

# THE INDEPENDENTS' VOICE

K E A N E W S L E T T E R N ° 2 5 - A P R I L 2 0 1 1

## Free flow of Culture – Asymmetric expectations in Europe and in China?

China has made the development of its creative and cultural industries a policy priority. Massive investments are directed at State, Regional, District and Municipal levels to this effect.

Cities like Beijing, Shanghai and Shenzhen are at the forefront of a policy driven essentially by economic considerations: develop a service economy capable of producing and distributing entertainment, design, in valorising the local craftsmanship and raw materials (silk for instance) to cater for the Chinese audience but also to export Chinese cultural goods and services abroad.

Shanghai and Shenzhen estimate that around 7% of the city's GDP stems from culture and creative industries. Beijing put this figure at 12% with a larger definition of CCI which include sport, tourism and business software. Large culture and creative industry trade fairs are taking place throughout China, creative clusters or parks are burgeoning throughout with a view to build capacity. Universities have set up specialized departments to study the economics of the culture industry and consider policies to nurture this particular economic sector. Large industrial conglomerates, whether public or private, active in real estate or the energy sector are devoting increasingly large investments to the development of creative industries, perceived as a key growth sector.

China has also made the enforcement of intellectual property a policy priority. This is a new and very encouraging recognition that IP remains an essential tool to encourage individual creativity and reward investment in creativity (witness the recent problems encountered by mighty Baidu with Chinese right holders).

China is leapfrogging the traditional analogue way of doing business in the culture industry. It is at the forefront in the development of digital business models and the consumption of digital cultural goods via smartphones or digital networks.

During a recent trip as part of an EU mission KEA has visited art, silk, jewellery and design districts which are just as attractive as European fashion districts in London, Barcelona, Berlin or Amsterdam. Smaller in scale but as inventive in content.

China is a market ripe for European creative industries looking to expand their business activities in the largest market of the world. The latter is looking to acquire European creative skills in architecture, design (industrial

as well as fashion design), new media (games, web services), performing arts, art and culture management.

China lacks the infrastructure and know-how on how to best manage its heritage, to encourage creative entrepreneurship and to nurture small creative enterprises. At policy level it has yet to establish an environment conducive to creativity and freedom of creation. It is lacking a true cultural policy that goes beyond bureaucratic control to embrace access to culture for all citizens, heritage preservation, nurturing local and minority diversities.

Cultural strategies at local level look patchy and often do not go further than supporting economic ends. Culture is rarely perceived in its other dimension: a resource for knowledge, a tool for social innovation and cohesion, a stimulant to imagination and creativity which is the pillar of a creative economy.

The KEA study on the Economy of Culture in Europe in 2006 attracted the attention of Chinese authorities and in particular the Ministry of Commerce (MOFCOM). We have since been working to alert the EU authorities of the opportunity to engage with China in a sector in which Europe is competitive. The aim is to incentivize collaboration between the EU and China at business and policy levels, to encourage joint ventures, increase trade and cultural exchanges between two ancient civilizations and to promote IP licensing to stimulate IP enforcement through Chinese creative companies. Our policy recommendations feature in the Mapping Document on EU-China Culture and Creative Industries established in the framework of the IPR2 programme:

<http://www.keanet.eu/en/mapping%20EU%20China.htm>

The 2012 EU/China year on intercultural dialogue is the opportunity to concretize further the prospect of collaboration. As part of an EU/China policy forum KEA is organizing the visit of 20 European creative companies (from 10 countries) in the field of New Media, Design, Communication, Architecture and Art Management to meet potential partners in China. This is in the context of the 8<sup>th</sup> international trade fair on culture and creative industries which takes place in Shenzhen.

China's priority contributes to raise awareness on the economic, political, trade and social potential of EU's creative economy at EU level. This is the paradox.

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