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Towards a Creative Society

As I have shown in the preceding chapters creative industries policy takes various forms and approaches. In China, governments at national as well as regional level have issued policies to support cultural and creative industries despite controversies and contested definitions. The rapid development of creative industries demonstrates that the construction of a creative economy is inevitably coupled with social restructuring and transformation.

The Evolution of Creative Communities

In contrast to industries that are reliant on hard infrastructural factors such as land, machinery and buildings, creative industries develop in response to ‘soft’ factors including creativity, culture, brands and intellectual property. This soft infrastructure gives rise to ‘creative communities,’ that is, various groups form with networked social relations and activities. How these ‘creative communities’ operate ultimately impacts on the sustainability of creative industries.

Many different understandings of creative industries emerge from different disciplines and perspectives. The academic understanding of creative industries has evolved over the past decade. I believe we are seeing three interconnected phases of development in China: I describe these as the *creative industries*, the *creative economy* and the *creative society*. This is illustrated in Table 6.1.

The *creative industries* reflect the contribution that culture and art make to the economy. The *creative economy* demonstrates how creativity is used to stimulate innovation in other economic domains; that is outside the so-called creative industries. The *creative society* illustrates wider spillover effects, for instance, forms of interaction between creative precincts and social groups, the building of communities within creative cities, and eventually the task of making a creative nation.

Table 6.1 The Evolution of Creative Industries

Phase	I. Creative Industries	II. Creative Economy	III. Creative Society
Factor	Culture, Art, Creativity	<ul style="list-style-type: none"> • Intellectual Property • Symbolic value 	<ul style="list-style-type: none"> • Citizen's right; • Consumer's recognition
Form	<ul style="list-style-type: none"> • Cultural industry • Creative clusters 	<ul style="list-style-type: none"> • Creativity as intermediate input factors • Build up of creative industrial chain 	<ul style="list-style-type: none"> • Creative city • Creative class • Creative community
Feature	Creative output	Creative input	Creative spillover
Industry	Key industries	Convergent industries	Branding symbol of industries
Target	To promote creative output	To foster innovations in broader domains	To build creative communities
Policy implication	<ul style="list-style-type: none"> • To improve industry value added • New wealth creation 	<ul style="list-style-type: none"> • To transform the economic development model • Creative industries as part of a system of innovation 	<ul style="list-style-type: none"> • Consumer as input factors • economic & social co-developed structure with people at the centre • to build up enabling creative environment
Policy focus	To nurture the source of creativity	To build up soft creative environment for creative transformation and input	Reconfiguration of consumption, educational system and institutional system

Reform and social transformation are major development goals underwriting creative industries policy. Internationally, creative industries have entered the creative economy phase; indeed, many nations are already at the doorstep of

the creative society. Currently, China is evolving from creative industries to the creative economy. In many regions and districts creative enterprises are locked in the industrial phase; furthermore, the values of creativity are yet to significantly influence the structural organization of industries in the broader economy.

The creative industries phase witnessed rapid expansion in a number of industry sectors deemed to produce wealth and employment. The British Labour government's Department for Culture, Media and Sport (DCMS) identified thirteen sectors: advertising, architecture, art and the antiques market, crafts, design, designer fashion, film, interactive and leisure software, music, performing arts, publishing, software development, television and radio.¹ Sectors with information, content and culture as core elements were promoted.

This initial phase was followed by worldwide efforts to brand 'capitals of creativity.' A number of projects have aligned with post-industrial transformation and urban regeneration agendas. New York, for instance, claims a city spirit founded on a 'high degree of integration, excellent creativity, strong competitiveness and extraordinary resilience.' London has identified a clear development target of becoming 'the world's centre of excellence in creativity and culture.' Tokyo meanwhile has launched a development strategy to become a 'cultural city full of creativity'; Singapore is oriented toward 'the creative centre of a new Asia' and 'the global centre of cultural and design industries.' Hong Kong is determined to build into 'an open and diversified international cultural metropolis.'²

In *The Creative Economy* John Howkins defined creative industries from the perspective of intellectual property. Howkins argues that copyright, patent, and trademarks conjoin the creative industries and the creative economy.³ He extended the DCMS definition to include patent-related R&D activities in various fields of the natural sciences. This approach effectively resolves the problem of separating scientific creativity from culture and art. It also shifts

¹*Creative Industries Mapping Document*, issued in November of 1998 by the British Department for Culture, Media and Sport (DCMS).

²Li Wuwei's Keynote speech 'Towards City of Creativity' at Shanghai Creative Industries International Forum 2008, Shanghai.

³Howkins, John (2001). *The Creative Economy: How people make money from ideas*, UK: Penguin Business.

emphasis from the specific industry level towards the task of upgrading the whole economic system.

The creative economy phase has two distinguishing characteristics. First, creative industries are now regarded as more than just cultural and content industries. They are ‘boundary-less’:⁴ they constitute inputs into other industrial sectors and in so doing they promote the transformation of the economy and models of innovation.⁵ The second distinguishing feature is that developing countries have realized the importance of creative industries and have started to enact strategies according to their respective cultural resources.

The creative society phase sees creative industries activities ‘breaking out’ into a variety of social fields, often beyond the economic frame of reference. A good example is creative clusters. They are no longer just ‘precincts’ or ‘old warehouses’ enclosed by walls; they are open communities combining work, life and commercial activities. Tianzifang, the first such creative cluster in Shanghai, experienced a transition from rented ‘old factory buildings’ in street alleys to street blocks (in terms of space), from single to multiple (in terms of industry form), and from factory to community (in terms of development model). A community-oriented development pattern, linking precinct, business district and the city has taken shape.

The Creative Community

Creative industries are challenging narrow understandings of economy. It may be said that creative industries are ‘living industries’ in the new economic society. We will further analyse and understand this idea from the perspective of community.

In a broad sense, community refers to social relations in certain regions or fields. It can represent a network of embedded mutual relationships or it can imply designated social relationships. Alternatively, the term ‘creative community’ reflects a necessary sociality related to the development of creative industries. This term emphasizes social ecology; it gives prominence

⁴Huimin Wang 5C Model: New Development Concept in Tourism Industry. *China Industrial Economy*, 2007, p. 6.

⁵Wuwei Li and Huimin Wang ‘Creative Industries: An innovation of development model’, *Wenhui Bao*, 12 March 2007.

to the profound impact of creative industries on social organization and social transformation.

The concept of 'creative communities' has been used by John Eger of San Diego State University.⁶ This idea was conceived relative to the concept of 'smart communities'.⁷ Eger observed that the key to urban development is employment and wealth creation, together with improvement in quality of life. An important task therefore is to reorganize communities so as to accommodate a different kind of society under the knowledge economy. Central to this task is confirming the role of culture and the arts in promoting economic development and establishing a 'creative community', a process in which interactions between culture, art, industry and community are fully exploited, a process in which there is investment in human resources and capital. This prepares the ground for challenges brought about by rapid industrialization and the knowledge-based economy.

The creative community does not necessarily infer a particular geographical environment. Rather, it is a general term referring to 'communities' and social relations. It includes enterprise communities, special interest communities (such as those organized around animation, music and film), and specific class communities (such as the creative class, consumer alliances that have a positive impact on creativity, educators, and those being educated). In the evolution from creative industries to the creative economy and on to the creative society, these communities provide the impetus for sustainable development; they serve as crucial cells; they are the driving engine for the restructuring of social organizations and the transformation of society.

Creative communities can therefore be understood as living cells in the organizational system of creative industries. In this sense they indicate interrelated networks of people connected with the development of creative industries, living communities that form 'socially', and which engage in creative

⁶John Eger, *The Creative Community: Forging the Links Between Art Culture Commerce & Community* (San Diego: California Institute for Smart Communities, SDSU International Center for Communications, 2003). Available: <http://www.thecreativecommunity.org/> [accessed 8 March 2011].

⁷A smart community is a community that has made a conscious effort to use information technology to transform life and work within its region in significant and fundamental rather than incremental ways. The goal of such an effort is more than the mere deployment of technology. Rather it is about preparing one's community to meet the challenges of a global, knowledge economy. Available: <http://www.smartcommunities.org/concept.php> [accessed 8 March 2011].

R&D, production, sales and exchange. Such social relationships facilitate the convergence of culture and art, business, technology and human development in economic development and social progress. In terms of actual form creative communities are represented by a variety of networks, platforms, theme activities or exchange mechanisms. These networks are dynamic, often loose and virtual.

Creative communities engage with most content and activities related to the soft infrastructure of creative clusters, creative classes and creative districts. *Creative clusters* are groupings of manufacturing and business activities consisting largely of creative enterprises. The *creative class* describes groupings of creative talent that generate creative outputs as well as R&D. *Creative districts* are exchange and consumption communities represented in the form of urban space and residents. These three kinds of communities provide the main energy of the creative industries. Their relationships are shown in Figure 6.1.

Unlike physical clusters, class-based groupings and venues located in districts, creative communities are living organisms where innovative activities are inspired and produced.

The creative community has the following features:

- **Organic and interactive:** the creative community is the organic link between specific communities and related production, promotion and consumption of a creative product. This link is neither a one-way and

Figure 6.1 The Relations Between Creative Cluster, Creative Class and Creative District

linear connection nor an affiliation or administrative relationship. Rather, it is a process of mutual integration and interaction. One creative community can interact and integrate with different creative clusters, creative classes and creative communities at the same time.

- **A loose network:** People of different ages, races and occupations from anywhere in the world can become members of the same creative community. The organizational structure is typically loose and the networks are mutually-linked. Members have access in order to communicate freely; there are distribution channels for feedback.
- **Various theme activities:** particular interest, projects or incidents are often the initial incentive for the formation of a creative community. For example, the American TV drama series *Prison Break* was a hit in China. A group of fans established the *Prison Break* community in which members created story ideas and designed different endings for the fate of the main character. In a similar way, innovative developers formed the Open Source Code movement and volunteers established the Olympic community. Many groups of sports followers and fans of celebrities and stars have formed their own communities.

The relationship between creative communities and creative industries can be compared to the relationship between the single 'bit' and IT. The creative community is the 'bit' of creative industries; it is both the basic organizational unit and the unique 'DNA.' Different types of creative industries from different regions can be constructed, identified and developed through creative communities. As we know, cultural and social capital constitute human creativity, art and culture. These two forms of capital reflect the fact that creative industries require an appropriate cultural and social ecology for survival, development and growth. Creative communities are basic organizational units in the construction of a sound ecological environment. And because of their close connection with local cultural and social resources, capital and networks, creative communities embody distinct local features and regional characteristics. The creative community is the 'DNA' of creative industries, nourishing growth from regional cultures. The community provides resources for sustainable development of creativity because it is a dynamic source of innovation.

The role of such communities, as living cells in the development of creative industries can be likened to the role of enzymes in the metabolism of living

organisms. The capacity to synergize, catalyze and fuse provides sustainability and in this way reshapes a new social structure.

Communities provide synergy; they stimulate capital. Initially they tend to cluster in urban spaces, followed by a gradual reaching out, a process which can generate socio-economic transformations in cities and regions. Organic interaction within and between such communities is advantageous to the agglomeration of resources such as talent, enterprise and capital. Such resource factors improve quality of life for local residents and assist in improving cultural capital. The unique cultural brands generated by creative communities improve the overall value of the region. Regional creative culture has become a source of differential land rent. Tianzifang in Shanghai's Luwan District and Bridge 8 are examples that demonstrate how creative activities and the clustering of key factors have contributed not only to the appreciation of property but also to a rise in local residents' quality of life.

The programming of festivals (e.g. film festivals, art festivals and carnivals) and events (e.g. Olympic Games, World Expo) plays an important role in regional development. Since 1947, when France launched the first Cannes film festival, Cannes has transformed from a small beachfront city to a world-renowned location that attracts large numbers of both business groups and individual tourists. More than 60,000 film professionals and 200,000 tourists attend the Cannes festival each year. Over the eleven days direct income from venue rental, hotels, restaurants, transportation, fashion, general merchandise, tourist souvenirs and camera equipment is 200 million Euros while indirect economic turnover is 700 million Euros. More important however is the fact that Cannes now runs its economy based on trade shows and tourism. Currently, Cannes contributes 300 days a year to various trade shows and exhibitions involving many economic fields including film, TV, mobile phones, motor vehicles, boats, jewellery, IT, tourism and architecture. Cannes becomes the focus of global attention each year at the time of the film festival and is one of the world's richest cities per capita.⁸

Creative communities can promote competitiveness. Knowledge innovation, and the development and marketing of trademarks and brands can result from such communities. Theme-oriented or creative product communities are sources of innovation in their own fields. In addition, ideas and concepts penetrate into other socio-economic fields.

⁸Chen Junxia, 'Film Festival becomes the Economic Engine,' *Market News China*, 2005 (12).

Creative communities produce both implicit and explicit effects. Implicit effects refer to platforms and activities that produce regular or irregular exchange of ideas on related themes. The outcomes are intangible resources that may produce new value or become industry benchmarks. The impact of the World Economic Forum (WEF) is an example of implicit effects. A non-profit organization, WEF is a platform for business leaders, politicians and academics to discuss collaborative approaches to global issues. Held annually in Davos, Switzerland since 1971, the forum is known as the 'Economic United Nations'. It is in fact a typical 'creative community' featuring clear themes and equal exchange of ideas. More than 2,400 political and business leaders from all over the world gather here every year to discuss topics of world concern, such as the oil crisis, global warming and financial risks. The theme of 2008 was 'the power of collaboration and innovation'.

At WEF, everybody is a participant. No assistant is allowed into the venue. Whether you are a CEO of a big company, billionaire or a pop star, you have to carry your own luggage, do your own check-in and line up for cloakroom service. You fill your own water cup and get your own conference materials. At the pre-dinner cocktail party prime ministers, like everybody else, elbow their way in the crowds. There is no designated seating in the theatre and whoever comes late has to stand in the aisles. There is equal opportunity for everyone too when it comes to discussions and debates. Equal participation and exchange is practiced by involving the public in the discussion of major issues. On the WEF official website, people can submit video responses to set questions and WEF participants will watch the highest rated video and engage with them. An exchange and interaction between WEF and the wider public is thus formed. WEF's positive impact on world development is for everyone to see. Mandela once commented in public, 'without WEF, South Africa's fate would have been totally different.' Former United Nations Secretary General Kofi Annan believes 'WEF has satisfied people's need for a new world.' Klaus Martin Schwab, Founder of WEF, holds multiple positions and functions,⁹ but he identifies himself as 'an artist or a creator,' being the renowned leader of the WEF creative community.

⁹Klaus Martin Schwab, Founder and Executive Chairman of the World Economic Forum, Co-founder (1998) of the Schwab Foundation for Social Entrepreneurship, founder (2004) of The Forum of Young Global Leaders. The knighthood (KCMG) was bestowed by H.M. the Queen of England.

The impact of WEF is a result of a direct link to innovative outcomes; the symbolic value of culture and the arts is effectively transformed into social and market benefits.

The ‘Impression Series,’ a series of stage performances featuring local landscapes has produced a brand effect with tangible economic benefits. Produced by an innovative team led by the film director Zhang Yimou, the Impression brand has been exported to other countries. The symbolic value of culture has greatly increased the competitiveness of local industries and brought new dynamics for social and economic development. ‘Impression · Sanjie Liu’ was first performed in 2004 in Yangshuo County in the south-western city of Guilin. Since then the commercial and cultural value of the scenic spot where the show was staged has increased and land values of neighbouring areas have increased five-fold. The show has boosted the local economy of Yangshuo County by a similar ratio with tourism incomes increasing by 100 million RMB per year.

Creative communities facilitate cross-industry integration. The huge impact of creative industries comes from the formation of the industrial chain and the reinvestment of creative outputs. The key is marketing.

Creative outputs have often become investment factors for other industries as well as providing new value elements for consumers. Mickey Mouse, Barbie dolls, Harry Potter, Mashimaro and Hello Kitty are all the result of creative outputs. Once a brand is established, it penetrates into other industries including toys, stationery, clothes and accessories, luggage and food. As a result, the value added of these industries increases. Music can be encoded into chips and integrated into products to increase their value. Creative design and planning can help almost all traditional industries open up the ‘Blue Ocean’ and promote the development of related industries. What is more important, however, is that literacy is improved and creativity is encouraged.

Business and consumer communities are the two major drivers of cross-industry convergence. Creative outputs have specialized marketing and consumption services. For example, independent agents, professional brokers and exhibition organizers are typical profit-oriented operators. They utilize personal and social networks to integrate ideas, capital, product and markets for the formation of the creative industrial chain. There are also non-profit promoting communities, such as creative industries associations, network alliances of creative cities and marketing organizations for public culture and art.

They serve as third parties in promoting the integration of creative industries with related industries and facilitating in other non-creative industries.

The Creative Society

Richard Florida's *The Flight of the Creative Class* focuses on one of the hottest economic topics today: the global war for creative talent and the importance of building more creative societies. Florida says this is important 'because wherever talent goes, innovation, creativity, and economic growth are sure to follow.' He adds 'Today, the terms of competition revolve around a central axis: a nation's ability to mobilize, attract, and retain human creative talent.'¹⁰

In 2007, John Hartley proposed that creative industries are developing toward a kind of 'creative society.' He described the evolution of creative industries from creative clusters (output) to creative service (input) and further to the creative citizen (consumer) or the creative society.¹¹

Desmond Hui, director of the Centre for Culture and Development, Chinese University of Hong Kong, believes that discussions of creative industries at policy level, such as wealth and employment creation are a necessary basis and premise for developing creative industries. However, he points out, this is not the whole content or the fundamental goal of creative industries. The transformation and restructuring of society is the highest achievement of creative industries which aim to develop every individual's potential creativity in addition to developing the economy and society.¹²

Creative industries need a 'social structure of creativity.' Studies of the creative society across the world have broken through regional boundaries and cultural differences. They have come to the consensus of 'accepting differences and seeking common ground.' The 'differences' relate to development approach, industry focus and policy support due to various forms of economic

¹⁰ Richard Florida 'America's Looming Creativity Crisis,' *Harvard Business Review*, Oct 2005. Available: <http://hbr.org/2004/10/americas-looming-creativity-crisis/ar/1> [accessed 8 March 2011].

¹¹ John Hartley 'The evolution of the creative industries – Creative clusters, creative citizens and social network markets,' Presentation Creative Industries Conference, Asia-Pacific Week, Sept 2007, Berlin.

¹² Desmond Hui, 'Creative Industries are not only Economic Issues,' an interview by *Cultural Industry Weekly*, Vol. 5, 2006, pp. 21. Available: http://www.ccdy.cn/2005-07/22/content_236821.htm [accessed 8 March 2011].

foundation, human environment, policy systems and talent structure. The ‘common ground’ here is about being innovation-led and making a sustainable creative society the ultimate goal.

I have been interviewed by the media many times. Whenever a reporter asks me what kind of social environment is needed, I stress the importance of three soft elements, openness, tolerance and diversity. Whether it is China’s ancient civilization and wisdom or Western individual expression and innovative spirit, a tolerant atmosphere is needed for the development of creative industries. Cultural tolerance allows creative industries to grow. Innovation and creativity are always associated with passion. It is hard to imagine how great ideas could ever develop in a conservative social atmosphere. When we talk about creating a social atmosphere in which creativity is respected, we are not simply talking about paying attention to those people already established in their respective fields. We should also pay due attention to those creative professionals by providing them with moral and financial support. This is very important in terms of inspiring creativity, attracting creative people and constructing a creative social ecology.

Although there is no specific discourse relating to ‘creative industries’ in the United States, the creative economy there is highly developed with regular cutting-edge scientific innovations and a diversity of products and art forms. US media and entertainment products, in particular, are popular across the world. The competitiveness of America’s creative economy is supported by a powerful social structure of creativity, or what we call ‘the creative social ecology.’ This kind of social ecology is the soft environment key to the development of creative industries and the creative economy. In the ecological system of creative industries, creative communities are the most active basic units which maintain the dynamics of this ecology. Creative communities at various levels constitute the ‘social ecology chain’ from where creativity takes roots and grows.

Under the forces of globalization, business tends to gather in areas where creative people are clustered. Conventional thinking holds that economic development is made possible by enterprises because it is the enterprise that attracts skilled people. But today’s practice turns that idea on its head: it is availability of skilled people that increasingly attracts business and capital. This has overthrown the conventional wisdom that ‘industries tend to move toward low-cost regions.’ A city’s competitiveness now depends on whether the

city has a solid social structure of creativity and a supporting infrastructure, posing new challenges for city policy makers. Policy makers should try to ascertain what young people are looking for. Many young people are looking for jobs that will allow them some autonomy and the ability to express their creativity. They do not want to work passively. When an individual's creativity is fully released and applied to industry, it is the individual who is driving the company, and even the regional economy, forward. Encouraging creativity and acknowledging the value of creativity will give rise to investment, production and consumption of creative industries.

This phenomenon of industries attracted to where creative talents concentrate can be explained by Richard Florida's study of 'the social structure of creativity,' which consists of three parts: a new system appropriate for scientific innovation and creative institutions (such as a financial system interested in investing in creative industries, high-tech development companies, and sustainable research funding), a more effective innovative model of products and services (such as a work environment where employees can release their creativity, a flexible production approach and a convenient exchange and exhibition platform) and a social and cultural environment for creative production (such as a lifestyle attractive to creative talents, a tolerant social atmosphere and a cultural system that encourages avant-garde art expressions).¹³

The social ecology suitable for creative industries can be measured by the creativity index constructed by Florida. The creativity index consists of four parts: 1) the creative class share of the workforce, 2) the innovation index measured as patents per capita, 3) the high-tech index consisting of two factors: (a) the output of an area's high-tech industries expressed as a percentage of the output of the nation's high-tech industries, and (b) a ratio of the level of an area's output from high-tech industries to the level of the nation's output from high-tech industries; and 4) the degree of diversity measured by the Gay Index, the Bohemian Index, the Talent index and the Melting Pot index.

A good and appropriate creative social ecology is not only the basic condition for creative industries but also the necessary foundation for the rise of creative communities. For cities and regions intent on a creative economy, the key is to build a good social ecology appropriate for the growth of creative

¹³ Richard Florida, *The Rise of the Creative Class and How It's Transforming Work, Leisure, Community and Everyday Life*. (New York: Basic Books, 2002).

communities. This social ecology should include a comfortable work and life environment and a tolerant cultural atmosphere in which creative talents can work happily and give full and free rein to their creativity.

Tolerance

Creative industries, in particular, need tolerance. As the foundation of creativity, cultural diversity requires a tolerant environment. A tolerant social environment and a relaxed cultural atmosphere will help further liberate creative professionals to think outside the box and to stimulate their creativity, allowing personality, talent and the interests of each individual to be respected and developed. To a large extent, so-called creativity consists of a change in the traditional mode of thinking, perhaps even the subversion of a traditional sense of reality. It champions the continuous production of the new to replace the old. Innovation requires an all-out transformation ranging from the individual to the society. It promotes social progress by continuously challenging existing technologies and models. Tolerance means keeping an open mind to new things. In other words, it means the willingness to trust and tolerate in cases where the new can seem hard to accept for the time being. A tolerant environment, including a general openness in society, the tolerance of different opinions, the encouragement of innovation, equal opportunity and life chances, will enable people to work and live happily and enjoy their achievements.

Free expression is a very important index of tolerance. The freedom I am talking about here is not in the moral or ethical sense but in the sense of thinking freely, experimenting freely and conducting business freely. It is the freedom to express and pursue ideas and to have the opportunity to test those ideas to see if they work. The internet is becoming increasingly important in people's life as it can provide the maximum freedom for people to post their opinions and ideas on the net without having to ask for anyone's permission. The free use of the internet has brought wonderful changes to our lives and has made 'everything possible', as the words from the Olympic Gymnast Li Ning's branding remind us.

Tolerance is like a 'pass' to the creative social ecology, allowing various 'new things' to survive, grow and face challenges. My old friend John Howkins

used to describe creative industries as ‘frustrated industries’ due to the fact that there are many failures in the creative economy. All the explorations of the unknown world, whether in terms of cultural creativity or of technological innovation, are a kind of test of new methods or new models which carry a high degree of uncertainty. So it is no surprise that there is a high rate of failure. Only ideas that have undergone numerous tests produce dynamic effects and positively impact the development of creative industries, the formation of the creative economy and even the construction of the creative society. Tolerance can hardly be accomplished overnight. Many new things are rejected in the beginning, which can be exemplified by the case of the Twelve Girls Band¹⁴ and the *Kung Fu Panda* movie. People started to accept them after an initial rejection. If we do not allow this and do not allow that, how could we expect to develop creative industries? Creative industries in China took off late compared with some other countries and regions and it takes time to go through the process of change from the old way of thinking to the practice of innovation. The controversies, doubts and restrictions that plague the initial development stage of creative industries are all understandable. We should be tolerant even of ‘intolerant’ behaviours. Apart from tolerance, of course, we should be confident and patient in allowing time to test these new developments.

Tolerance is also a lubricant for the smooth running of ‘the creative machine,’ capable not only of penetrating into and coordinating every link of the creative industries but also of penetrating into and coordinating the social spaces in which we live and work. As we know, creative industries involve both the production sector and the circulation and distribution sectors. Tolerance in turn should involve the media and the audience. An enabling media environment and a tolerant public do no harm in inspiring individual creativity and releasing cultural productivity. Moreover, in today’s internet age, the user can participate in the process of innovation. So tolerance is needed for the growth of education, media and the internet, all of which are closely related to creative industries. I believe, rather than rushing to negative conclusions, we should tolerate anything new as long as it is not harmful

¹⁴ An introduction to Twelve Girls Band is available at http://www.ccdy.cn/2005-07/22/content_236821.htm [accessed 8 March 2011].

to society. We should change our old ways of thinking to change with the times. We should do the same with cultural heritage. When developing our historical and cultural resources, we need to bear in mind that we should carry on tradition but not be bound by it. We should introduce modern elements in an appropriate way. Only by doing so can we expect to stimulate consumption and to play an active role in promoting the creative economy and the creative society.

Regions with a developed creative economy are often those where creative people and high-tech industries are clustering together and where tolerance is most expressed. In general, the creative class tends to choose to live and work in places with more tolerance and diversity. The creative class does not allow work to dominate everything. Members of the creative class would rather choose a place to live first and then start looking for a job. A city's economic prosperity is no longer determined by favourable tax policies or cheap natural resources such as electricity and land. The core of the creative economy is the 'creative workforce.' Social environments that champion openness, tolerance and cultural diversity and attract the creative class to work and live there achieve economic success. This kind of environment and atmosphere are often closely related to the cultural characteristics and openness of a city. As China's economic centre and future international finance centre, Shanghai is known for its open-mindedness, a place where eastern and western lifestyles meet. But these are only the external expressions of Shanghai culture. The internal essence of the Shanghai culture is tolerance and the pursuit of novelty. Both internal and external factors constitute an enabling social environment for the free flow of creative people and for Shanghai's progress towards the status of creative capital.

Social Capital

Social capital is the basis for creative industries and the creative economy to progress toward the creative society. The rise of various creative communities has helped form the creative society which includes not only the creative class (communities of creative people) and creative clusters (communities of creative enterprises) but also the consumers of creative products, various non-profit organizations and corresponding educational institutions for creative talents.

All these communities are of long-term significance for promoting creative industries, the creative economy and the creative society.

Consumer capital

In the age of the creative economy, consumers have become a form of production capital and an organic link in the creative industrial chain, in the general process of a creative product from R&D, into production and to marketing and sales. Consumer capital is invested in the two ends of the chain and forms the feedback mechanism of the creative industrial chain. In addition to organizing production and sales according to consumer demand, creative industries also develop the consumer resources into industrial capital and a new source for the realization of value.

Consumer capital promotes creative industries in two ways. One is for consumers to become a leading power for innovation. Almost every person in the society is a consumer and thus can add value to a creative product, especially when digital and interactive technologies have enabled non-professionals and ordinary consumers to directly participate in innovative and creative activities. Innovation from consumers can enter future commercial development and production via certain forms of R&D. The Open Source movement, individual customization in industrial design, computer games and even the endings of TV drama serials are typical examples. Another is via consumer investment in the expression and pursuit of individual cultural, social and creative values. This kind of investment will eventually become value added for creative industries or the creative economy. Behind the popularity of 'Reality TV' shows are the personalized choices and self-identification of various kinds of consumers. Multimedia channels such as SMS and the internet have provided popular and cheap channels for this kind of personalized communication. Similarly, fan groups appear to be chasing stars, but in essence this kind of activity is the external expression of the audience's identification with their own values and an investment in values with which they identify. These fans may appear crazy sometimes and may be difficult to comprehend in terms of the law of economic benefits but as a matter of fact, their activities have greatly promoted the development of the creative industries.

Obviously, creative industries rely heavily on the expanding scale of personal choice. Their survival is increasingly determined by user participation.

In other words, the investment of consumer capital determines how well creative industries will develop.

Education capital

Education capital is the cornerstone of the creative industry. Creative people cannot be trained overnight. Investment in future creative talent requires a strong educational infrastructure, a new creative education mechanism and new policies that encourage lifelong education. These will be the drivers of education capital to promote creative industries and the creative economy as well as being the foundation of the creative society.

The education system for the creative society cannot do without a sound educational infrastructure which should be able to fulfil some key functions such as the cultivation of a base for new types of creative talent, providing a training place for newly-recruited creative workers, an experimental space for new art forms and products and a performing venue for old or new artists from various fields.

Re-modelling the education mechanism may well be the most challenging breakthrough yet for China's education system today. However, it will be the most fundamental and effective initiative for the cultivation of creative talent. The construction of a new education system requires a multi-channel and multi-form education mechanism that includes the provision of creative education opportunities for everyone, developing individual creative potential and providing more practical activities for working with artists. A creative education mechanism should break through the bondage of the traditional education system and establish a new teaching concept and a new curriculum. The disciplinary barriers, in particular, should be opened up so as to cultivate 'generalists.' It requires the coordinated efforts of various parties to cultivate creative talents. Therefore a diversified approach involving interaction between schools, industries and communities should be established. Emphasis should be put on innovative humanistic education so that young people's 'creative impulse' and 'enjoyment of creativity' is inspired and cultivated. This would radically change the current exam-oriented practice that stifles innovative thinking. Currently, Beijing University of Aeronautics & Astronautics, Peking University and the Communication University of China are experimenting with the cultivation of talent for cultural and creative industries by establishing

new courses and related majors. With the progress of cultural and creative industries, more cultivation models such as the alliance of campus-based enterprises and integrated education of university-industry research will need to be experimented with beyond tertiary education. Some social institutions engaged in vocational education are carrying out similar experiments.

The key to accumulating creative education capital is to make policies that can provide lifelong education for creative people. Effective civil education throughout various social organizations will generate productivity for the creative economy and consumers for creative products. This means that production and the producer, as well as consumption and the consumer, are creation-oriented, as a result of which the quality of life of the nation will be effectively improved. A large number of top-level, highly specialized education and training institutions are behind New York City's status as the world's creative centre. Global art elite institution The Juilliard School provides the best professional training in the world for dancers, musicians and actors. Visual art professionals can seek help from New York University's Tisch College of Liberal Arts, the Visual Arts College and the PAT Institute that are among America's best academies of fine arts. If you are an aspiring dancer, the American Ballet Academy will be the best choice. Fashion designers can choose the famous New York Fashion Institute of Technology and Parsons School of Design while architects may choose the Construction Union, New York City Art Association or the Centre for Architecture in New York City, all of which are top-level education institutions.

Non-profit organization capital

Non-profit organizations (NPOs) are one of the key elements of the creative infrastructure. The unique organizational and operational mechanism of NPOs contributes to the high enthusiasm of participants who are a group of people gathered together for a common goal. These participants are business partners in pursuit of realizing their own values instead of economic gains. This 'volunteer-style' of self-consciousness and persistence is hard to find in economic organizations in general and makes it easier for NPOs to achieve their goals. By utilizing their social powers for problem-solving, social groups or communities with various functions become the driving force for transforming 'economic society' to 'creative society'. The goals of NPOs are not the maximization of

profits but the realization of their vision – the maximization of social benefits. By consciously devoting themselves to the vision, non-profit organizations are creating social wealth and accumulating social capital.

In Shanghai non-profit organizations have played a big role in the rapid development of creative industries in recent years. These organizations mainly include the Shanghai Creative Industries Association (SCIA), the Shanghai Creative Industries Centre (SCIC) and the Research Centre for Creative Industries, Shanghai Academy of Social Sciences (RCCI SASS). SCIA assists the municipal government and industry in the integration of resources, the coordination of various parties and the exchange of information. SCIC is focused on practical operations, cluster planning and investment assistance while the RCCI SASS studies experiences, shares knowledge and theories as well as promoting education. The three parties have jointly organized a number of major activities, such as the Shanghai International Forum of Creative Industries, the Shanghai International Week of Creative Industries and the Creative Design Competition. These non-profit organizations related to creative industries have not only contributed to the rapid development of creative industries in Shanghai and the formation of creative communities but have also provided consultation, planning, lecture and training services for other cities in China. They have strengthened their exchange with domestic and international creative institutions and attracted a large number of creative talents.

Gross National Happiness (GNH)

When economic development reaches a certain stage, people's understanding of development will change accordingly. In Japan, GNC (Gross National Cool) is becoming a key index for Japan's economy. The most active enterprises in the Japanese economy are now those SMEs focused on developing business based on personal experiences. Their products are outside the range of traditional growth index but are in effect improving Japanese people's welfare.

In our persistent pursuit of GDP, have we neglected the real purpose of increasing national wealth? A wealthy nation does not necessarily mean a happy nation. Lester Brown, director of the Earth Policy Institute of the United States, cautioned China in 2005 that China should readjust its GDP-centred

development model and take the approach of people-oriented sustainable development in pursuit of its people's happiness. In the same way that GDP and GNP are used to measure a country's and a nation's wealth, we should also use GNH (Gross National Happiness) to measure people's happiness.

GDP is an index to measure a country's wealth. But it can neither reflect the quality of economic growth and the cost involved, nor measure the level of social welfare and the degree of people's happiness. In many cases, GDP growth may obscure a decrease of people's welfare as health and happiness are difficult to present in the form of statistics. GNH, on the other hand, is the barometer of social conditions and people's life, measuring people's living standards and reflecting the degree of people's satisfaction with life and their sense of happiness.

One significant result of China's thirty years of reform and opening up is the continuous double-digit growth of its economy. Even during the 2008–2009 global financial crisis China maintained over 8 per cent growth in GDP. China has become the third largest economy in the world. The country is becoming stronger and the people are becoming better off. But has our sense of happiness increased accordingly? According to the three surveys on the happiness index of the Chinese people in a recent ten-year period, conducted by Professor Ruut Veenhoven of Erasmus University in the Netherlands, the national happiness index for 1990 was 6.64 (on a scale of 1–10), up to 7.08 in 1995 and down to 6.60 in 2001. This shows that even continuous, rapid economic growth cannot guarantee a continuous growth in people's happiness. Happiness and wealth do not always grow synchronously. When wealth is accumulated to a certain degree, its marginal effect on happiness is decreased.

China needs GDP to develop its economy. GNH, however, is more important in increasing the quality of life and general happiness of its people. Creative industries can make unique contributions to the latter. As mentioned earlier, apart from generating wealth and employment, creative industries' biggest contribution will be the transformation of the whole society. Creative industries promote human development while developing the economy. In China today where a series of problems, such as property prices, healthcare welfare, education, food safety, environmental pollution and the urban–rural gap, are raising doubts about, and challenging, the one-dimensional pursuit of economic growth, we need to pay more attention to people's livelihood, humanity and ecology. This requires us to improve social welfare and increase

people's sense of happiness while developing the economy. The transformation of our approach to economic development and the promotion of coordinated social development should be our agenda.

Lifestyle

Many foreigners in Shanghai like to go to Xintiandi for a cup of coffee, a chat with friends or a movie, or just to have a walk along the stone-paved walkways to relax and to get a feel of the Shanghai-style living. Xintiandi used to be a neighbourhood of old tenements of a kind found only in Shanghai. It has been turned into a stylish, car-free district of clubs, restaurants and boutiques by a process of restoration considered to be China's finest historical redevelopment project. It is more than just a tourist destination. It has become the epitome of the modern urbanites' lifestyle. To have a party or have a cup of coffee there is now a way of spending leisure for culturally-savvy local residents as well as foreign visitors.

Creativity is the leading edge of these new lifestyles as creative consumer goods attract people's attention. Culture adds new symbolic value to products and reconstructs people's attitude toward life. In contemporary society, popular culture champions fashion and trends, thus giving prominent display to novelty, the short time span and the strong audio and video effects of cultural products. All the fields included in creative industries, such as advertising, architecture, art & antique, arts & craft, design, fashion design, the movie industry, interactive leisure software, music, performing art, publishing, software, broadcasting, games and net games, animation, DV, Flash, SMS, mobile value-added services and network video, rely heavily on new ideas and new designs. The various experiential products, a kind of integration of entertainment culture, leisure culture and fashion culture, are advocating a fashionable trend of 'bringing art to life and life to art' through interactive experiences and pleasurable consumption. These products are creating a new lifestyle and have improved people's quality of life.

John Ellis, Dean of the Department of Media Arts at Royal Holloway, University of London, believes creative industries can define people's choice of lifestyle by providing opportunities for people to produce their own images. They can enable people to express their own identities and personalities while giving them inspiration.

Creative clusters are the physical carriers of the creative industries. Their unique form of industry clustering and spatial layout has given rise to new lifestyles, such as loft living and the bohemian settlements of SOHO. The new lifestyle of combining work, life and entertainment has, in terms of time and space, broken the traditional division of office workspace, living quarters and entertainment areas. Since the 1990s, loft living has gradually become the most personalized, avant-garde and fashionable lifestyle. Artists and designers divided abandoned industrial plants into different spaces for living, work, social networking, entertainment and storage and created new lifestyles and new art trends. In China, we have various kinds of creative spaces, such as the 798 Space in Beijing, the Kunming Loft in Kunming, Tianzifang and M50 in Shanghai and LOFT 49 in Hangzhou. These creative spaces have provided a very different work and lifestyle for creative workers than those working in the industrial era.

The West End in London and Broadway in New York are world-famous centres of performing arts. Going to a musical in the West End has become the thing to do, with three quarters of foreign tourists putting this on their itinerary. In Shanghai, it has become a fashionable lifestyle choice and even a habit for young people to go to the theatre on Anfu Road. Only ten years ago, only the elderly were theatre-goers in Shanghai (The same happened on Broadway). Today, the Shanghai Dramatic Arts Centre on Anfu Road is filled with ‘dark-haired’ audiences, 80 per cent of whom are young people under forty. From the perspective of the creative industries, performing art, as a core content of creative industries, has produced an experiential product – drama which is driving the trend for ‘bringing life to art and art to life’ for the audience through the exploitation of on-the-spot experience and consumer sentiment. As a symbol of cultural consumption, Anfu Road is not only staging popular theatre performances but also generating a creative atmosphere by injecting imaginative elements of fashion into the city.

Quality of Life

‘Life’ is a word with rich and profound meaning. Fundamentally, life consists of the human activities of survival and development along with vitality and creativity. ‘Quality of life’ refers to five components of everyday life, namely

economic life, cultural life, political life, social life, and environmental life. According to Rostow's theory¹⁵ in his book *The Stages of Economic Growth*, the highest stage of regional economic development is characterized by the pursuit of quality of life as the final marker. Creative industries can improve people's quality of life in economic, cultural, environmental and social terms.¹⁶

Some fields of the creative industries, industrial design, for example, can greatly upgrade the level and standard of existing manufacturing industries. This will contribute to the improvement of the quality of people's economic life.

Most products of creative industries are cultural products which will help satisfy people's diverse cultural needs and thus will help improve the quality of people's cultural life.

Creative industries exhaust almost none of the non-renewable material resources. Some fields, in particular architectural design and landscape design, are closely related to urban upgrading which will contribute to the improvement of the quality of people's environmental life.

Cultural and leisure tourism and the cultural exhibition sector of the creative industries will certainly help improve the quality of people's social life.

To build a 'city of high life quality' has become an intrinsic motivation for creative industries in Hangzhou, a city known as 'capital of leisure' and 'Silicon Valley in Paradise.' In addition to creating wealth and employment, creative industries can integrate life with business and the environment in a perfect combination, thus contributing to Hangzhou's effort to improve its people's quality of life. The lifestyle of combining leisure, culture and business, or in other words the combination of tourism & leisure, cultural creativity and the local elements of tea culture and traditional Chinese medicine, is most attractive to the creative class as this combination integrates business with life as well as culture with economy. Unlike some other metropolises such as Beijing, Shanghai and Shenzhen, Hangzhou has its unique natural environment and cultural atmosphere. People's attitude to life, their living conditions and lifestyles in Hangzhou can be compared with those of many European countries.

¹⁵ Walt Whitman Rostow, *The Stages of Economic Growth* (Cambridge: Cambridge University Press, 1960, 1971, 1990).

¹⁶ Bingbing Wang, *Thoughts about Stimulating the Development of Cultural and Creative Industries*. http://www.zj.xinhuanet.com/website/2008-10/10/content_14605164.htm [accessed 8 March 2011].

Employment

It is estimated that by 2020, the global core creative industries will achieve a business turnover of US\$8,000 billion.¹⁷ China's development orientation is attracting world attention. How can China transform from a manufacturing country with cost as its key competitive card to a creative economy with innovation as the main competitive advantage? One important factor will be the cultivation and employment direction of creative talent. Between 2000 and 2015, there will be 85 million Chinese young people graduating from universities.¹⁸ Whether these graduates want to take creative jobs will affect the employment direction of creative talent in the future. It's fair to say that creative industries are not only creating new employment opportunities for Chinese society but also changing the traditional employment structure of China.

Globally, creative industries took off in the midst of readjustment of the urban economic structure. The concept of creative industries is the result of the old industrial cities' effort to deal with the problems of high energy consumption, high pollution and low value added brought about by backward manufacturing industries. In the transformation of the urban economy, creative industries have obtained good capital and conditions in which they have been able to create more employment opportunities. Taking advantage of a talent pool created by clustering, a smooth flow of information, sound infrastructure and closeness to the market that cities can provide, creative industries have become the development orientation of cities. On the one hand, the broad fields covered by creative industries can accommodate a large population of labour while the 'spillover effect' brought about by creative industries and the integration of emerging industries will give birth to more creative enterprises as new carriers of smart employment. On the other hand, some emerging creative enterprises will provide new employment for a large number of well-educated professionals and college graduates. This will help construct a harmonious society where people can work and live happily.

¹⁷ According to John Howkins estimation in his report 'The Global Creative Economy 2000–2015,' available: <http://www.icecngo.org/tourga/abc17.html> [accessed 8 March 2011].

¹⁸ See John Howkins' foreword to this book.

In Shanghai, the flourishing creative industries have provided opportunities for university graduates to start up their own business. To cater to people's pursuit of personality and fashion, an increasing number of new professions and trades have been established. According to the city's labour market report for the third quarter of 2007 (the peak employment period of university graduates), there were 1,200 creative positions available covering graphic design, jewellery design and production, landscape design, digital video software design and production, furniture and home furnishing, toys, home textiles, flowers and ceramics. A report on Shanghai's digital content industry shows that the industry employed 139,400 people in 2006, 2.9 times the figure from 2002.¹⁹

Employment provided by creative industries is different from traditional employment which has varying requirements for individual applicants. Because creative industries are borderless, creative people are not evaluated by their professional background and educational qualifications. Their creativity is evaluated by their ability to accomplish a project. Service industries in the United States and Britain have accounted for two thirds of each country's GDP while manufacturing industries have lost their appeal to young people who are more interested in working with their creative imagination. In contrast to the comparatively saturated manufacturing enterprises, creative industries in China have great employment potential.

The strategic changes brought about by creative industries, such as the industrial restructuring, the upgrade of production capacity and the transformation of urban functions, have improved employment structure as well as economic structure. Employment is transforming from being labour-intensive to knowledge-intensive. Employment in creative industries will see a significant increase. In the USA, 40 per cent of jobs are related to creativity in the sense that these jobs require workers to be creative, to challenge traditional practices and to come up with new approaches. Creative industries in America and Britain, in particular, grew by 14 per cent and 12 per cent respectively.²⁰

In addition to changing employment structures, creative industries have new solutions to forms of employment. While the traditional labour contract

¹⁹ Shanghai Digital Content Industry Whitebook 2008–2009, research report by Shanghai Digital Content Industry Promotion Centre, Aug 2009. www.chinadcic.org.cn [accessed 8 March 2011].

²⁰ John Howkins, *The Creative Economy: How People Make Money from Ideas* (London: Penguin, 2001).

provides fixed-term, static employment, employment in creative industries tends to be dynamic, flexible and short-term. Formal employment is changing into informal employment with outsourcing and freelance working becoming increasingly popular. The existence of large numbers of creative enterprises has provided a network-type space for the survival of informal employment. In London, many jobs in the creative art fields, such as music, TV, film and media, are project-based and short-term. Creative professionals are bound to a project and could be working in the same company or a different company depending on where the project is. For example, the animation industry in Britain has created at least 5,000 jobs and the computer games industry around 9,000. But more jobs, classified as 'hidden employment,' are not included in the statistics. These jobs, including between 37 and 57 per cent of animation workers, are in the form of freelance work in some very small companies. Thanks to the internet which provides new forms of work, life and entertainment and makes mobile working possible, the creative class have the opportunity to break the bondage of a labour contract. They advocate working freelance, a flexible working style and a changing workplace. They prefer serving a broader field with their creative input. For the members of the SOHO community, employment needs to be redefined.

These new developments in employment are making it increasingly necessary to carry out a comprehensive reform of culture, education, urban development, the market, intellectual property and internationalization policies. The cultivation of creative talent, has become the most urgent task for China in developing its creative industries. Talent is crucial to the development of creative industries and lack of talent has now become the 'bottleneck' in the development process. The one huge challenge for the future development of China will be how to cultivate talent that can cater to the specific needs of creative industries. Right now, I would like to look at Britain, the cradle of creative industries, and see how they are going about it.

Creative industries are the second largest high-growth industries in terms of employment in London, with one in every five new jobs coming from creative industries. Creative industries have become one of London's biggest industry sectors with output and employment second only to business services. Statistics indicate that by 2012 when the Olympic Games is held in London, the output value of London's creative industries will be 30 billion pounds, outpacing the financial sector to become the top-performing industry. The Greater London

Authority, recognizing the employment potential of creative industries, has begun to provide training, infrastructure and new channels of investment for creative projects. London Urban Collective is one of the organizations that provide training for young people who need diversified skills to enter the music industry. The series of government policies and social initiatives for creative industries have helped London maintain and enhance its reputation as ‘the world’s creative and cultural centre.’ The creative industry sector in Britain is the largest in scale anywhere in the world. The creative industries have become key national assets for Britain.

To sum up, we should make good use of any means, whether economic hard power or cultural ‘soft power’ to promote creative industries toward human-oriented development, economic prosperity and sustainable social development, as long as these forces can be effectively transformed into a comprehensive strength that will stimulate creative industries and the creative economy to develop into the creative society.