

How advancement in technology of K-pop music impact the economy in Korean

K-pop has been growing largely among the media and entertainment industry. This new development has revolutionized the perception of the popular music industry in Korea's post-developmental society. Even though some people do not understand what the song meant, the catchy music can catch on easily. K-pop has benefitted both their economy and country because K-pop concerts have contributed to make their unique traditions to people.

As technology is growing rapidly. One of the virtual technology innovations is hologram. Holography is a photographic technique that records the light scattered from an object, and then presents it as three-dimensional. The virtual performance is the illusion. The movement of the show looks realistic. Hologram concert is a creative concert which combines the mainstay of Korean singers with digital technologies to create a new revenue resource.

The advancement in technology causes the total factor of productivity (z) to increase. The rise in the total factor of productivity does the production function to shift upward and also the marginal product of labor (MP_N) to increase. Also, the labor demand (N^d) in the labor market and output supply (Y^s) in the output market shift to the right because firms want to employ more labor to increase their output supply. At the new equilibrium in the output market, the real interest rate is lower (r) and output is higher.

The lower level of the real interest rate increases current consumption, investment and leisure. Consumers desire to consume instead of saving. Firms want to borrow to invest more since the real interest rate is low. People choose to substitute future leisure for current leisure, so leisure is higher. In labor market, labor supply (N^s) shifts to the left. Consequently, wage increases. Since the shift of labor supply is lower than the shift of labor demand, so both wage and employment increase at the new equilibrium.

The credit market, when the total factor of productivity rises current consumption increases but less the increase in income due to consumption smoothing therefore, private savings increases because the residual income that is left after consumption is saving. Private saving (S^p) shift to the right. Hence, the real interest rate falls at the new equilibrium.

In conclusion, an increase in the current total factor of productivity decreases the real interest rate but output and current consumption increase. Investment increases, thus firms employ more labor. The real wage increases.

Increase in z

