *Chosun* also defined Wall Street as “the world’s financial center” (28) and agreed that American investment banks had “taken the reins in global financial markets for the past 100 years” (5). Thus, *Chosun* expressed a

concern that Korea might have a “Korean subprime mortgage crisis” or a “Korean version of the financial crisis” (50) with the development of the U.S. financial crisis. The concern seemed to be linked with the perspective that America and its Wall Street is the center of the world’s economy while Korea is a small emerging nation.

Hangyoreh also showed a similar view about what is America, Wall Street, and Korea. *Hangyoreh* saw the U.S. Wall Street as “the heart of the world’s financial system” (1) and “the mecca of global financial capitalism” (48). *Hangyoreh* also seemed to agree with a financial expert’s perspective that defined Seoul as “the periphery of the world” in an article introducing a debate on the Korea Development Bank’s plan to acquire Lehman Brothers (21). Thus, it seemed natural that *Hangyoreh* used the word “even” in comparing the ability between the United States and South Korea in the same article. *Hangyoreh* argued in the last sentence of the article, while delivering the opinions of many financial experts, that “it is difficult to give nod to the claim that Korea Development Bank could have saved Lehman Brothers when even the U.S. government could not revive the troubled financial company” (21).

The word “even” emerged in a similar situation in which *Hangyoreh* introduced a comment by William Raybeck, a former special advisor to the Korea Financial Supervisory Service, in the last sentence of an article (40). Willliam Raybeck said in the article, “Even in the developed countries...a huge financial system can collapse from its foundation.” It is noteworthy that his remark was used to refute an opinion of Korean financial authorities believing that “the possibility of Korean banks’ insolvencies will be nearly zero.” Thus, *Hangyoreh* seemed to side with the opinion that Korea would not be

able to deal with the situation when even the United States and other developed nations were in trouble.

Moreover, *Hangyoreh* made equal the words “American” and “global” in an article, in which the headline was, “The Outlook of Global Financial Experts” (41). Although *Hangyoreh* declared in the article headline that the economic outlook came from global financial experts, there were no other nationalities in the list except for Americans: George Soros, Bill Gross, Marc Faber, Alan Greenspan, and Paul Krugman—all of them economic celebrities of America.

The word “role model” showed a similar view of the two newspapers. According to *Hangyoreh*, “Korean commercial banks and securities companies have been looking toward U.S. investment banks as their role models... domestic commercial banks have been seeking to transform themselves into a “Korean Merrill Lynch” (50). However, as *Chosun* quoted a congressman of Korean ruling party, “The plan to privatize Korea Development Bank, based on a role model from U.S. investment banks, cannot proceed because the role model was tarnished” (48). *Hangyoreh* agreed with the view by saying that “the Korean Finance Ministry needs to prepare a new blueprint” (35). Thus, *Chosun* and *Hangyoreh* seemed to believe that Korea should prepare a new role model since its role model has disappeared. The two messages sound similar, that Korea will not be able to deal with the situation when even the United States and other developed nations are in trouble.

Those views were also embedded in the words such as “psychological,” “inevitable,” and “vicious cycle.” Both newspapers introduced the articles delivering a concern that the U.S. financial crisis would make psychological impacts on the Korean market. *Chosun*

delivered the news in which the Korean Presidential Office said, “The impacts on the domestic market will not be a very big deal if there are no market fluctuations due to psychological effects” (23). According to *Chosun*, Korean economists and real estate market experts also worried that “if the U.S. credit crisis continues, the demand of the domestic housing market will decrease even more due to the possibility of rising interest rates and consumers’ psychological withdrawal” (31). *Chosun* meant Korean consumers, not American consumers in the article.

Hangyoreh also delivered the worries of stock market experts that “Korean stock market...is likely to see the psychological effects multiplied” with the news of Lehman Brother’s filing for bankruptcy and Merrill Lynch’s sale (7) and the concern of the government about “stabilizing the psychology of domestic financial market” (15).

Why did Korean experts and government worry about psychological effects of Korean consumers and investors? It is because Wall Street, “the financial center of the world,” collapsed. Since the center of the world collapsed, it seems natural that the “periphery of the world,” including Korea, should be worried about economic survival.

In this way, it seemed natural that both newspapers acknowledged “inevitable” impacts from the U.S. financial crisis on the Korean economy (*Chosun*: 2, 4, 11, 41; *Hangyoreh*: 15, 42). Likewise, it seems natural that both newspapers should worry that the “inevitable” impacts might bring a “vicious cycle” to Korean economy. *Chosun* said, “there have arisen some concerns that the Korean economy could fall into a vicious cycle” as “the U.S.-originated global financial shock affected not only the domestic financial market but also Korea’s economy” (11). *Chosun* also delivered another concern that “a vicious cycle might occur from the financial crisis combined with the KIKO loss”

in the other article (40). *Hangyoreh* also expressed a concern that “a vicious cycle can be detected everywhere” as the U.S. financial crisis spreads to the world (40).

On the contrary, the opposite views of the U.S. financial crisis’s impact on the Korean economy were detected in the word such as “long-term” and “different.” *Chosun* delivered a positive view that the Korean financial market will become stabilized “long-term” (4) or “in the long run” (23), and *Hangyoreh* also gave a positive outlook that the financial market will stabilize “in the long term” (2 and 4).

Chosun said there were “different” views of the financial crisis regarding the Korean economy. According to *Chosun*, “many government officials still believe that the situation in Korea is completely different from the one in the U.S.” (21). *Chosun* also said, “the domestic housing market situation is quite different from that of the U.S.” (31). *Hangyoreh* did not use the word “different” in comparing the situations between Korea and the United States. However, it is noteworthy that such positive views having the words of “long-term” or “different” were marginalized in the articles of both newspapers.

HEADLINES

The headlines of both newspapers could be divided into four main topical areas: (1) the U.S. and global economic situation in the wake of Lehman Brothers’ filing for bankruptcy, (2) the Korean economic situation in the midst of the financial crisis, (3) the causes of the U.S. financial crisis, and (4) American political or economic figures related to the financial crisis. I put these numbers (1, 2, 3, 4) besides the headlines of the coding table in Appendix 1.

THE U.S AND THE GLOBAL ECONOMIC SITUATION

The headlines about the U.S. and global economic situation in the wake of Lehman Brothers' filing for bankruptcy were similar in the two papers. They both said that the U.S. financial market was on the verge of collapse, the U.S. financial crisis made big impacts to the global market, and the nations around the world tried to stop the financial crisis from spreading. *Chosun* had 14 headlines delivering negative or urgent messages about the U.S. and global economic situation. There were only two headlines featuring positive incidents in *Chosun*: "Price rebounds in some areas of the U.S. housing market" (22) and "AIG saved from death" (36). The headline of "A Crisis Comparable to the Great Depression" versus "The Worst Has Passed" (19) can be said that it had a neutral stance.

Hangyoreh also had only two positive headlines: "International oil prices in the lowest level in seven months" (27) and "Oil prices around \$80 per barrel" (39). Similar to *Chosun*, *Hangyoreh* showed a neutral stance on global economic outlooks in the headline of "The Outlook of Global Financial Experts" (41). Except for two positive and one neutral headline, all 13 headlines of *Hangyoreh* about the U.S. and global economic situation was rather negative in content.

THE KOREAN ECONOMIC SITUATION

The headlines about the Korean economic situation in the midst of the financial crisis were also quite similar in the two papers. The main message was that the U.S. financial crisis made or will make negative impacts on Korean economic sectors such as the stock market, the exchange rate, exports, domestic financial firms, small- and

medium-sized companies, the real estate market, and investors' psychology. Since both newspapers thought the situation was urgent, they urged quick and proper countermeasures to the Korean government in their editorials.

Chosun had five headlines delivering the positive messages on Korean economy during the first three days of the financial crisis: "Little risk in money market fund, No problems in paying benefits" (14), "Opposition Parties Agree to Cooperate in Addressing the Financial Crisis" (24), "The President Said, I Will Buy a Stock Fund." (38), "I Feel Rather Perplexed About Korea's Excessive Anxiety" (43), and "Korean Equities Can Be Bought at a Bargain if Foreign Investors Sell Them at a Bargain" (44). In *Chosun*, there were four headlines showing a neutral stance on the Korean economy: "The Direction of Wall Street's financial Hurricane" (28), "Just Hold On for 16 Months?" (33), "What Should I Do With My Funds?" (34) and "A Way to Stabilize the Exchange Rate" (49). Except for those headlines, the majority of *Chosun's* 22 headlines discussed negative impacts on Korean economy from the U.S. financial crisis.

Hangyoreh also described the Korean economic situation as insecure and dangerous in its headlines. Thus, in its columns and editorials, *Hangyoreh* urged the Korean government to take proper measures. There were 24 headline articles describing the Korean economic situation as negative and urgent, and as a result, asking Korean government to do something necessary. Two *Hangyoreh* headlines on the Korean economy were positive: "Korean Investment Corporation Will Reap More Than \$100 Million in Capital Gains Owing to BofA's Acquisition of Merrill Lynch" (3) and "President Myung-Bak Lee Said, I Will Buy a Stock Fund" (47). The other two headlines can be categorized as neutral: "Domestic Insurance Policyholders Still Concerned

Despite Assurances From AIG Korea and the Korean Government” (17) and “Financial Loss Will Recover in 16 Months, But If All Investments Are in the Equities Market, the Portfolio Needs to be Adjusted” (19). Thus, I can say that both newspapers showed the concerns of Korean market participants through their headlines, which was mainly negative and pessimistic.

THE CAUSES OF THE U.S. FINANCIAL CRISIS

The headlines about the causes of the U.S. financial crisis seemed to be similar in many ways. *Chosun* expressed a concern that the subprime mortgage default crisis would spread to derivatives (17) and *Hangyoreh* said that derivative became a culprit of the financial crisis (26). *Chosun* said that the U.S. economy has exposed the limits of laissez-faire capitalism (30). Similarly, *Hangyoreh* also declared that the financial crisis proved the failure of financial geniuses (51), the failure of market (43), and the failure of neo-liberalist power (29).

AMERICAN POLITICAL OR ECONOMIC FIGURES

The headlines about American political or economic figures related to the financial crisis were also similar in both newspapers. The two newspapers provided the news about American politicians and economic celebrities emerging in the middle of the financial crisis. Both provided international news about the U.S. presidential election: *Chosun* had “The Economic Problem-Solver Is Me” (25) and *Hangyoreh* had “The Financial Crisis Has Become the Largest Variable in the U.S. Presidential Election,

Overriding the Palin Effect” (25).

Chosun put a news value on the American economic news such as “CEOs still have big money on Wall Street, no matter what” (26), “CEOs of Wall Street have compensations without any responsibility” (52), and “Alan Greenspan: Being Subject to Scrutiny and Fanning Public Anxiety” (53). *Hangyoreh* also presented similar headlines such as “Wall Street CEOs Fall and Rise” (23) and “Henry Paulson Stands as a Firefighter Against the Financial Crisis” (36). Thus, the headlines showed that American news, which seemed to have not much relevance to the Korean public, became important news in South Korea in the midst of the financial crisis.

What was noticeable is that both newspapers predicted that the financial crisis would drive Korean financial markets into chaos. *Chosun* said that the financial crisis would make “unavoidable impacts on the domestic stock market, foreign exchange rate, and export” (4) on September 16, and *Hangyoreh* also said the financial crisis would “hit a hard blow to the investors’ confidence” (7) on the same day. Since September 16 was the last day of the Korean national holiday, the Korean stock markets were not open. Although nothing happened in the Korean financial markets on that day, both newspapers firmly said in advance that the impacts from outside, the U.S. financial crisis, was unavoidable in Korea.

Themes

I defined in chapter 3 that themes are the small subjects of the articles. Thus, some themes of the articles might conflict with the main subject of the articles, which was identical with the headlines in terms of content. The articles could be categorized

into three groups of themes. One group has a consistent dominant theme without a conflicting theme in the articles. The dominant theme in that group has a similar argument with the headline of the articles. The other group has a dominant theme, but with a conflicting theme that can be considered as opposite to the headline of the articles. The final group means that it had shown a neutral stance on the incident without one theme dominating the articles. The final group's headlines also seemed neutral.

I named the first group of articles as “dominant theme–only.” *Chosun* had 39 “dominant theme–only” articles. Among the “dominant theme–only” articles, only four articles had positive themes regarding the Korean economy. *Hangyoreh* had 33 “dominant theme–only” articles, and only 3 of them had positive themes about the Korean economy and the global economy.

The other group has a marginalized theme with information not contained in the article headline. I named this group of articles as “marginalized theme included.” *Chosun* had 11 articles while *Hangyoreh* had 13. The final group was categorized as “neutral theme” articles, which showed a balanced view of the situation. *Chosun* had three “neutral theme” articles and *Hangyoreh* had five. Table 2 summarizes the three groups of articles categorized by “dominant them only,” “marginalized theme included,” and “neutral theme.”

❖ Table 2. Themes

	<i>Chosun</i>	<i>Hangyoreh</i>
Dominant Theme–Only Articles	<ul style="list-style-type: none"> ✓ The U.S. and the global financial markets are in a financial crisis. (3, 5, 7, 9, 10, 16, 17, 18, 25, 26, 27, 30, 45, 46, 52, 53, 56) ✓ Korea is or will be in a crisis. (8, 11, 12, 15, 24, 28, 29, 32, 35, 37, 39, 40, 41, 42, 48, 49, 50, 51) ✓ Korea is or will be okay. (14, 38, 43, 44) 	<ul style="list-style-type: none"> ✓ The U.S. and the global financial markets are in a financial crisis. (8, 11, 16, 18, 22, 25, 26, 29, 35, 36, 43, 44, 45, 48, 49, 51, 53) ✓ Korea is or will be in a crisis. (9, 10, 12, 13, 14, 21, 24, 32, 38, 42, 46, 50, 52) ✓ Korea is or will be okay. (47) ✓ There is a good sign for the global economy. (27, 39)
Marginalized Themes Included in the Articles	<ul style="list-style-type: none"> ✓ Korean financial market will be okay. (1, 2, 4, 13) ✓ Korean economic sectors will not have the similar type of the U.S. financial crisis. (20, 21, 31) ✓ Most stock markets showed a slight rebound. (47) ✓ The global financial market turmoil has continued. (36) ✓ The U.S. economy could experience a second shock of the housing market bubble burst. (22) ✓ If the U.S. financial crisis develops into a full-scale economic slowdown, it could be a significant blow to the domestic economy. (23) 	<ul style="list-style-type: none"> ✓ The U.S. economy will be okay. (1) ✓ The Korean financial market will be okay. (2, 4, 7, 15) ✓ Korean economic sectors will not have the type of the U.S. financial crisis. (20, 31, 33, 40). ✓ The outlook for Korean exports is positive. (28, 37) ✓ Korean stock markets rebounded. (34). ✓ The Lehman’s filing for bankruptcy will bring a substantial loss to domestic financial firms. (3)
Neutral Theme Articles	<ul style="list-style-type: none"> ✓ Some economic experts said the financial crisis is comparable to the Great Depression while others said the crisis hit the bottom. (19) 	<ul style="list-style-type: none"> ✓ AIG insurance policy holders felt insecure with the news of AIG’s liquidity crunch despite assurances from AIG Korea and the Korean government.

	<ul style="list-style-type: none"> ✓ Recent research showed that the global stock markets would return to their previous levels within 16 months. (33) ✓ Some experts say the investors should sell stocks when the market rebounds, while others say it is desirable to continuously put monthly savings into equity funds. (34) 	<p>(17)</p> <ul style="list-style-type: none"> ✓ It would be wise for individual investors to make an investment decision based on rational judgment on their financial status. (19) ✓ Wall Street CEOs fell and rose during the financial crisis. (23) ✓ Domestic equity funds showed profits in seven weeks as of September 12th, but the “Lehman hurricane” cleared away the joys of gain. (30) ✓ Many economic experts came up with gloomy outlooks while others expressed a hopeful view. (41)
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Note: The numbers indicates article numbers in the coding table of Appendix 1.

As can be seen in Table 2, there is a pattern of themes that were highlighted or marginalized. Generally speaking, both newspapers primed negative news while marginalizing positive news. Most themes highlighted in “dominant theme–only” articles were negative, and most themes trivialized in “marginalized themes included” articles were positive. Thus, I can say that the dominant theme of the articles was mostly negative and the marginalized theme of the articles was positive. What was interesting was there was a shared belief behind the dominant theme of the two newspapers that the Korean economy will unconditionally fluctuate with the development of the U.S. economy.

DOMINANT THEME

While describing that the U.S. financial crisis triggered by Lehman’s filing for bankruptcy dealt a hard blow to the global economy (1), *Chosun* reported that the world’s stock markets were jolted by the news of Lehman’s filing for bankruptcy (3) and the

negative impacts on the Korean markets are unavoidable for the short term (4). *Chosun* said, “The domino defaults of the U.S. investment banks may cause the global financial market to crash, which in turn might cause advanced nations such as the United States and European countries to withdraw their capital from emerging nations like South Korea since they might lack capital in their own domestic markets” (4). *Chosun* said in the same article, “The more unstable the U.S. financial market became, the weaker the Korean won grew against the U.S. dollar in the past. Thus, this situation will further accelerate the depreciation of the Korean won against the U.S. dollar.” Thus, according to *Chosun*, the Korean financial market cannot be stabilized without the stabilization of the U.S. financial market.

Korean exports were also described as a victim of the U.S. financial crisis. *Chosun* expressed a concern that small- and medium-sized Korean companies were “driven to brink of bankruptcy in a liquidity crunch” (11) in the headline of an article. The logics embedded in the article were unilaterally linear: “The U.S. financial market worsens → Korean banks and companies face a money shortage → resulting in contracted business activities → and accelerated recession.” *Chosun* referred to it as “a vicious circle” delivering the concerns of Korean economists who said, “Small businesses can be driven to bankruptcy just by a short-term credit crunch. If a series of bankruptcies occur, even healthy companies can fall into a vicious circle of financial difficulties.”

Chosun paid attention to the concern about Korean exports again in another article (39). In the article, *Chosun* said that Korea could see exports and domestic markets contract simultaneously as the global economy is worsened by the U.S. financial crisis. The frame behind the concern is quite similar with the previous one: “The U.S. financial

crisis negatively affects the European, Japanese, and even the Chinese real economy, which are major markets for Korean exports → The Korean export situation will get worse.” The article also quoted an official at Hyundai Motor, who pointed out, “The U.S. financial crisis could affect the real economy and shrink consumption, which would lead to a lower demand of automobiles in the U.S. market.”

It is worthwhile to mention that some facts that *Chosun* utilized to show concern about Korean exports in the midst of the U.S. financial crisis looked preposterous. *Chosun* quoted a head economic researcher in the same article saying, “The growth rate of Korea’s exports seems to be as low as 10 percent in the second half of this year, which is quite lower than a 20-percent growth rate in the first half.” Thus, Korean exports showed a 20% growth rate before the financial crisis and was still expected to grow in the 10% range in the middle of the crisis according to *Chosun*’s economic experts. It is doubtful whether or not the situation was worrisome.

It is noteworthy that *Chosun* barely mentioned the impacts of the U.S. financial crisis to Korean big conglomerates except for a comment from an official at Hyundai Motors. I found that “the top 100 Korean companies take up 64.0% of the top 1,000 enterprises,” and “it has been shown that the top 1,000 Korean enterprises have not been greatly affected by last year’s global economic recession,” according to a recent report of the Korea Chamber of Commerce & Industry (2011).

As mentioned in chapter 1, the Korean economy grew 0.2% in 2009 and 6.1% in 2010. The growth was possible because the Korean economy is mainly dependent on big conglomerates rather than on small enterprises.

Chosun’s worries did not stop in the areas of financial market and Korean exports.

The Korean real estate market also became a concern in the wake of the U.S. financial crisis. *Chosun* said, “How the chaos of the global financial markets plays out is dependent on the U.S. real estate market” (22). It is why *Chosun* paid attention to “Price rebounds in some areas of the U.S. housing market” in the same article. As a result, *Chosun* (20) paid attention to “growing concerns that the Korean domestic market might suffer from a sharp drop in home prices as the U.S. subprime mortgage crisis has jolted the global financial market.” *Chosun* said, “the concerns seem reasonable” because “the financial institutions’ losses from mortgage loans could increase dramatically if home prices fall further, along with the continued macro-economic downturn and rising interest rates.” *Chosun* mentioned another “a vicious cycle in the article: higher delinquency rates of mortgage loans → plummeting home prices → negative impacts on the financial stability of banks.” Thus, *Chosun* expressed a concern that the negative impacts from the U.S. financial crisis would create a vicious cycle for the Korean financial market, exports, and the real estate market.

The hypothetical concern led *Chosun* journalists to ask 10 well-known Korean economists and market analysts about “which part of the Korean economy is the most likely to collapse if the U.S.-originated financial shock rages on in full scale” (42). According to *Chosun*’s hypothetical concern, the Korean economy is naturally bound to the development of the U.S. financial crisis. Therefore, it seemed natural that the editorials, columns, and commentaries of the newspaper urged that the Korean government should come up with measures to quell the anxiety over a Korean version of a financial crisis (50), that it should be honest to get through the financial crisis (51), and the Korean government and the business community should carefully manage the weak

parts of our internal economic system while keeping an eye on where Wall Street's financial hurricane is taking place (28). Even one of *Chosun* columnists argued that Korea should adopt the U.S. dollar as its national currency to stabilize the exchange rate (49).

Chosun seemed to consider it normal that the Korean economy is and will be conditioned by the development of the U.S. financial crisis. The similar view could be seen when *Chosun* quoted Korean congressmen arguing, "The plan to privatize KDB couldn't proceed because the role model was tarnished" (48). The congressman said in the article that although "the plan of privatizing KDB is the core of privatization of public enterprises that the Korean president promised, the plan...cannot proceed because the role model was tarnished around the world." There were no opinions or analyses in all the articles that Korea could proceed with its plan despite the U.S. financial crisis.

The beliefs that the Korean economy is dependent on the U.S. financial crisis are similarly featured in the articles of *Hangyoreh*. *Hangyoreh* also mainly described the situation of the world's and Korean economy as negative, pessimistic, or urgent. *Hangyoreh* reported that Asian and European stock markets collapsed with the news of Lehman's filing for bankruptcy (8) and that there is a growing fear that subprime mortgage defaults will bring forth "domino bankruptcies to the world's financial system with the news of Lehman Brothers' filing for bankruptcy (1). *Hangyoreh* also highlighted stock market experts' predictions in the end of the article (8) that "international financial markets will be fluctuating according to the development of the U.S. financial crisis and that the Asian emerging stock markets will especially have a greater volatility since the markets are more influenced by the U.S. stock market."

Thus, it seemed inevitable for *Hangyoreh* that “the U.S.-originated financial hurricane will strike a hard blow to investors’ confidence” (7) in Korea. In the same article, *Hangyoreh* said, “Stock market experts all agreed that the impacts to the domestic market should be considerable.” When *Hangyoreh* (2) reported that Lehman Brothers’ filing for bankruptcy will cause difficulties for Korean financial firms in raising international capitals because “the credit crunch of the U.S. financial market will affect capital flow in the international financial markets and it will in turn make impacts on the domestic financial market,” I could not find any difference between the two newspapers’ perception about the impacts on the Korean economy caused from the U.S. financial crisis. *Chosun* and *Hangyoreh* both expressed a concern that the Korean economy might fall into a “vicious circle” caused by the U.S. financial crisis.

Similar to *Chosun*, *Hangyoreh* repeatedly said that the U.S. financial crisis made direct impacts to the Korean economy (12), that the U.S. financial crisis is negatively affecting the Korean real economy (33), and the U.S.-originated global financial crisis is likely to hit the domestic real economy (37). *Hangyoreh* also showed similar concerns with *Chosun* about the negative impacts of the U.S. financial crisis on Korean exports (28) and real estate markets (40).

The hypothetical concern of *Hangyoreh* was similar with *Chosun*. *Hangyoreh* even asserted the hypothetical concern in one of its article headlines (37): “Corporations’ Financial Difficulties → Export Slump → Poor Investment → Economic Recession.” This sequence of concerns was uniformly applied in almost every sector of Korean economy mentioned in *Hangyoreh* articles. *Hangyoreh* said that as international funding for Korean financial firms was nearly stopped with the U.S. financial crisis (2): “the Korean

domestic banks started using conservative credit risk management. As a result, small- and medium-sized companies are facing difficulties in financing” (33). *Hangyoreh* also said, “The U.S. financial crisis will affect South Korean exports...as many employees in America are likely to be laid off in two to three months after mergers and acquisitions” (28) and “exports, the crutch of the Korean economy, will be damaged...since the U.S. market accounts for 10.7 percent of our total exports” (37). *Hangyoreh* said again, “The U.S.-originated global financial crisis sparked by subprime mortgage defaults will eventually spread to Asia’s regional asset depreciation...asset deflation will trigger reduced spending in housing, increased delinquencies, corporate and personal credit crises, and eventually the financial difficulties of banks and financial institutions” (40).

It was noticeable that *Hangyoreh* seemingly tried to hide a fact that is not consistent with its pessimism about Korean exports. *Hangyoreh* presented the fact that Korean export of information technology “increased only 0.02 percent last month compared to the same period of the previous year” in arguing that Korean “export is also shaky” (33). However, I found that the overall Korean export growth rate of the month (August 2008), which *Hangyoreh* indicated as “last month,” increased 20.6% according to statistics from the Korean Commerce Ministry (2010). *Hangyoreh* must have utilized the same data provided by the same government agency I found since the data are officially provided by only one government agency in Korea. However, *Hangyoreh* did not mention in the article the overall Korean export growth rate in August 2008.

According to *Hangyoreh*, both the Chinese economy and the Korean economy are dependent on the U.S. economy. *Hangyoreh* said that although “the outlook for Korean exports to China is positive...we should wait and see how long the Chinese economy will

be able to hold on since the Chinese economy is also heavily dependent on the U.S. market” (28). Moreover, *Hangyoreh* expressed that “China can resolve its economic problems by boosting domestic investments and markets. We do not have that kind of economic scale in our structure” (37).

Accordingly, it is such an urgent issue for *Hangyoreh* that Korean government improve the fundamental economic strength and restore the market’s confidence to overcome the crisis (9), try to reduce the anxiety of the market participants by transparently disclosing information and consistently revealing next steps of action (32), and focus on policies to stabilize the market and not overreact to the crisis (53).

Hangyoreh also showed similar news frames as *Chosun* about the plan to privatize Korea Development Bank (KDB): Korea should not follow the U.S. investment banking role model because it turned out to be a failure. *Hangyoreh* said in the article (46), “Even Congress members in favor of a plan to privatize KDB questioned the U.S.-style investment banking model, which was surmised to be the future of the privatized KDB.”

In that sense, *Hangyoreh* paid attention to the criticism of KDB’s plan that had tried to acquire Lehman Brothers in June 2008 before the financial crisis happened. In the article, *Hangyoreh* quoted financial experts saying, “It is difficult to give nod to the claim that KDB could have saved Lehman Brothers when even the U.S. government could not revive the troubled financial company” (21).

Hangyoreh also seemed to be sided with the opinion of market experts arguing, “It seems unlikely for the Lehman Brothers headquarter to reveal its key financial

information to one of their branch representatives located in the periphery of the world, Seoul.”

Thus, *Hangyoreh* seemed to believe that KDB should not have tried to acquire Lehman Brothers in June 2008 because it could not have received Lehman Brothers’ key financial information as it was located in the periphery of the world, Seoul. *Hangyoreh* also seemed to think that a mere Korean bank could not have revived Lehman Brothers because even the U.S. government could not revive it.

MARGINALIZED THEME

It cannot be denied that both newspapers trivialized positive messages about the Korean and the global economy. What was interesting was that many facts, opinions, and analyses that were marginalized in the articles also sounded reasonable. For example, while highlighting the concern of Korean financial authorities that were monitoring Lehman Brothers’ Seoul branch, one *Chosun* article marginalized the fact that “even if the entire \$720 million invested in Lehman Brothers by Korean financial companies were lost, it would be an acceptable situation because the investment amounts to a mere 3 percent of the annual net income of domestic financial companies” (2).

In the article highlighting the analysis that the Korean real estate market might suffer from a sharp drop of home prices as the U.S. subprime mortgage crisis has jolted the global financial market, *Chosun* marginalized the idea that Korea “will not see large-scale financial insolvency because of government regulation” (20), which limited the amount of mortgage loans according to the income of households and the market value of

homes. It was also depicted but trivialized in the same article that “The average mortgage loan delinquency rate of Korean commercial banks was 0.7 percent.”

In the next *Chosun* article (21), I found more specifically why “government determines that it is unlikely for Korean banks to have a financial crisis caused by plummeting housing prices” and “many government officials still believe that the situation in Korea is completely different from the one in the U.S.” The article reported that although “U.S. financial institutions have made loans to borrowers for up to 80 to 90 percent of the appraisal value during the housing boom...Korean financial institutions have not been able to make loans exceeding 60 percent of the appraisal value since 2005 due to various government regulations such as LTV and DTI.” A chief economist at JP Morgan agreed, “Koreans have an enormous ‘cushioning zone’ because of the large gap between the maximum loan limit and the current home price” and “Korean economists and real estate market experts predict there is little chance that the domestic housing market will have a subprime mortgage crisis similar to the American situation” (31).

Similar to *Chosun*, *Hangyoreh* marginalized the positive facts or outlooks for the Korean economy. While *Hangyoreh* highlighted the outlook that “the U.S.-originated financial crisis will make a negative impact on our exports for a certain period of time,” it marginalized “the outlook for Korean exports to China is positive, given the fact that People’s Bank of China showed a sign of retreating from a tightening monetary policy” (28).

Hanyoreh also trivialized the remark of a financial executive of Korean “Big Four” conglomerates that “the crisis is not severe enough to influence us” in an article, in

which *Hangyoreh* focused on the possible recession of Korean economy caused by the U.S. financial crisis (37).

Hangyoreh was also similar to *Chosun* in terms of marginalizing the positive outlook for the Korean real estate market. While the paper highlighted the negative outlook on the real estate market by leading the article with the sentence “signs of asset deflation have cast dark clouds over the Korean economic outlook,” *Hangyoreh* marginalized the analyses of Korean financial authorities and banks that believed that “the possibility of Korean banks’ insolvencies will be nearly zero since the government puts strict regulations on mortgage rates such as LTV (Loan-To-Value) and DTI (Debt-To-Income)” (40). In the same article, the following facts were depicted by the remark of an official of the Financial Supervisory Service, although they were trivialized: “The current collateral rate against housing prices is 48.9 percent, and the securitization rate of real estate loans is only 4 percent. Even in the case that housing prices drop by half, the financial soundness of Korean banks will be fine.” In sum, I could say that most positive facts or analyses about the Korean economy were marginalized while negative facts or analyses were primed in both newspapers.

ANOMALIES

Nonetheless, it is true that there were several articles that highlighted positive messages about the Korean or the global economy while marginalizing negative content. There were four articles that underlined positive facts or analyses about the Korean economy in the “dominant theme–only” *Chosun* articles. One article based on the legal fact said there would be little problems for the Korean account holder of AIG to claim

insurance premiums even in the worst-case scenario (14). The other three articles delivered positive outlooks on the Korean economy expressed by the Korean president (38), the Presidential Office (44), and the managing director of Institute of International Finance (43). It was noticeable that *Chosun* provided a positive outlook for the Korean economy only when the Korean Presidential Office or an American economic celebrity talked in such a way.

Hangyoreh presented three positive messages in its “dominant theme–only” articles. Two reported that oil prices fell (27, 39) and another one delivered what the Korean president said: He would buy a stock fund to help mitigate domestic investors’ fears of the U.S. financial crisis (47). Similar to *Chosun*, *Hangyoreh* provided a positive outlook for the Korean economy only when the Korean president said it. *Hangyoreh* did not publish an article interviewing the managing director of Institute of International Finance.

There were also several anomalies in “marginalized theme–included” articles. Although what *Chosun* mainly marginalized was the positive outlooks on the Korean economy, *Chosun* trivialized negative message about the situation in three articles. In an article priming the fact that the U.S. central bank announced a bailout plan for AIG, *Chosun* marginalized that the global financial market turmoil has continued (36). In another article highlighting that home prices in some areas of the United States are rising, *Chosun* trivialized the analysis that the U.S. economy could experience a second shock following the burst of the housing market bubble (22). Finally, *Chosun* marginalized the outlook of a presidential official that if the U.S. financial crisis develops into a full-scale economic slowdown, it could be a significant blow to the domestic economy when it

focused on the Korean president's expression of confidence in the Korean economy (23).

There was only one article in the "marginalized theme-included" article of *Hangyoreh* that marginalized a negative message about the Korean economy, which conflicted with the main pattern of *Hangyoreh*. In the article (3), *Hangyoreh* marginalized the outlook that Lehman's filing for bankruptcy will bring a substantial loss to domestic financial firms while it primed that Korean Investment Corporation will reap \$108 million owing to Bank of America's acquisition of Merrill Lynch.

NEWS SOURCES

Because of the Korean journalistic practice of not providing an exact quote from news sources and often using unnamed news sources without proper explanations, there were several articles that never mentioned where the Korean newspapers extracted the news content. Thus, I had to figure out probable news sources from the detailed contents of the articles. For example, if an article did not specify news sources but the content of it seemed to be based on the information of international news agencies, I considered it an article that took its content from international news media.

Both newspapers must have had relied on the contents of international news agencies in a situation where there were limited time and human resources: *Chosun* has only one correspondent each in New York and Washington, D.C., and *Hangyoreh* has only one in Washington, D.C. Thus, it seemed impossible for one or two correspondents to produce such a large number of articles over three days.

Chosun quoted what the following news media said during the first three days of the financial crisis: *The New York Times*, *The Wall Street Journal*, *Xinhua*, *Kyodo News*,

AP, Financial Times, CNN, BBC, and The Washington Post. Hangyoreh also quoted from the following news media: *The Wall Street Journal, The New York Times, ABC, Bloomberg, CNBC, AFP, Reuters, British Guardian, The Washington Post, The British Telegraph, British Financial Times, The Independent, The Nation, Moody's Economy.com, and The Moscow Times*. It is noticeable that both newspapers quoted many times from American news media among others.

I color-coded international news sources “blue,” including named or unnamed international news agencies in the coding tables of Appendix 1. And for Korean news sources, I color-coded them “green.” I did not color-code articles in cases where I could not confirm where the news content was taken from. I did not color-code five columns and editorials in *Chosun* and four columns and editorials in *Hangyoreh*.

Since *Chosun* and *Hangyoreh* based their news content on what the international, mainly American, news media said, it seemed inevitable that renowned American government officials or economic experts such as Alan Greenspan and Nouriel Roubini often discussed the situation and the outlook of the U.S. financial crisis in the articles of both newspapers. It also seemed natural that all the debates related to the financial crisis, such as the model of investment banking, the risk of financial derivatives, the greed of Wall Street, the issue of government regulation, and the outlook of American capitalism, revolved around America. Thus, I doubt if the debates of the Korean newspapers were truly original in Korea during the financial crisis. There were probably similar debates in America at the time.

Moreover, many Korean experts in the articles turned out to have been educated in America (see Table 3). For example, I investigated the academic backgrounds of

Korean economists and market analysts featured in *Chosun* articles where the newspaper asked 10 Korean economic experts about the possible impacts of the financial crisis on the Korean economy (42). The following academic backgrounds give us another hint why the debates in Korean newspapers revolved around America.

❖ Table 3. The Academic Background of Korean Economic Experts

Name	Organization	Degree	School
Seok-Hun Kang	Sungshin University	Ph.D.	Univ. of Wisconsin
Sun-Woo Kwon	Samsung Economic Research	Ph.D.	Korea Advanced Institute of Science and Technology
Mun-Seok Oh	LG Economic Research Institute	Ph.D.	Univ. of Wisconsin
Jong-Woo Lee	HMC Investment Securities	Ph.D.	Univ. of Wisconsin
Doo-Won Lee	Yonsei University	Ph.D.	Northwestern Univ.
Yong-Sang Shin	Korea Institute of Finance	Ph.D.	Texas A&M
Seok-Tae Oh	Citibank Korea	MA	Harvard
Dong-Cheol Jo	Korea Development Institute	Ph.D.	Univ. of Wisconsin
Jong-Woo Jeon	SC Jeil Bank	MBA	Univ. of Washington
Sung-Kook Hong	Daewoo Securities	BA	Sogang University in Seoul, Korea

In total, eight experts have academic degrees from American graduate schools among the 10 news sources. Among the seven experts who have doctoral degrees, only one person (Sun-Woo Kwon) received the degree in Korea while the other six economists graduated from American schools.

It is also noteworthy that both *Chosun* and *Hangyoreh* seemed to give more leverage to opinions of American economic experts than to Korean economic experts or financial authorities even when talking about the Korean economy. This was evident when *Chosun* used the remark of Charles Dallara, who is the managing director of the Institute of International Finance, for the article headline of “I Feel Rather Perplexed About Korea’s Excessive Anxiety” (43). In the article, *Chosun* emphasized the remark of Charles Dallara on the Korean economic situation: “Korea is overly scared. The Korean export growth rate reached 20 percent, and it has more than 200-billion U.S. dollars in foreign reserve. I feel rather perplexed about Korea’s excessive anxiety, since the Korean economy is not more exposed to the global financial crisis.”

What Charles Dallara said was not based on any astonishing fact about the Korean economy. It was something that any Korean economists could say. Nonetheless, unlike the remark of Charles Dallara, *Chosun* marginalized similar opinions of Korean financial authorities or experts in the other articles. According to *Chosun*, Kwang-Woo Chun, the chairman of the Korea Financial Commission also said, “The Korean market will absorb the external shock” (2). In addition, “many government officials and industry experts think they will not see large-scale financial insolvency” (20), “many government officials still believe that the situation in Korea is completely different from the one in the

U.S....the government determines that it is unlikely for Korean banks to have a financial crisis caused by plummeting housing prices” (21), and “Korean economists and real estate market experts predict there is little chance that the domestic housing market will have a subprime mortgage crisis similar to the American situation” (31), according to *Chosun*. Thus, *Chosun* treated what Charles Dallara said as important and trustworthy while marginalizing similar analyses and opinions of Korean economic experts and government officials, including the chairman of the Korea Financial Commission.

Except for the article on Charles Dallara, what *Chosun* did to make the positive outlook of Korean economy prominent was the articles dealing with the remarks of the Korean president (38) or the Presidential Office (44).

However, in the article quoting a key official from the Presidential Office (44), *Chosun* described the view of the key official as “optimistic” and “rosy” while *Chosun* never described the view of Charles Dallara about the Korean economy like that. Thus, *Chosun* delivered a positive outlook on the Korean economy and showed a critical stance only when the Korean president and the managing director of IIF talked.

Although *Hangyoreh* did not have an article on Charles Dallara, it showed a similar attitude as *Chosun* toward an American economic expert in one article. In the article with the headline of “Asian Assets Show Signs of Deflation...Hong Kong Apartment Prices Down 3.2 Percent” (40), *Hangyoreh* seemed to refute what Korean financial authorities and banks believed—“the possibility of Korean banks’ insolvencies will be nearly zero”—by putting the remark of William Raybek, a former special advisor of the Korea Financial Supervisory Service and a former director of risk management at the U.S. Federal Reserve Bank. *Hangyoreh* quoted William Raybeck saying in the last

sentences of the article, “Even in developed countries, there were many failures of financial systems when financial authorities believed the collateral values would secure the soundness of the banking system. But if asset deflation continues, combined with an economic recession, a huge financial system can collapse from its foundations.” Thus, *Hangyoreh* expressed little trust to what current Korean financial authorities said while giving credit to what William Raybek, a former U.S. government official, said.

CHAPTER 5
THE DIFFERENT LEVELS OF AMERICAN HEGEMONY IN KOREAN
NEWSPAPERS

It seems undeniable that both newspapers showed American hegemonic ideology embedded in their articles. Nonetheless, between the two papers, there was a difference in the level of criticism to people, institutions, nations, and systems considered to be responsible for the financial crisis. *Chosun* and *Hangyoreh* presented several articles showing a critical stance on who brought forth the crisis and why it happened.

A. WORDS

The difference could be found in the words that *Chosun* and *Hangyoreh* used to define and criticize American capitalism. Table 4 shows the words that were used in both newspapers’ articles to define and criticize American capitalism during the financial crisis.

❖ Table 4. Words Criticizing American Capitalism

<i>Chosun</i>	Flaw of American-style laissez-faire financial capitalism, reckless money race, overuse of securitization techniques, the myth of financial engineering, the vulnerability of American financial capitalism, money game.
<i>Hangyoreh</i>	Neoliberal economic system, deregulation philosophy of the Bush administration, deregulation during the Reagan and Bush eras, neo-liberalistic globalization, Anglo-American style capitalism, failure of market, absolute free market, a flaw of American-style laissez-faire financial capitalism, myth of neoliberalism, American market fundamentalism.

The big difference was that *Chosun*, unlike *Hangyoreh*, never had the words such as “neo-liberalistic globalization,” “neoliberalism,” and “market fundamentalism” in its

articles. On the contrary, in a column by Chang-Hwan Jeon, an economics professor at Hanshin University, he identified the U.S. financial crisis as “the failure of neo-liberal financial power” (29). In the column, Jeon criticized “what the U.S. has been pursuing for the past 30 years is neoliberal financial capitalism.” He also said American capitalism of the early 21st century...has been embellished with words such as “neo-liberalistic globalization” and “Americanization.” Although Professor Jeon did not define what constitutes neo-liberalistic globalization in his column, I could figure out the meaning from the similar words used in other articles in *Hangyoreh*.

Hangyoreh interpreted the financial crisis with one phrase, “the failure of market and the return of government,” in the headline of an article (43). In that article, *Hangyoreh* said, “the dominant keywords in the U.S. economy for the past 30 years have been *privatization*, *liberalization*, and *deregulation*...the policies from the former U.S. President Ronald Reagan and the former British Prime Minister Margaret Thatcher.” Consequently, *Hangyoreh* declared that advocates for “absolute free market” are likely to retreat as government influence grows in the article.

Hangyoreh said again in another article, “The demise of U.S. investment banks revealed a flaw of American-style laissez-faire financial capitalism” (51). Thus, *Hangyoreh* said that “the myth of neoliberalism is undoubtedly broken...the policies of market fundamentalism such as tax cuts, deregulation, and privatization of public enterprises involve that kind of hypocrisy and risk of market” in an editorial (52).

Judging from the articles, I can say that *Hangyoreh* tried to equalize “neoliberalism,” “neo-liberalistic globalization,” or “market fundamentalism” with a series of policies such as tax cuts, deregulation, liberalization, and privatization

introduced during the Reagan and Thatcher administrations. By doing so, it seemed that *Hangyoreh* wanted to link the U.S. financial crisis with the fundamental flaw of “neoliberalism.”

Contrarily, *Chosun* never defined American capitalism as “neoliberalism.” *Chosun* just said that “the subprime mortgage crisis showed the vulnerability of American financial capitalism, which has been occupied with the money game” (28), and “the collapse of Lehman Brothers... exposed the flaws of American-style laissez-faire financial capitalism...accordingly, the public attention focuses on whether the reckless ‘money race’ of big investment banks will end or begin again” (30). Yet, *Chosun* said that “most financial experts still believe that the global financial market will continue to revolve around the heart of the American financial system...capitalism will evolve once again to a ‘managed capitalism’ in the same article (30). Thus, the cause of the financial crisis was limited to the overuse of securitization techniques, blind faith in financial engineering, and the U.S. government’s lax regulation, according to *Chosun*. As a result, *Chosun* seemed to limit the causes of the financial crisis to the problems of American financial capitalism and the reckless money race, not the problem of American capitalism itself.

B. HEADLINE

The difference that I saw in the words of the articles was similarly featured in some headlines of both newspapers. While *Chosun* said only once, “the U.S. economy has exposed the limits of laissez-faire capitalism” in the headline of an article (30), *Hangyoreh* defined the situation as “the failure of the Neo-Liberalist financial power”

(29) or “the failure of market and the return of government” (43) and urged Korean government that “it is time to discard market fundamentalism” (52) in its headlines.

Moreover, while *Chosun* focused on the moral hazards of Wall Street’s CEOs in the headlines of “CEOs still make big money on Wall Street, no matter what” (26) and “CEOs of Wall Street have compensations without any responsibility” (52), *Hangyoreh* targeted the hypocrisy of the American government in the headline of “America’s double standard” (44).

Chosun and *Hangyoreh* were also at direct opposite ends in delivering the news of Korean oppositional parties’ comments on the U.S. financial crisis. While *Chosun* made the headline as “opposition parties agree to cooperate in addressing the financial crisis” (24), *Hangyoreh* told readers that “oppositional parties say ‘stop imitating the U.S. financial system’” (24).

C. THEME

According to *Hangyoreh*, the key points of what oppositional parties said in the wake of Lehman Brothers’ filing for bankruptcy was to “overhaul the government’s policy of following a U.S.-style financial system” (24). In that article, the oppositional parties criticized that “the government and the ruling party is hanging onto this antiquated neoliberal economic system and blindly copying it” and urged that “the government should try to find a long-term solution to Korea’s economic growth model.” Thus, *Hangyoreh* focused on the criticisms of the oppositional parties against the so-called “neoliberal financial model” while urging the government to “put a tighter and thorough regulation on the financial market.”

Hangyoreh also showed similar thoughts through its editorial (52). The editorial declared “the myth of neoliberalism, which has sustained the economy for the past 20 years under the assumption that the market itself has autonomous capabilities to solve problems, is undoubtedly broken.” As consequence, it argued that “the government needs to consider whether its policies are following the failed American model.”

On the contrary, *Chosun* highlighted that “opposition parties agree to cooperate in addressing the financial crisis” in dealing with the same news (24). It is noticeable that *Chosun* never delivered the criticisms of oppositional parties against the government’s policy to follow the U.S. financial model in the article. *Chosun* might have removed the part of oppositional parties’ comments because it thought the comment could harm the credibility of Korean conservative government and American capitalism.

Instead of delivering criticisms of American capitalism itself, *Chosun* seemed to focus on the moral hazards of Wall Street’s CEOs in its two articles. *Chosun*’s tone was critical in delivering the news that CEOs of Wall Street still made big money even though their companies had collapsed (26), and the article re-raised a question about U.S. executives’ ludicrous compensation system in midst of a financial crisis (52). However, *Chosun* did not directly criticize “American-style capitalism” itself in the article. Thus, *Chosun*’s criticism about the U.S. executive compensation system lingered on the cultural difference or moral hazard of individual CEOs in the articles.

Unlike *Chosun*, *Hangyoreh* criticized that American government had double standards (44). In the article, *Hangyoreh* pointed out that the U.S. government declined to provide a bailout program to Lehman Brothers while offering it to AIG. It should be noteworthy that *Hangyoreh* reminded Korean readers of their own experiences in the

Asian financial crisis of 1997 while criticizing American government's double standard toward Lehman Brothers and AIG. *Hangyoreh* reported, "The U.S. government has put the brakes on bailout programs aimed toward failing companies of other countries by using the authority of the IMF...the U.S. government's measuring stick differs on a case-by-case basis." In the sentence, *Hangyoreh* seemed to consider IMF as an economic organization controlled by the U.S. government, rather than a global economic organization representing all the involved nations. Thus, *Hangyoreh* showed its distrust of the U.S. government and the U.S.-centric world order criticizing the inconsistent behavior of the United States on a case-by-case or nation-by-nation basis.

On the contrary, *Chosun* showed quite an oppositional view of the world in a column (49) by a Korean novelist, who is considered to be a right-wing polemicist in Korea. According to the columnist, globalization is the process of maturing "Empire Earth" and the core of maturity is to strengthen the empire's social cohesion. To increase social cohesion, the empire needs effective information processing, and the information is more effectively processed through standardization. In particular, the effectiveness of standardization is especially large in weights and measures, currencies, and languages. According to him, "Empire Earth" already has the standardization of weights and measures, and languages: the metric system and English. Thus, what citizens of Empire Earth have to do is to standardize the currency as the U.S. dollar. From this reason, he argued that Korea should adopt the U.S. dollar as its national currency, which will stabilize the exchange rate since there will be no currencies to exchange.

As a result, the columnist seemed to believe that globalization is Americanization in cultural and economic terms, which is good for Korea. He also believed that "a small

country” like South Korea should be dependent on a hegemonic nation of the world for its survival. He showed his willingness to abandon his nation’s economic sovereignty in his column. The column showed the novelist’s dependent mind on “Empire Earth,” another name for “Empire America.”

D. NEWS SOURCES

Although both newspapers relied heavily on the contents of international news media and took much information from them, they showed a difference in terms of political colors of news media and economic celebrities they chose to quote.

Hangyoreh took a couple of quotes from *The Nation* (43), which was defined by *Hangyoreh* as a liberal U.S. weekly magazine, when it criticized deregulation policies as major causes of financial market failures. *Hangyoreh* introduced an article of *The British Guardian* in another article (22), in which Joseph Stiglitz, an economics professor at Columbia University, said that “the U.S. financial system failed.” *The British Guardian* is known for expressing a central-left liberalist view. *Chosun* never quoted from *The Nation* or *The British Guardian*.

The economic celebrities who were quoted in *Hangyoreh* expressed a different view from *Chosun* in a way that only *Hangyoreh* showed the opinions of Joseph Stiglitz and Paul Krugman in its articles. Joseph Stiglitz was quoted as saying that “the U.S. financial system failed” (22). He also “talked bitterly about the hypocrisy of the market” in another *Hangyoreh* article (52). *Hangyoreh* also quoted Paul Krugman’s column in *The New York Times* “comparing the current U.S. financial market with the Russian roulette game” (22, 41). Paul Krugman is considered to be a political liberal and Joseph

Stiglitz is known for his critical view of the management of globalization and the International Monetary Fund (IMF). Paul Krugman and Joseph Stiglitz were never quoted in *Chosun* articles.

It was interesting to see that *Chosun*'s columns (49) suggested that Korea should consider changing its national currency to the U.S. dollar, based on the argument by Robert Barrow, a U.S. economist. According to the column, "Robert Barrow has already recommended that we adopt the U.S. dollar as the national currency when he analyzed our economy in 2001." Robert Barrow is a senior fellow at the Hoover Institution whose mission statement is the following: "Representative government," "private enterprise," "peace," "personal freedom," and "the safeguards of the American system" (Hoover, 2010).

CHAPTER 6

CONCLUSION AND DISCUSSION

This discourse analysis showed that Korean newspapers, regardless of their political orientations, were meshed with American hegemonic ideology during the financial crisis in 2008. The Korean newspapers assumed that the Korean economy would be determined by the development of the U.S. financial crisis. There were few questions about the assumption in the articles of both newspapers. The newspapers took it for granted that the Korean economy would be conditioned by the American economy. The concern seemed to be real to both newspapers, since America was the center of the world and Korea was in the periphery of the world. When even the United States seemed to be unable to deal with the situation, it seemed impossible for Korea to get through it. Thus, only when the U.S. economy recovers will Korea be able to find a way to solve its economic problems according to the view of both newspapers. There seemed to be little autonomy for Korea to control its own economy, according to the newspapers.

The Korean newspapers also shared a common belief that Korea might follow the same path of American failure. For that reason, even when there was little subprime mortgage loan in Korea, unlike the United States, the articles of the two newspapers expressed concern that Korea might have a “Korean subprime mortgage crisis.” The idea of presuming Korea to be symmetric with the United States showed how Korean newspapers were locked into the American hegemonic ideology.

On the other hand, it also seems true that *Hangyoreh* showed a more serious criticism against American capitalism than *Chosun*. *Hangyoreh* revealed its unique questions about American capitalism itself in a couple of articles. In that sense, *Hangyoreh* was different from *Chosun*, which said that the global financial market will continue to revolve around the heart of the American financial system or Korea should adopt the U.S. dollar as its national currency. The difference between *Chosun* and *Hangyoreh* might come from their different political orientations: conservative and progressive.

It should be worthwhile to point out that the difference between *Chosun* and *Hangyoreh* seemed similar to a difference between American Republicans and Democrats. *Hangyoreh* showed a critical stance against deregulation, privatization, and liberalization in attacking the American “neo-liberalism,” while *Chosun* hardly tried to connect the causes of the financial crisis with the policies of Reagan and Thatcher administrations. It was also noticeable that only *Hangyoreh* quoted liberal media and economists such as *The Nation*, *The British Guardian*, Paul Krugman, and Joseph Stiglitz, whereas *Chosun* never quoted them. Thus, it would be unreasonable to say that *Hangyoreh* was not meshed with American hegemonic ideology because it showed a more serious criticism against American capitalism. Rather, *Hangyoreh* faced an ideological boundary similar to the one faced by U.S. liberal Democrats. In that sense, the difference rather showed more concrete evidence that the Korean newspapers were meshed with American hegemonic ideology.

With Hallin’s (1986) framework, I can also say that the Korean newspapers during the 2008 financial crisis rarely presented opposing views against the sphere of

consensus and most Korean journalists supported consensual values. In this case, consensual value might be that the Korean economy will be conditioned by the development of the U.S. economy while legitimate controversies might be that the Korean economy will be different from the development of the U.S. economy or Korean economy should not follow the “neo-liberal” policies suggested mostly by *Hangyoreh*. There seemed little deviance of Hallin’s framework in the two Korean newspapers except for dominant consensual values and marginalized legitimate controversies.

I think my study fits with the ideas of scholars that I mentioned in the literature review in many ways: We tend to perceive and pick out something that was widely held for us by our culture (Lippmann, 1922). News frames make the world beyond direct experience look natural (Gitlin, 1980). News reflects and, in turn, shapes the prevailing values of society in a particular historical context (Fowler, 1991). Also, hegemony is an order in which a certain way of life and thought is dominant (William, 1960).

During the 2008 financial crisis, America-centered ideology might have looked natural to Korean journalists of the two newspapers considering their historical context. Thus, they might have picked out facts and logics that would fit with a prevailing and dominant thought of their society. As a result, the two Korean newspapers might have framed news of the financial crisis based on Koreans’ dominant thought: American hegemonic ideology.

However, I am not saying that all the articles of the two newspapers were constructed only according to Korean journalists’ mystified beliefs of American hegemonic ideology. I think their articles represent the reality of the 2008 financial crisis to some extent. As Park (1999) said, hegemony is not necessarily based on false

consciousness, mystification, or distortion. It might be true in many ways that the United States has been the financial center of the world. Since the end of World War II, most international commodities have been priced and sold in U.S. dollars. It cannot be denied that the U.S. dollar has been the only global reserve currency since the end of World War II. If the U.S. financial system collapsed, there would be huge impacts to global financial markets.

Nonetheless, I doubt if the concerns about the Korean economy that Korean journalists delivered in the wake of the U.S. financial crisis represented the reality at the time. Was the Korean economy put in as that much danger as the Korean newspapers said? Did Korean journalists mirror their economy as it was? If they did, then why did the Korean economy recover without a serious recession, and why is the U.S. economy still in the doldrums?

My study could not address how much of reality was constructed in the Korean newspapers during the 2008 financial crisis, but it answered that some of it was constructed according to Koreans' beliefs of America-centered ideology that was mystified to some extent.

APPENDIX: CODING TABLE

Chosun				
Article No.	Presentation of News	Headlines	Themes	News Sources
1.	Left and Center in the front page on the 16 th . Headline is big and bold. The biggest article in the page. Words: Shock, crisis, stun, Wall Street, Global economy, one of the world's five largest investment banks, the world's largest insurer, the world's fourth largest investment bank, wiped out of history.	Wall Street Shock Hit Hard to the Global Economy 1	U.S. financial crisis triggered by Lehman's filing for bankruptcy dealt a hard blow to the global economy. Our financial market will become stabilized long-term if the market shakes off painful bad news at once.	No direct news sources but for the quotes of the <i>New York Times</i>
2.	Left below the first article in the front page. Words: Impact, external shock, inevitable, sharpest drop, storm, plunge, emergency, contingency, absorb, not a problem, acceptable.	Lehman Brother's Seoul Branch Watched 2	Korean Financial Commission monitors Lehman Brothers' Seoul Branch. The Korean market will absorb the external shock.	Korea Financial Commission, Kwang-Woo Jun (chairman of Korea Financial Commission), unnamed financial experts.
3.	Right below the first article in the front page. Words: Sharply lower, surprising, jolted, plummet.	World Stock Markets Sharply Lower... China Made a Surprising Interest Rate Cut 1	The world's stock markets were jolted by the news of Lehman's filing for bankruptcy.	No direct news sources
4.	Center-right, the biggest article in the second page. Headline is big and bold. Words: Unavoidable impacts, financial hurricane, domino defaults, global financial market, crash, advanced nations such as the U.S., emerging nations like South Korea, catastrophic concern, crisis, collapse, soar, inevitable, blow,	Unavoidable Short-Term Impacts on the Domestic Stock Market, Foreign Exchange Rate and Export 2	The negative impacts on the Korean markets are unavoidable for the short-term. The Korean financial market will settle down for the long-term.	Hak-Ju Kim (Samsung Securities' analyst), Jae-Un Kim (Hanadaetwo Securities' analyst), Hak-Gyun Kim (Korea Investment and Securities' analyst), Se-Jung Kim (Shin Young Securities' analyst), A unnamed senior official of a Korean bank,

	negative impact, positive outlook, recover, short-term, long-term, little trouble, even in the worst scenario			Korean Financial Commission.
5.	Center-left, the biggest article in the third page. Headline is big and bold. Words: Collapse, World's largest, Wall Street capitalism, bankrupt, sold, taken the reins in global financial markets for the past 100 years, unpredictable situation, largest bailout plan in U.S. history, sharply lower, obsolete, irreparable damage, the principle of the market, the survival of the fittest, more blood, next victims, once-in-a century financial crisis.	Three of the World's Five Investment Banks Collapsed 1	Lehman Brothers filed for bankruptcy and Merrill Lynch was sold to Bank of America while AIG and Washington Mutual are mentioned as the next victims of the financial crisis.	No direct news sources but for the quotes of Alan Greenspan.
7.	Left below the above article in the third page. Words: Emergency measures, on the brink of chaos, collapse of Lehman Brothers, inject, rate cut, secure funding.	European Central Banks Injected 43 Trillion Won Into Financial Markets...Each Nation Desperate to Stem the Financial Crisis From Spreading. 1	Nations around the world announced emergency measures to stabilize the financial markets.	No direct news sources.
8.	The third editorial in the editorial box of the 27th page. Words: Government, bond, credibility of our nation, ignorant, international market, what if, spur-of-the moment decision, thoughtless, rumor, should not let down its guard, uncertain, at any moment.	Where Has Government's Promise Gone? 2	Government should not make a mistake again in implementing its financial policies since the financial crisis shocks can come to the domestic market at any moment.	No direct news sources.

9.	<p>Left and Center in the front page on the 17th. Headline is big and bold. The biggest article in the page.</p> <p>Words: U.S.-originated financial shock, drove global financial markets to panic, collapses, 51 trillion won evaporated, foreign investors, Wall Street, epicenter of the meltdown, exchange rate soared, plunge, biggest, plummet, if needed, joint meeting.</p>	<p>The Largest Shock Ever to the World Economy Since 9/11 1</p>	<p>Global stock markets, including Korean stock market, plunged because of the U.S. financial crisis.</p>	<p>No direct news source.</p>
10.	<p>Center below the above article in the front page.</p> <p>Words: World's largest, at risk of insolvency, downgraded, liquidity crunch, collapsed, emergency fund, bankruptcy, desperate situation, plunges.</p>	<p>American International Group (AIG) Also At Risk of Insolvency 1</p>	<p>AIG is also in a danger of bankruptcy.</p>	<p>No direct news sources but for the quotes of the <i>Wall Street Journal</i>.</p>
11.	<p>Center in the third page. Special headline on the top encompassing three related articles of the page. It has its own headline in bold too.</p> <p>Words: Driven, brink of bankruptcy, largest victims of the U.S.-originated financial crisis, vicious cycle, inevitable, economic anxiety, tightening money, virtually bankrupt, economic sluggishness, series of bankruptcies, vicious circle of financial difficulties.</p>	<p>Small- and Medium-Sized Firms Driven to the Brink of Bankruptcy in a Liquidity Crunch 2</p>	<p>Small and medium sized Korean companies have become the victims of the U.S. financial crisis.</p>	<p>Unnamed Korean bankers, Min-Geun Bae (a senior researcher at LG Economic Research Institute), a unnamed CEO of a small Korean company, Sun-Young Hong (a deputy director of Small Business Institute), an official of Dan-Sung Electronics.</p>
12.	<p>Left below the above article. One of the three articles under the special headline.</p> <p>Words: Fall, hell, crash, moan, plunge, panic, worry,</p>	<p>"Falling Into Hell" 2</p>	<p>Korean stock investors felt devastated as the market plunged.</p>	<p>Unnamed Korean stock investors, unnamed stock broker, Jin-Woo Lee (a team leader of the futures trading team at Nong-Hyup Bank)</p>

	devastated, shouts and yells.			
13.	An article below the above article. One of the three articles under the special headline. Words: Brutally, offensively, sell like crazy, frantic selling, largest sell-off, the philosophy of do not question,	Foreign Investors Brutally and Offensively Sold 604 Billion Won 2	Korean stock market plunged as foreign investors sold Korean equities in large scale. The selling rallies will stop before long.	Hyeon-Seok Oh (a senior analyst at Samsung Securities), Peter Ledford (a securities analyst at Barclays Capital Management), Sung-Joo Kim (a chief analyst at Daewoo Securities)
14.	Center on the 4th page. Special headline on the top of the page encompassing three related articles of the page. It has its own headline in bold too. Words: Little risk, no problem, anxious calls from customers, worry, epidemic fear, secured, safe, law, protect.	Little Risk in Money Market Fund: “No Problems in Paying Benefits,” According to Korean Financial Supervisory Service 2	There would be little problems for Korean account holder of AIG to claim insurance premiums even in the worst-case scenario.	Bohyeong Jang (a research fellow at Hana Financial Institute), An official at the Financial Supervisory Service , Hee-Bong Cho (a director of asset management at Hana Bank)
15.	Right below the above article. One of the three articles under the special headline. Words: Lost 66 percent, considerable loss, a victim of the financial crisis, negligible, will not affect,	The National Pension Fund Lost 66 Percent of an 83.8 Billion Won Investment 2	The National Pension Fund will see a considerable loss with the Lehman’s filing for bankruptcy.	An official of the Financial Supervisory Service , an official of the domestic financial industry
16.	An article below the above article. One of the three articles under the special headline. Words: Emergency measure, inject money, the anxiety of the market, the U.S. crisis,	The U.S. Injects Additional \$50 Billion and the EU 100 Billion Euros 1	Governments around the world, including the U.S, China, Japan, and EU, have introduced emergency measures with the development of the financial crisis.	No direct news sources but for the quotes of Ben S. Bernanke (Chairman of FRB), Xinhua (Chinese official news agency), Kyodo News .
17.	Centered on the 5th page. Special headline on the top of the page encompassing three related articles of the page. It has its own headline in bold, too. Words:	Will the Subprime Mortgage Default Crisis Spread to Derivatives? 3	There is a growing anxiety that the financial crisis might spread to an enormous amount of derivatives as AIG is driven to	No direct news source but for the quotes from The Wall Street Journal and William O’Connor (a financial director at New York–based law firm,

	Default crisis, hurricane, swept, overturned, anxiety, financial crisis, bankruptcy, downgraded, heavy losses, concern.		bankruptcy.	Cromwell and Moring)
18.	Left below the above article. One of the three articles under the special headline. Words: Correctly predicted, economics professor at NYU, warned, bankruptcy tsunami, bank run, sentenced to death, die away, ruined, gloomy outlook, another crisis.	“America’s Economic and Financial Crisis Is Barely in the Third Inning” 1	Nouriel Roubini gave a gloomy outlook about American economy.	No direct news source but for the quotes of Nouriel Roubini (NYU economics professor)
19.	An article below the above article. One of the three articles under the special headline. Words: Dangerous situation, financial crisis, Great Depression, Dean, Virginia University, Britain’s leading company, once-in-a century crisis, recession, worse, sure to overcome this crisis, the worst has passed, optimistic, restructure, global economy, Harvard, Pennsylvania’s Wharton School.	“A Crisis Comparable to the Great Depression” Versus “The Worst Has Passed” 1	Some economic experts said the financial crisis is comparable to the Great Depression while others said the crisis hit the bottom.	No direct news source but for the quotes of Robert Bruner (dean of the Graduate School of Business at Virginia University), Richard Branson (president of Britain’s Virgin group), Alan Greenspan (the former chairman of the U.S. Federal Reserve), Kenneth Rogoff (professor at Harvard Graduate School of Administration), Jeremy Siegel (a professor at Pennsylvania’s Wharton School), AP, <i>Wall Street Journal</i> .
20.	Centered on the 6th page. Special headline on the top of the page encompassing three related articles of the page. It has its own headline in bold, too. Words: Growing concern, plummet, sharp drop,	A Surge of Underwater Homes in the Auction Market 2	Korean real estate market might suffer from a sharp drop in home prices as the U.S. subprime mortgage crisis has jolted the global financial market.	Eun Kang (a researcher at Jiji Real Estate Auction), Kyu-Bok Lee (a researcher at the Korea Finance Institute), A representative of M Savings Bank, Won-Gap Park (vice

	vicious cycle, loss, fall sharply, delinquency rate, worrisome, significant impact, continued macro-economic downturn, insolvency.		Many experts think they will not see large-scale insolvency because of government regulation.	president of Speed Bank), Deok-Bae Park (a professional researcher at Hyundai Institute).
21.	Right below the above article. One of the three articles under the special headline. Words: Monitor, plummeting home prices, completely different, unlikely, if... cannot rule out the possibility.	Government to Announce Measures on the 19th as Concerns of the Real Estate Market Grow 2	Government will launch a proactive measure about the sluggish real estate market.	An official from the Korea Finance Ministry.
22.	An article below the above article. One of the three articles under the special headline. Words: Chaos, dependent on the U.S. real estate market, real estate bubble, drop, decline, a second shock of the housing market bubble, small signs of recovery, stabilize.	Price Rebounds in Some Areas of the U.S. Housing Market 1	Home prices in some areas of the U.S are rising. The U.S. economy could experience a second shock of the housing market bubble burst.	Kun-Tae Lee (a researcher at LG Economic Research Institute), Joong-Bo Kwak (a researcher at Hana Securities), Hak-Ju Kim (a researcher at Samsung Securities).
23.	Left and Center of the 8th page. Words: Panic, minimize the shocks, financial crisis, emergency, calm and cool, psychological effects, not ours, not big, short-term shock, in the long run, full-scale economic slowdown, global economic recession, keeping a close watch over the situation.	Presidential Office Says to Stop Panic From Spreading 2	The Presidential office said that the financial crisis is not closely linked to Korean domestic financial market. If the U.S. financial crisis develops into a full-scale economic slowdown, it could be a significant blow	South Korea President, the Presidential Office, A key presidential official.

			to the domestic economy.	
24.	Left below the above article. Words: Cooperate, financial crisis, bipartisan cooperation.	Opposition Parties Agree to Cooperate in Addressing the Financial Crisis 2	Opposition parties said they would cooperate in addressing the financial crisis.	Se-Gyun Jeong (representative of the Democratic Party), Hoei-Chang Lee (chairman of Liberty Forward Party).
25.	Left of the 19th page. Words: Financial crisis, presidential election, image battle, reform, economic crisis, economic insecurity.	“The Economic Problem-Solver Is Me” 4	The two U.S. presidential candidates each argued that they are the economic problem solvers.	No direct news sources but for the quotes of Barack Obama, John McCain, Politico, Center for Responsive Politics.
26.	Right of the 19th page. Special headline on the top encompassing two related articles of the page. Words: Wall Street, Not care, making the global market chaotic, reap, bonus, incentives.	CEOs Still Make Big Money on Wall Street, No Matter What 4	The CEOs of the Wall Street still make big money even though their companies collapse.	No specific news source but for the quotes of the <i>New York Times</i>
27.	An article below the above article. One of the two articles under the special headline. Words: Wall Street’s gurus, top tycoons, Wall Street’s map, household name, huge psychological impact	Lehman Brothers: 158 Years of History, 2 Hours to be Wiped Out of the Market 1	Lehman Brothers’ destiny was determined after the two-hour meeting of the Wall Street’s gurus.	No specific news source but for the quotes of the <i>New York Times</i> , <i>Financial Times</i> and <i>CNN</i> .

28.	<p>The first editorial on the 31st page. Right and top in the editorial box.</p> <p>Words: Plunge, decline, fall, lost, plummet, Wall Street's financial hurricane, panic, the world's largest, fourth largest, emergency fund, Wall Street, the world's financial center, the vulnerability of American financial capitalism, financial deregulation and derivatives investment, money game, as if galloping alone, key driver of economic growth, three of the world's largest investment banks, collapsed, how fragile our economy and financial markets.</p>	The Direction of Wall Street's financial Hurricane 2	The Korean government and business community should carefully manage the weak parts of our internal economic system while keeping an eye on where Wall Street's financial hurricane is taking place.	No specific news source.
29.	<p>A commentary on the 31st page. Left and bottom.</p> <p>Words: International financial tsunami, the world's largest insurance company, moribund state, lucky for KIC, secure safety measures.</p>	What the Bankruptcy of Lehman Brothers Awakens In Us 2	It seems essential to secure safety measures when we try to invest in overseas market.	No specific news source.
30.	<p>Left and Center. The top article of business section page 1.</p> <p>Words: Golden age of American capitalism, flaw of American-style laissez-faire financial capitalism, reckless money race, the perfect system to increase wealth, revolve around the heart of the American financial system, trend, managed capitalism, regulation and government intervention, carelessly,</p>	The Lehman Brothers' Hurricane: Will the American-Style Financial System Cease to Exist? The U.S. Economy Has Exposed the Limits of Laissez-Faire Capitalism 3	The U.S. financial system has exposed the limits of laissez-faire capitalism.	An official at the Bank of Korea, Woon-Hwa Choi (CEO of Commonwealth Business Bank).

	blind faith, inability, overuse of securitization techniques, symbol of advanced financial techniques of American capitalism, another form of debt built on debt, a chain of insolvency, the myth of financial engineering, the end of the money-race game, the artificially made financial bubble.			
31.	Left and Center. An article of business section page 2. Words: Little chance, low, if the U.S...., different, cushioning zone, indirect impacts from the U.S. financial crisis, psychological withdrawal, psychological impacts, uncertainty, financial market turmoil.	Slowdown in Domestic Housing Market Expected to Continue 2	Korean experts say that the demand of the domestic housing market will decrease even more if the U.S. credit crisis continues. Korean experts say that there is little chance that the domestic housing market will have a subprime mortgage crisis similar to the American situation.	Ji-Won Lim (chief economist at JP Morgan), Kyung-Hwan Kim (economics professor at Sogang University), Yong-Man Lee (professor at the Department of Real Estate of Hansung University), Duk-Bae Park (senior researcher at Hyundai Research Institute).
32.	Left, small. An article of business section page 4. Words: Plummet, the biggest decline, Wall Street's shock, loss.	Securities Companies' Shares Plummeted 2	Securities Companies' Shares Plummeted as Wall Street's shock jolted the market.	An official of Hyundai Securities.
33.	Bottom. An article of business section page 4. Words: Regret, research, showed, returned to its original level, rebound, crisis, shock, long-term perspective, volatile market, fundamental improvement.	Just Hold On for 16 Months? 2	A recent research showed that the global stock markets would return to their previous levels within 16 months.	David Proud (CEO of Fidelity Asset Management), Yong-Suk Ryu (Chief investment analyst at Hyundai securities).

34.	Center. An article of business section page 11. Words: Plunge, the largest decline, feel insecure, undesirable to sell stocks, long-term investor, take advantage of the recent plunge.	What Should I Do With My Funds? 2	Some experts say the investors should sell stocks when the market rebounds, while others say it is desirable to continuously put monthly savings into equity funds.	Chul-Hee Lee (chief researcher at Dong-Yang Securities), Eun-Hee Yang (chief analyst at Korea Securities), Jung-Hwan Kim (chief analyst at Woori Investment and Securities), Yong-Kyu Lee (analyst at Mirae Asset Securities), Kye-Wong Lee (director at Good Morning Shinhan Securities).
35.	Right. An article of business section page 11. Words: Number 3 U.S. investment bank, one of the largest investment banks, stumbling, growing concern, unexpectedly good performance.	No One Knows When Financial Stock Funds Will Collapse 2	Experts say that the investors should be more cautious as there has been a growing concern about the global financial stock funds.	Kye-Wong Lee (director at Good Morning Shinhan Securities).
36.	Right and top. An article of the front page on the 18th. Words: Teetering on bankruptcy, emergency funds, jumped, dive, positive gains.	AIG Saved From Death 1	The U.S. central bank announced a bailout plan for AIG. The global financial market turmoil has continued.	No specific news source.
37.	An article below the above article on the front page. Words: Loss, jeopardy of bankruptcy, surged, severely damaged,	KIKO Loss Might Be Two Trillion Won...Small- and Medium-Sized Businesses in Jeopardy of Bankruptcy 2	Small and medium sized Korean companies might get severely damaged from the KIKO	Financial Supervisory Service, Nam-Hun Kang (director at the Federation of Small Business).

	growing concern, liquidity crisis, suffered a loss, unexpectedly devalued.		contracts as the Korean won against the U.S. dollar surged.	
38.	Right and top. An article of the second page. Words: Confidence in the Korean economy.	The President Said, "I Will Buy a Stock Fund." 2	Korean President expressed his confidence in the Korean economy and the stock market.	Myung-Bak Lee (President of South Korea)
39.	Center and top. An article of the third page under the special headline. Words: Desperate, swamp, freezing up, steering role in the global economy, scrambling, get worse, quite lower than a 20-percent growth rate, big concern, of no use, too dark to see.	Slowing World Business...Korean Export Businesses Have Become Desperate 2	Korea could see the exports and domestic markets contract simultaneously as the global economy is worsened by the U.S. financial crisis.	Sung-Tae Lee (Chairman of Bank of Korea), Deuk-Gap Kim (senior researcher at Samsung Research Institute), An official at Hyundai Motor, Chan-Kuk Heo (head of the economic research center at Korea Economic Research), Do-Seok choi (CFO of Samsung Electornics).
40.	Left. An article below the above article. One of the three articles under the special headline on the third page. Words: Ticking time bomb, bankruptcy, suffer a loss, portend, a series of bankruptcies, vicious cycle.	Companies With KIKO Losses Will Have a Hard Time Finding Funding 2	Companies with KIKO losses might face a series of bankruptcies.	An executive of a company, San-In Kim (President of the joint meeting of the companies damaged by KIKO), Ji-Yeon Jung (Small Business Federation), Hyun-Sik Moon (Meritz Securites)
41.	Left and bottom. An article below the above article. One of the three articles under the special headline on the third page. Words: Considerable loss, suffer, drops.	Loss Inevitable for ELF Investors 2	Investors of equity-linked funds (ELF) affiliated with the shares of Lehman Brothers will suffer a considerable loss.	Financial Supervisory Service.
42.	Center and top. An article of the 4th page under the special headline. Words:	Bad Housing Loans, Small and Medium Businesses' Financial Difficulties...Even Small Shocks Rock	The most vulnerable areas of Korean economy will be bad housing	Ten Korean economic experts. Please, refer to the

	Rages on in full-scale, financial shock, vulnerable areas, liquidity crunch, hit hard, if the worldwide credit crunch continues... financial anxiety, hit a peak.	the Market 2	loans, construction companies and small businesses if the U.S.-originated financial crisis rages on in full-scale.	table 3 in chapter 4.
43.	Left. An article below the above article. One of the three articles under the special headline on the 4th page. Words: Excessive anxiety, financial turmoil, painful reforms, restore trust, cooperate, overcome, overly scared, not more exposed, spectacular development, challenge for Korea.	“I Feel Rather Perplexed About Korea’s Excessive Anxiety” 2	The managing director of IIF said that Korea is overly scared about the financial crisis.	Charles Dallara (managing director of IIF)
44.	Left. An article below the above article. One of the three articles under the special headline on the 4th page. Words: Optimistic views, rosy outlook, redeem the shares at a good price.	Korean Equities Can Be Bought at a Bargain if Foreign Investors Sell Them at a Bargain 2	The Presidential Office expressed an optimistic view that Korea can overcome the U.S. financial crisis.	A key official from the Presidential Office.
45.	Center and top. An article on the 5th page under the special headline. Words: Ticking bombs, next victims, the largest savings bank, fall, fail, shake off, questionable.	The Next Ticking Bombs Are the U.S. Washington Mutual and the British HBOS 1	WaMu and HBOS are considered to be the next possible failures with the development of the financial crisis.	No specific news source but for the quotes from AP, BBC, <i>Washington Post</i> , <i>New York Times</i> .
46.	Left. An article below the above article. One of the three articles under the special headline on the 5th page. Words: Declared, made a decision, government	Money Market Funds Might Collapse if AIG Fails 1	The U.S. government decided to bail out AIG since it worried that the collapse of AIG would bring a disaster to the global financial	No specific news source but for the quotes from <i>the Wall Street Journal</i> and <i>Financial times</i> .

	interference, disaster to the global financial market, worry.		market.	
47.	Left. An article below the above article. One of the three articles under the special headline on the 5th page. Words: Slight rebound, fall, plunge, rumors.	Stock Markets of China, Hong Kong, and India Still Ache 1	Some Asian stock markets were still in decline. Most stock markets showed a slight rebound.	Seung-Ju Cho (researcher at Korea Investment & Securities).
48.	Right and top. An article of the 6th page. Words: Role model, tarnished around the world, worldwide Korean investment bank, pure investment-banking model.	Sudden Brakes on Plan to Privatize Korea Development Bank 2	Congressmen argued that the plan to privatize KDB couldn't proceed because the role model was tarnished.	Jong-Gu Lee, Sa-Cheol Lee, Seung-Deok Go (Congressmen), Man-Su Kang (Finance Minister), Kwang-Woo Jeong (chairman of the Financial Supervisory Committee).
49.	Center. A column on the 30th page. Biggest one out of 4 columns on the page. Words: Suffer from the fluctuating exchange rate, globalization, extra burden, empire earth, the last empire of human beings, social cohesion, effective information processing, standardization, network effect, dollarization, benefits, global standard, national psychological blow, for a small nation, a way to survive.	A Way to Stabilize the Exchange Rate 2	Korea should adopt the U.S. dollar as the national currency to stabilize the exchange rate.	Robert Barro (a U.S. economist, Harvard professor)
50.	Top editorial in the box of editorials on the 31st page. Words: Panic, in the wake of the financial crisis, falling home prices, sell-offs, the possibility of a Korean subprime mortgage crisis, Korean	Government Should Put Forth Measures to Prevent the Korean Economy From Plunging Into a Financial Crisis Resulting From the Crash of the Real Estate Market	Government should put forth measures to prevent the Korean economy from plunging into a financial crisis.	No specific news source.

	version of financial crisis, anxiety.	2		
51.	A column on the left of the 31st page. Words: Suffer, leadership, damage, uncertainty, trustworthiness, restore confidence.	Government Should Be Honest to Get Through the Financial Crisis 2	Government should be honest to get through the financial crisis.	No specific news source.
52.	Left and top. An article on the front page of business section. Words: Captains, ships, sinking, puzzled, astronomical amount, American-style capitalism, quick return.	CEOs of Wall Street Have Compensations Without Any Responsibility 4	CEOs of Wall Street get paid millions of dollars while their companies are collapsing.	Woo-Ran Kang (Researcher at Samsung Economics Research Institute)
53.	Center. An article on the 2nd page of business section. Words: Culprit, fan public anxiety, once-in-a-century crisis, heighten a sense of crisis, pessimistic view	Alan Greenspan: Being Subject to Scrutiny and Fanning Public Anxiety 4	Alan Greenspan is criticized as the culprit who let today's financial crisis occurring.	Wall Street Journal William Fleckenstein and Frederick Sheehan
56.	Right and bottom. An article on the 4th page of business section. Words: Decline, extraordinary, its own liquidity crunch, plummet.	Russia Does Not Seem to Be Doing Well 1	Many stock experts believe that the Russian stock market is plunging because of other issues rather than the U.S. financial crisis.	Jae-Hwan Heo (researcher at Daewoo Securities), Su-Min Seo (a researcher at Mirae Asset Securities).

Note: I coded 53 articles in total. With approval from my faculty advisor, I have summarized five articles (Article No. 6, 54, 55, 57, 58) in one sentence, as they are not directly pertinent to my research but still provides useful background information if needed.

Hangyoreh				
Article No.	Presentation of News	Headlines	Themes	News Sources
1.	<p>Left and Center in the front page on the 16th. The biggest article in the page.</p> <p>Words: Fears, inevitable, the world's largest insurer, the heart of the world's financial system, catastrophic, the greatest threat, domino bankruptcies, the possible global economic recession in accordance with the U.S.-originated financial crisis.</p>	<p>Growing Fears on U.S. Wall Street of "Domino Bankruptcies"...Inevitable After-Storms Coming to the World's Financial Market 1</p>	<p>There is a growing fear that subprime mortgage defaults will bring forth "domino bankruptcies to the world's financial system with the news of Lehman Brothers' filing for bankruptcy. President George W. Bush said that he had confidence that the U.S. economy would adapt to the situation since it has flexibility and resilience.</p>	<p>No direct and specific news sources.</p>
2.	<p>Right. An article of the 2nd page.</p> <p>Words: Stopped, collapse of financial market's foundation, fundamentally different, domino bankruptcies, worry, U.S. government's will, in the long term, the possible economic recession in accordance with the U.S.-originated financial crisis.</p>	<p>International Funding Was Nearly Stopped 2</p>	<p>The Lehman Brothers' filing for bankruptcy will cause difficulties for Korean financial firms in raising international capitals. There is a positive outlook that the situation will contribute to the financial market stabilization in the long term.</p>	<p>A senior official of the Korea Financial Commission, A chief financial officer of Woori Financial Group, Man-Ho Yun (strategist at Korea Development Bank).</p>

3.	<p>Right below the above article on the second page.</p> <p>Words: Substantial loss, absorb, external shock, little damage, limited, manageable, benefit.</p>	<p>Korean Investment Corporation Will Reap More Than \$100 Million in Capital Gains Owing to Bank of America's Acquisition of Merrill Lynch 2</p>	<p>Korean Investment Corporation will reap \$108 million owing to BofA's acquisition of Merrill Lynch. The Lehman's filing for bankruptcy will bring a substantial loss to domestic financial firms.</p>	<p>Kwang-Woo Jun (chairman of Korea financial Commission), Young-Je Cho (Korea Financial Supervisory Committee), An official of Korea Financial Commission, Bloomberg.</p>
4.	<p>Center and top, the biggest article on the third page.</p> <p>Words: Few cards, the aftermath, dramatic, systemic change, two huge pillars, fundamentally flawed, inevitable, fail.</p>	<p>U.S. Government Has Few Cards to Play...Hard to Calm the Aftermath 1</p>	<p>It does not seem to be easy for the U.S. government to calm the aftermath of the financial crisis.</p>	<p>No direct news sources but for the quotes from <i>Wall Street Journal</i>, <i>New York Times</i>, ABC, Bloomberg.</p>
7.	<p>Left and top. The biggest article of the business section page 1.</p> <p>Words: Expected, shock, all agreed, severely damaged,</p>	<p>The U.S.-Originated "Financial Hurricane" Will Strike a Hard Blow to Investors' Confidence 2</p>	<p>Stock market experts all agreed that the impacts of the U.S. financial crisis would be serious. Some experts</p>	<p>Kyung-Soo Lee (analyst at Taurus Securities), Hak-Gyun Kim (Korea Investment and Securities), Jeong-Woo Lee (HMC Securities)</p>

	psychological effects, market anxiety, long-term, uncertain.		say that the financial crisis would be likely to calm down in the long term perspective	
8.	An article below the above article on the same page. Words: Sudden sale, sharp fall, dive, the lowest point, plunge, concerning.	Asian and European Stock Markets Both Collapsed 1	Asian and European stock markets collapsed with the news of Lehman's filing for bankruptcy.	Stock market experts.
9.	The second editorial in the editorials' box. Words: Market confidence, sold, collapsed, bubble burst, shocking incident, worried, instability, on alert, reckless, doubt, inability, once-in-a-century crisis.	Government Should Rebuild Market Confidence to Get Through This Big Financial Storm 2	Korean government should improve the fundamental economic strength and restore the market's confidence to overcome the crisis.	No direct news sources but for the quote of Alan Greenspan.
10.	Left and Center. Top news of the front page on the 17th. Words: Tsunami, black Monday, panic, plunge, soar, dampen, plummeting, not likely to stop.	The U.S.-Originated Financial Tsunami Drove Korean Markets Into Panic 2	Korean stock markets plunged and the Korean won against the U.S. dollar soared with the news of Lehman's filing for bankruptcy.	Jin-Gyeong Seong (Daishin Securities).
11.	Center, below the above article on the front page. Words: Crashed all together, the world's largest insurer, aftershocks, sharply lower, plummet, jitters.	AIG also at Risk of Bankruptcy... the World's Stock Market Also Plunged 1	Stock markets around the world plummeted with the news of Lehman's filing for bankruptcy.	No direct news sources.
12.	Left and center Top of the 2nd page under the special headline. The whole page is filled with four related articles.	Direct Hits to Korean Economy in the Form of Soaring Korean Won, Price Instability, and Credit Crunch 2	The U.S. financial crisis made direct impacts to Korean economy.	Hae-Sik Park (Korean Financial Research), Kyung-Chae Chung (Korea Development

	Words: Rocked, too sensitive, short-term shocks, sell rally, exacerbate, international financial market.			Bank).
13.	Right. An article beside the above article. One of the four articles under the special headline on the same page. Words: Suspend, emergency meeting.	Lehman's Two Seoul Branches Suspended 2	Lehman's two Seoul Branches were Suspended.	An official of Korean Financial Commission.
14.	An article Below the article No. 12. One of the four articles under the special headline on the same page. Words: Lost, damaged, huge, growing concern.	National Pension Fund Get Damaged in the Financial Crisis 2	National Pension Fund lost 66.3% of the principal from investing into Lehman Brothers, Merrill Lynch, and AIG.	Hee-Mok Won (Congressman).
15.	An article beside the above article. One of the four articles under the special headline. Words: Insecurity, inevitable, psychology, instability, shocks, closely monitor, long-term.	Government Says Insecurity Is Inevitable for the Time Being 2	Government said that insecurity would be inevitable for the time being. Government said that the financial crisis help mitigate the credit crunch in the long-term perspective.	Kwang-Woo Jeon (chairman of Korea Financial Committee), Dong-Soo Kim (undersecretary of the Finance Ministry).
16.	Center. Top of the 3rd page under the special headline. The whole page is filled with three related articles and an advertisement. Words: Collapse, hidden losses, anxiety,	Washington Mutual Fund is In Danger of Collapse... "Hidden Losses" Amplified Anxiety 1	WaMu and AIG are in a danger of collapse as the financial crisis worsened.	No direct news sources but for the quotes from CNBC, Bloomberg, Wall Street Journal, New York Times.

	domino bankruptcies, tsunami, shock, crisis, next victim, once-in-a-century crisis.			
17.	An article below the above article. One of the three articles in the page under the special headline. Words: Concerned, anxious, insecure, protect.	Domestic Insurance Policyholders Still Concerned Despite Assurances From AIG Korea and the Korean Government 2	AIG insurance policyholders fell insecure with the news of AIG's liquidity crunch despite assurances from AIG Korea and the Korean government.	A subscriber of AIG's car insurance, Young-Koo Kang (Korea Financial Supervisory Service), AIG Korea.
18.	An article below the above article. One of the three articles in the page under the special headline. Words: Liquidity crisis, emergency, hit hard, anxiety of market, urgent request.	Europe and Japan Also Waging a War Against the Liquidity Crisis 1	Japanese and European governments started using emergency funds to reduce the impacts on their nations as the Lehman's filing for bankruptcy hit hard the world's financial markets.	No specific news source but for the quotes from AFP and Reuters.
19.	Center. Top of the 4th page under the special headline. The whole page is filled with three related articles and an advertisement. Words: Loss, plunge, anxious, restless, recover, long-term investment, wisest, wait, vicious circle of indebtedness.	Financial Loss Will Recover in 16 Months, But If All Investments Are in the Equities Market, the Portfolio Needs to be Adjusted. 2	It would be wise for individual investors to make an investment decision based on rational judgment on their financial status.	David Proud (Fidelity Asset Management), Hyung-Chu Kim (Kookmin Bank), Yun-Kyujng Je (Edu-Money).
20.	Right beside the above page. One of the three articles under the special headline on the	Stock Markets Were Devastated 2	Individual investors felt devastated as the KOSPI Index plunged.	A stock broker, Jong-Cheol Jang (Hyundai Securities), A fund

	<p>same page. Words: Mourned, angry voices, worried, frustrated, mad.</p>			<p>manager at Dong Yang Securities, A fund manager at Woori Investment.</p>
21.	<p>An article below the No. 19 article. One of the three articles under the special headline. Words: Headquarter, New York, periphery of the world, Seoul, even the U.S. government.</p>	<p>Call Min's Bluff: Korea Development Bank's Chairman, Who Had Insisted on Acquiring Lehman Brothers Several Months Ago, Pettifogged 2</p>	<p>Financial experts gave doubts to the remarks of the KDB's chairman that KDB could have successfully led the acquisition of Lehman Brothers.</p>	<p>Yoo-Sung Min (chairman of KDB), financial experts.</p>
22.	<p>Left on the page 5. The whole page is filled with two related articles under the special headline and an advertisement. Words: Crisis, turmoil, correctly predicted, out of control, collapsing of the U.S. financial system, system's crisis, Russian roulette game, pessimistic view.</p>	<p>U.S. Financial Crisis Has Hit a Peak 1</p>	<p>According to Nouriel Roubini, the current U.S. financial crisis is in the last stage.</p>	<p>Geum-Dan Hwang (Samsung Securities), the quotes from Nouriel Roubini, Joseph Stiglitz, and Paul Krugman in the articles of CNBC, British Guardian, New York Times.</p>
23.	<p>Left. An article below the above article. One of the two articles under the special headline on the page. Words: Seismic shift, crisis, fall and rise.</p>	<p>Wall Street CEOs Fall and Rise 4</p>	<p>Wall Street CEOs fell and rose during the financial crisis.</p>	<p>No direct news sources but for the quotes from CNN and Reuters.</p>

24.	<p>Right and bottom on the 8th page.</p> <p>Words: Deep concern, global financial crisis triggered by the U.S. financial crisis, fear, panic, overhaul, follow, a U.S.-style financial system, indiscriminately imitate, excessive deregulation policies, neoliberal economic system, blindly copy, state-of-the art, global standard, Korea's economic growth model.</p>	<p>Oppositional Parties Say 'Stop Imitating the U.S. Financial System'</p> <p>2</p>	<p>Opposition parties urged the government to overhaul its policy of following a U.S.-style financial system.</p>	<p>Young-Seon Park (senior vice chair of the Democratic Party's Policy Committee), Se-Gyun Jeong (representative of the Democratic Party), Geun-Chan Ryu (chairman of the Liberty Forward Party's Policy Committee), Jung-Hee Lee (spokeswoman of the Democratic Labor Party), Jian Lee (spokeswoman of the Progressive Party).</p>
25.	<p>Left and center on the 15th page.</p> <p>Words: Financial crisis, market crash, economic crisis, deregulation philosophy of the Bush administration, tighter regulation, deregulation during the Reagan and Bush eras.</p>	<p>The Financial Crisis Has Become the "Largest Variable" in the U.S. Presidential Election, Overriding the "Palin Effect"</p> <p>4</p>	<p>Wall Street's financial crisis has emerged as an important factor in the U.S. presidential election.</p>	<p>No direct news sources but for the quotes from Washington post, ABC, Barak Obama, John McCain, Stephen Wayne.</p>
26.	<p>Center. Top of the business section page 1. All four articles on the page are about the financial crisis.</p> <p>Words: culprit, time bomb, weapons of mass destruction, seismic disruption, golden goose, global investment banks, lax regulation.</p>	<p>Derivative, Once a Growth-Propelling Power of the Financial Industry, Became a Culprit of the Financial Crisis</p> <p>3</p>	<p>Financial derivatives are considered to be the culprit of the financial crisis.</p>	<p>Hwan-Jong Shin (Woori Investment), Jae-Yeop Sim (Meritz Securities).</p>

27.	Left. An article below the above article on the same page. Words: U.S.-originated financial crisis, fall, decline, lowest level.	International Oil Price at the Lowest Level in Seven Months 1	The oil price fell below \$93, the lowest level in seven month.	No direct news source but for the quotes from <i>Bloomberg News</i> .
28.	Right. An article beside the above article on the same page. Words: Worst situation, financial crisis, negative impact, uncertain, positive, hold, heavily dependent.	Export Enterprises Expected to be in the Worst Situation Around the First Half of Next Year 2	Economists predicted the first half of next year will be the most difficult time for Korean exporters. The outlook for Korean exports to China is positive.	Young-Kwan Song (Institute for International Economic Policy).
29.	Left. A commentary on the same page. Words: Neo-liberalist, global financial market, panic, American capitalism, a free economic market, neo-liberalistic globalization, Americanization, socially adjusted regulations and controls.	The Failure of the Neo-Liberalist Financial Power 3	The current financial crisis is a good example of how catastrophic the market can be under neo-liberalistic financial system.	No specific news source.
30.	Left and bottom. A small article of page 20. Words: Lehman Hurricane, clear away, the joy of gains, good shape.	Domestic Equity Funds Made Gains in 7 Weeks...but the "Lehman Hurricane" Cleared Away the Joys of Gain 2	Domestic equity funds showed profits in seven weeks as of Sep. 12 th but the "Lehman hurricane" cleared away the joys of gain .	Zero-In (funds evaluation company).
31.	Right and bottom. A column on page 30. Words: Perpetual motion	An Unwelcome Prediction 2	We should put away our vague sense of	No direct news sources but for the quotes from the

	machine, dream, permanent economic boom, virtuous circle, unwelcome prediction, wealth effect, economic meltdown, vicious cycle, vague sense of optimism, face reality.		optimism and face reality to show that Robert Brenner's unlucky prediction (East Asia will become the epicenter of the global economic crisis again) is wrong.	books (" <i>Perpetuum Mobile</i> " and "Boom and Bubble").
32.	Right. A top editorial in the editorials' box Words: Rocked, plunged, soared, groundless rumor, excessive optimism, closely monitor, restore confidence, anxiety of the market.	The Lesson of the "September Crisis" Rumor Should Be Reflected Upon 2	The government should try to reduce the anxiety of the market participants by transparently disclosing information and consistently revealing next steps of action.	No specific news sources.
33.	Left and Center. Top news on the front page of the 18th. Words: Aftershocks, emergency response, negative, loss, shaky, a major buttress of our economy, difficulties, the real economy side.	U.S. Financial Crisis Also Affecting the Domestic Real Economy 2	U.S. financial crisis is negatively affecting Korean real economy.	Seok-Woo Hong (Small Business Administration), Sung-Tae Lee (chairman of Bank of Korea).

34.	Center and bottom. An article below the above article on the same front page. Words: Downward pressures, unrest, fall, prolonged delay.	Financial Markets Still Feel the Chill, Despite U.S. Government's Emergency Assistance to AIG 1	Financial markets still feel the chill despite U.S. government's emergency assistance to AIG. Major Asian stock markets, including South Korea, rebounded.	No direct news sources but for the quotes from Bloomberg.
35.	Left and Center. Top article on the second page under the special headline. There are two articles under the special headline on the page 2. Words: Jackpot, broken, imitate U.S.-style investment banks, role models, Korean Merrill Lynch, premature dream, not improved enough.	The Equation "Investment Bank = Jackpot" Was Broken 2	The strategy of domestic banks and securities firms attempting to imitate U.S.-style investment banks was proven ineffective by Lehman Brother's filing for bankruptcy.	Jong-Gu Lee (Congressman), Byeng-Mun Jo (Kookmin Bank Securities), Jong-Tae Lee (Institute of Finance and Economics).
36.	An article below the above article. One of the two articles under the special headline. Words: Regulation, government interference, free market, communistic than China, welfare policy for the rich.	Henry Paulson Stands as a Firefighter Against the Financial Crisis 4	Henry Paulson stands as a firefighter against the financial crisis.	No direct news sources but for the quotes from British Telegraph, Bloomberg News, and CNN, Jim Rogers.
37.	Center. Top news of the 3rd page under the special headline. Three articles on the page all related with the financial crisis.	Corporations' Financial Difficulties → Export Slump → Poor Investment → Economic Recession 2	The U.S. originated global financial crisis is likely to hit the domestic real economy.	An official at the Financial Supervisory Service, A financial planner at

	Words: Recession, global economic slump, dried up, damaged, biggest victim, tumbling stock price, soaring exchange rates, holding the map to future directions, economic scale.		The crisis is not severe enough to influence Korean big companies.	a commercial bank, executives at big conglomerates, Man-Su Ji (Foreign Economic Policy Institute).
38.	An article below the above article. One of the three articles under the special headline. Words: History, sensitive to the news, overreacted, bigger influence, gravitational phenomenon, volatile, chaotic.	Why the Korean Financial Market Is So Sensitive to the News of the Financial Crisis 2	Korean financial markets are so sensitive to the news of the financial crisis because foreign investors have a bigger influence on the domestic market than in any other countries.	A stock market analyst.
39.	An article below the above article. One of the three articles under the special headline. Words: Plummet, downward trend, plunge, financial crisis, liquidity crunch.	Oil Prices Around \$80 Per Barrel 1	Oil prices have fallen to around \$80 per barrel as shock of the U.S. financial crisis have prompted their downward trend.	Jeong-Seok Oh (International Financial center)
40.	Left and Center. Top news of the page 4. One of three articles under the special headline. Words: Dark clouds, eventually spread, pessimistic, a huge financial system, vicious cycle, nearly zero, even in developed nations.	Asian Assets Show Signs of Deflation...Hong Kong Apartment Prices Down 3.2 Percent 1	Signs of asset deflation have cast dark clouds over the Korean economic outlook. Korean financial authorities believe that the possibility of Korean banks' insolvencies will be nearly zero.	An official at the Financial Supervisory Service, William Raybeck (former special advisor of the Korea Financial Supervisory Service).
41.	Right beside the above article. One of three articles under the special	The Outlook of Global Financial Experts 1	Many economic experts came up with gloomy outlooks while	No direct news sources but for the quotes of George

	<p>headline. Words: Global financial experts, gloomy, hopeful, global credit crunch, once-in-a-century crisis, Russian roulette game.</p>		<p>others expressed a hopeful view.</p>	<p>Soros, Bill Gross, Marc Faber, Alan Greenspan, Paul Krugman from BBC, CNBC, ABC, <i>New York Times</i>.</p>
42.	<p>Below the article 40. One of three articles under the special headline. Words: First, large-scale loss, inevitable, the first loss.</p>	<p>The First Regulation to Buy Back a Domestic Fund Linked to Lehman Brothers 2</p>	<p>For the first time since the Lehman's filing for bankruptcy, Korea Financial Supervisory Service ordered to stop some repurchase of domestic funds linked to Lehman Brothers.</p>	<p>Kyung-Cheol Song (Financial Supervisory Service).</p>
43.	<p>Right and Center. Top news of the page 5. One of three articles under the special headline. Words: Failure of market, return of government, France, Anglo-American style capitalism, cracked, amateur socialism, free market solution, privatization, liberalization, inherited from the New Deal, deregulation, absolute free market.</p>	<p>The Failure of Market and the Return of Government 3</p>	<p>With the development of the U.S. financial crisis, the "absolute free market" is likely to retreat while the government's intervention grows.</p>	<p>No direct news sources but for the quotes from <i>British Financial times</i>, <i>Independent</i>, <i>Bloomberg</i>, <i>The Nation</i>,</p>
44.	<p>Left. Below the above article. One of three articles under the special headline. Words: Double standard, too big to fail, big blow, using the</p>	<p>America's Double Standard 1</p>	<p>America used a different measuring stick to decide on whether to provide bailout programs to the financial companies.</p>	<p>No direct news sources.</p>

	authority, moral hazard, different measuring stick, case-by-case.			
45.	Left. Below the above article. One of three articles under the special headline. Words: Victim, swept, market anxiety.	Anxieties of Wall Street Go Across the Atlantic to London 1	A British mortgage company HBOS was considered to be the next victim of the financial crisis.	No direct news sources but for the quotes from <i>Independent</i>
46.	Left and Center on the page 6. Words: Emergency meeting, U.S.-style investment banking model, failure.	KDB's Attempt to Acquire Lehman Brothers Was Hotly Debated in Congress. 2	KDB's attempt to acquire Lehman Brothers was criticized in Congress.	Chong-Gu Lee, Seung-Deok Go, Seon-Suk Park (Congressmen), A KDB executive official.
47.	Right beside the above article. Words: Virtuous cycle, fears, unnecessary confusion, shocks, financial crisis, rosy outlook.	President Myung-Bak Lee Said, "I Will Buy a Stock Fund." 2	Korean President said that he would buy a stock fund to help mitigate domestic investors' fears against the U.S. financial crisis.	Myung-Bak Lee (President), A senior official at the Presidential Office.
48.	Left and Center. Top news on the page 18. Words: Golden age, the mecca of global financial capitalism, growing concerns, aftershocks, the end of super bubble.	The Golden Age of Wall Street Has Ended...Thousands Will Lose Their Jobs 1	Wall Street will have to face a painful restructuring period.	No direct news sources but for the quotes from <i>New York Times</i> , <i>Moody's</i> <i>Economy.com</i> , <i>AP</i>
49.	Left and bottom below the above article. Words: Reeling, plunging, the signs of the crisis, psychological impacts.	Russian Economy Suffered From the War, Oil Prices, and the U.S. Financial Crisis 1	Russian economy suffered from the war, oil Prices, and the U.S. financial Crisis.	No direct news sources but for the quotes from <i>Reuters</i> , <i>Moscow Times</i> .

50.	Left and Center. An article on the page 23. Words: No signs of end, loss.	Foreign Funds in a “Minefield”...No Signs to the End of Bad News 2	Foreign fund investors have become increasingly distressed, as the global financial crisis has continued.	Kyung-Deok Seo (Hana Securities)
51.	Right and bottom. A column on the page 30. Words: Gambler, luck, demise of U.S. investment banks, a flaw of American-style laissez-faire financial capitalism, perfect wealth system, infinite greed of human beings.	The Failure of Geniuses 3	The demise of U.S. investment banks revealed a flaw of American-style laissez-faire financial capitalism.	No direct news sources.
52.	Top editorial in the editorials’ box on the page 31. Words: Panic, financial turmoil, financial crisis, dishonesty, incompetence, myth of neoliberalism, American market fundamentalism, hypocrisy of the market, tax cuts, deregulation, privatization, disaster.	It Is Time to Discard Market Fundamentalism 2	Korean government needs to consider whether its policies are following the failed American model.	No direct news sources but for the quotes from Joseph Stiglitz.
53.	Left and bottom. A column on the same page. Words: Bankrupt, collapsed, financial capitalism, flower of capitalism, not fully developed, not free from the U.S. financial crisis.	The Causes and Countermeasures of the U.S. Financial Crisis 2	Korean government should focus on the policies to stabilize the market and also not overly respond to the crisis.	No direct news sources.

Note: I coded a total of 51 articles. With approval from my faculty advisor, I have summarized two articles (Article No. 5, 6) in one sentence, as they are not directly pertinent to my research but still provides useful background information if needed.

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