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Introduction

As an economist I pay close attention to current economic development and social issues. I continue to engage in research on industrial economics and economic management. I have published many influential theoretical papers in addition to providing policy advocacy. Apart from being a scholar, I have several responsibilities and professional activities: I am Vice Chairman of the National Committee of the 11th Chinese People's Political Consultative Conference (CPPCC), Vice Chairman of the Central Committee of the Chinese Kuomintang Revolutionary Committee, President of the Shanghai Creative Industries Association, and Director of the Research Centre for Creative Industries at Shanghai Academy of Social Sciences (RCCI SASS).

In recent years I have become particularly passionate about creative industries. As the term is still relatively new, many people in China do not have a clear idea of what the future might hold. I am pleased to be able to make a contribution to greater understanding by publishing this book.

Creative industries value innovation and individual creativity; they emphasize the importance of culture and art in economic development. The term can be traced to November 1998 when the British Ministry of Culture, Media and Sport released the *Creative Industries Mapping Document*. This document officially defined the concept and nominated sectors associated with creative industries.

After the 1997 British general election, Prime Minister Tony Blair initiated the idea of a 'new Britain', hoping to change the image of Britain as an old industrial empire. Sectors such as industrial design and art design were accorded a high status.

What does 'creative industries' mean? Are they in fact industries? There is still some controversy among academics. Some believe that creativity can be traced to ancient times and that it is almost impossible to categorize. Some consider creative industries are the same as 'cultural industries' and it is just a

matter of terminology. In 1998, the United Kingdom Creative Industries Task Force provided the following definition:

those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property.¹

The concept was adopted within a few years in Singapore, Australia, New Zealand, and Hong Kong. There are differences across sectors, however, and in the activities that creative industries actually represent. These differences are reflected in policies and government statistics. The thirteen sectors categorized in the United Kingdom have been adopted in most countries and regions. These include advertising, architecture, the arts, the antique market, computer and video games, crafts, design, designer fashion, film and video, music, the performing arts, publishing, software, television and radio.

Urban transformation, increasing consumption, and technological advances are elements contributing to the rise of creative industries. In knowledge-based economies creativity represents an important force for global change. In the transition from industrial society to post-industrial society, the economic structure of cities is transforming from a focus on manufacturing to a focus on services and innovation. This urban transformation not only provides the soil for the sowing of creative industries but also investment and a sound environment for further development.

The increasing amount of time people spend on leisure pursuits has led to a growth in demand. Various kinds of cultural and creative products enjoy an ever-growing community of consumers. As demand for such goods and services becomes more individualized and diversified, the market responds with innovative solutions in terms of design, advertising and marketing. The development of creative industries not only satisfies cultural needs but expands them. In turn, this expansion of demand provides a solid social foundation and broader market space for the development of creative industries.

New technologies and the development of modern industries have made a huge impact on traditional art forms; the MP3 format, for instance, has changed the music recording industry and web publishing. Technology has assisted traditional art forms, as can be seen from the digitalization of various

¹DCMS Department for Culture, Media and Sport *Creative Industries Mapping Document*. DCMS: London, 1998.

creative industries. Technology has in turn created a large number of new art forms and opened up new areas for development. Virtual space has changed the way in which people communicate, engage in activities and consume.

If we say that the manufacturing industries have made important contributions to the rapid development of the Chinese economy in the past thirty years, then it is not an understatement to say that in the next thirty years, cultural creativity and technological innovation will be key forces in bringing comprehensive changes in China's transition to an innovative society. The fact that creative industries are becoming a new engine for social and economic development has strategic significance for a Chinese economy confronted with a wide range of international and domestic challenges.

How is Creativity Changing China?

By developing creative industries individual creativity is nurtured. Moreover, creative industries are beneficial in maintaining and protecting historical and cultural heritage, improving cultural capital, and fostering communities. This leads to the improvement of the cultural assets of cities, the establishment of city brands and identity, the promotion of the creative economy, and overall economic and social development. It is in this context that creativity is changing China.

I consider two important kinds of creativity in this book: cultural creativity and technological innovation. They can be likened to the 'wheels of a cart and wings of a bird' for economic growth. Creative industries promote the transformation of the economic development model through transformation of resources, value upgrading, structural optimization, and market expansion.

- Transformation of resources: Creative industries turn various natural and cultural, tangible and intangible resources into capital for economic development. At the same time, they promote the transformation of various kinds of capital (economic, cultural and social).
- Value upgrade: R&D, design, sales, branding and services are the key links to increasing industry value added and to bringing about a transformation from 'Made in China' to 'Created in China.'
- Structural optimization: Creative industries optimize the structure of traditional cultural industries by re-creating and re-upgrading the

resources of these industries. In addition, creative industries optimize the structure of primary, secondary and tertiary industries.

- Market expansion: The cultural features contained in a product can help the product to increase its value, and therefore sales, and to target a more diverse range of consumer demographics.

Many cultural and creative industries cluster in old factories and old warehouses. This kind of ‘new ideas in old factories’ model is a catalyst for urban development. It brings economic and social benefits. The secret to success is not simply relying on favourable policies to attract foreign business and capital, building various kinds of large factory precincts, and promoting the development of science and technology. There needs to be a shift of attention from ‘materials’ to ‘people’: that is, to attract creative talent and build creative communities.

The development of creative industries requires the participation of social institutions and non-profit organizations; for instance, the development of Shanghai’s creative industries is not due solely to government behaviour. Neither is it due to pure market behaviour. It is the result of a joint effort by the government, the market and intermediary institutions; that is, it is driven by all three forces. To be specific, it is coordinated by the Shanghai Creative Industries Association, operated by the Shanghai Creative Industries Centre, and supported in terms of theoretical research by the Research Centre for Creative Industries, SASS.

Established in August 2005, the Shanghai Creative Industries Association is a non-profit, cross-sector and cross-ownership organization. It provides creative industries-related policy consultancy and advice for the government. It integrates resources, gathers talent and establishes exchange platforms. It assists the government in making (or rectifying) policies, regulations, and standards and pushes for their implementation. It provides market services for its members through cooperative projects, consultancy and training, intermediary services, conferences and exhibitions, and publishing and distribution. It plays an important role in promoting the healthy development of Shanghai’s creative industries.

The Shanghai Creative Industries Centre, was established in November 2004 and was officially operational in January 2005. It is a platform for the practice and operation of Shanghai’s creative industries. It is also an intermediary organization for enterprise development. It aims at taking advantage of all

social resources to assist government in working out development plans and strategies. It plays the role of industry guidance and promotes creative clusters. It promotes the overall development of Shanghai's creative industries by mobilizing enterprises and talent.

The Research Centre for Creative Industries SASS was established in September 2004. It is one of China's first research institutions for creative industries. Its *Creative Industries* journal and *Creative Industries China* (www.cncti.org.cn) website are authoritative exchange platforms for China's creative industries. As a leader in creative industries theory, the centre associates the development of cultural and creative industries with the transformation of the economic development model, the upgrade of the industrial structure, the improvement of regional competitiveness and the building of city brands. Its research focuses on the development of creative industries, regional innovation, creative cities, creative tourism, innovation in business administration and industrialization models. It provides academic arguments for the development of Shanghai's creative industries.

As the concept of creative industries was coined in the middle of the 1990s and was only introduced to China in recent years, a considerable number of people are still unfamiliar with it. This can generate confusion. At present, China's creative industries are still at the initial development stage and there is still much to do before cities become capable of integrating resources and accumulating capital for development. Moreover, development in China is still at the industry level; the role of creative industries in promoting economic development, bringing about innovation in other economic fields and stimulating coordinated social development is not fully demonstrated yet. The creative economy will undergo a long development process for the formation of the creative economy, ranging from talent cultivation to urban transformation. It requires vision. It requires adaptation to developments in the global economy. It requires confidence in our own developmental advantages. It requires us to put a high priority on those industries that will make important contributions to China's economic growth and coordinated social development in the future.

Backed up by 5,000 years of Chinese civilization and increasingly dynamic creative potential, China is determined to develop into a creative nation with global influence.

Creativity is changing China: that is an ideal for the nation; it is also a reality.

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