

# Development and Protection: Reshaping Cultural Policies

— A Study of the UN's Advancement of Cultural and  
Creative Industry in Developing Countries

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**Abstract:** Cultural diversity originates from modern cultural industries. The UN's decade-long promotion of cultural diversity coincides with the advancement of China's cultural and creative industries; however, China's situation is different from the creative economy advocated by the UN in terms of developmental logic. The policy of cultural diversity provides a basis for the UN to push forward the development of cultural and creative industries in developing countries. It is derived from the developmental theories of developed countries, which regard creativity (innovation) as a "technique" and overlook its uniqueness. The digital revolution has never given fair play to developing countries which explains why the UN's promotion of cultural diversity has not yet helped developing countries to substantially increase their exports of cultural goods and services in the past ten years. Nevertheless, the development of the internet and digital technology may create an opportunity for developing countries to catch up with and surpass their developed neighbors. China's unique approach to cultural and creative development may serve as a model for the international community to pursue sustainable development in the future.

**Keywords:** cultural diversity; cultural and creative industry; cultural policy; sustainable development agenda

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\* This essay is a companion piece of the "International Cultural and Creative Industry and China within the Framework of the 2030 Agenda for Sustainable Development." The author of this essay is also the Chinese translator of *Creative Economy Report 2013* (Special Edition) and *Reshaping Cultural Policies: A Decade Promoting the Diversity of Cultural Expressions for Development*. Since 2005, the author has been studying the development of international cultural industry and has kept in touch with a number of UN agencies, relevant international organizations, as well as industry associations. Among them are UNESCO, UNCTAD, UNDP, WIPO and UNIDO.

On January 1, 2016, the UN officially launched the 2030 Agenda for Sustainable Development (the 2030 Agenda). Compared with the Millennium Development Goals (MDGs)<sup>①</sup>, which ended in 2015, this agenda for the first time included keywords like “culture,” “creativity” and “cultural diversity” as a driving force for sustainable development while continuing to advance poverty reduction, health care, environmental protection and international cooperation.<sup>②</sup> According to Irina Bokova, Director-General of UNESCO, the emphasis on culture is in line with UNESCO’s Convention on the Protection and Promotion of the Diversity of Cultural Expressions (the Diversity Convention), which has been in place for ten years; it highlights the dual attribute (i.e. economic and cultural attributes) of cultural activities, goods and services. The cultural attribute concerns identity and value, and enhances the international community’s inclusiveness and the masses’ sense of belonging; the economic attribute helps developing countries increase jobs and income, and promotes innovation and sustainable development (UNESCO, 2016).

At the end of 2015, UNESCO issued a global report to mark the 10th anniversary of the Diversity Convention (the global report). Concerning the global report, the collection of signatories’ performance reports and the study of relevant indexes were initiated four years ago. This global report enabled the establishment of a comprehensive system of monitoring indexes in the cultural realm.

Corresponding assessment results are supposed to be published once every two years. The global report makes an in-depth analysis of cultural diversity’s development trend in a current global context, particularly in the realms concerned cultural policy: cross-border flow, artistic freedom, access to international markets and digital environments. According to UNESCO, this report is important in the sense that it provides a new method for the international community to keep monitoring, collecting, analyzing and spreading a variety of information concerning relevant countries’ inclusion of culture in their sustainable development strategy. Also, this new method is expected to offer real-time support to ensure the smooth proceeding of the 2030 Agenda and the most effective assessment of its implementation; and timely correct and solve policy-related problems (UNESCO, 2016, p.1).

Since first proposed by the UN, cultural diversity, derived from the modern cultural industry, has included the intent to boost developing countries’ exports of cultural goods and services. A review of the timing and process of the Diversity Convention indicates its unexpected conformity with the decade-long development process of China’s cultural and creative industries. It is true that China has been identified as the largest contributor among all developing countries to the UN’s achievements of cultural diversity and creative economy. Still, China’s cultural and creative industries are different from the creative economy advocated by the UN in

① In September 2000, the Millennium Declaration was voted through by leaders of 189 countries at the UN Millennium Summit. Participating countries promised to realize eight goals, i.e. the Millennium Development Goals by 2015, which respectively were eradicating extreme poverty and hunger; achieving universal primary education; promoting gender equality and empowering women; reducing child mortality; improving maternal health; combating HIV/AIDS, malaria, and other diseases; ensuring environmental sustainability; and developing a global partnership for development. More than 15 years later, some of those goals have been realized, while the rest have not.

② In September 2015, at the UN Summit, Transforming Our World: the 2030 Agenda for Sustainable Development (A/RES/70/1) (hereinafter referred to as the 2030 Agenda) was voted through by 193 UN member states, which gave a unanimous approval of this global development agenda for the next 15 years. The 2030 Agenda attaches great importance to the three aspects of human, environment and economy and promises to take aggressive and innovative measures to direct the world to sustainable and resilient development without “leaving a single individual behind.” The 2030 Agenda includes 17 goals and 169 targets, and identifies corresponding implementing measures. It covers a wide range of issues, from financial resources, technology development & transfer and capacity building to the establishment of partnerships. Mentioning cultural diversity, culture and creativity for multiple times, the 2030 Agenda advocates, “we pledge to foster inter-cultural understanding, tolerance, mutual respect and an ethic of global citizenship and shared responsibility; we acknowledge the natural and cultural diversity of the world and recognize that all cultures and civilizations can contribute to, and are crucial to sustainable development.”

terms of developmental logic. Nonetheless, the two concepts managed to advance in parallel.

## 1. Cultural diversity based on New Growth Theory

The Diversity Convention is supposed to protect “a ‘cultural ecology’ which humans rely on and exists in a diversity of forms” (Li, 2014); encourage all countries to transform their cultural resources into cultural goods; and promote developing countries’ export of cultural goods and services (UNESCO, 2015). However, the concept of cultural diversity was initially proposed to echo the stance of second-tier developed countries. Some 200 years ago, the influence of French culture far exceeded that of American culture. The turning point came as the movie industry emerged in the USA. Particularly adaptive to market economies, this highly replicable form of art helped American culture to quickly rise in the international arena. Under such circumstances, French people began to worry about the invasion of American culture. After World War II, in all sorts of international trade negotiations, the biggest divergence has been in the realm of cultural goods and services. Enjoying cultural hegemony, the USA works hard on “homogenization,” holding that no special treatment should be given to cultural goods. It even calls for abolishing a series of UNESCO treaties and leaving all related work to the WTO. Such a view is directly related to the USA’s acquisition of hegemony in cultural exports. Consequently, faced with the mass intrusion of American cultural goods in 1993, the second-tier developed countries, led by the EU, France and Canada, proposed the principle of cultural exception, which excludes movies and audio-visual products from general service trade. This move has triggered repeated international concerns and disputes and gained public or secret support from most countries

(Bernard, 2010, pp3–5). The principle of cultural exception represents an international stance on cultural protection. This stance values traditional culture and elite culture, and hold the point that culture is connected with “populace’s cultivation, national tradition & coherence, national image, national security, etc” (Li, 2006). It also highlights the significant differences between a cultural industry and others and calls for extra funds to be injected in cultural protections and promotions. To some extent, for UNESCO and many countries, such a cultural protection stance plays a dominant role in their cultural policy formulation. And this stance is embodied in several major conventions introduced later, including the Universal Declaration on Cultural Diversity (2001), the Convention for the Safeguarding of Intangible Cultural Heritage (2003), as well as the Convention on the Protection and Promotion of the Diversity of Cultural Expressions (2005). Cultural diversity, an updated version of the principle of cultural exception, has now served as a basis for all countries to formulate protection measures for their cultural goods and services in international trade.

Unlike pure cultural protection, cultural diversity is designed to promote social and economic development. “First, it drives developing countries to formulate policies conducive to cultural development; second, it helps developing countries to foster a cultural industry supported by modern media and audio-visual technologies”(Li, 2014). As we can see, in order to promote global development, the Diversity Convention identifies culture as a driving force of social development; a strategic factor for the formulation of national/international development policies and the establishment of international cooperation; as well as a means to serve the poverty-eliminating initiative—the Millennium Declaration. The term “culture” here refers to traditional knowledge (particularly the

knowledge system of indigenous people), which is a source of tangible and intangible wealth. Cultural development requires free access to information, people's communication and diverse media. In this regard, relevant organizations and developing countries need to be equipped with the freedom and capacity to create, spread, sell and acquire their traditional cultural expressions; and relevant government authorities need to enhance their support. On the other hand, developed countries should ease their policy restrictions on the import of cultural programs, goods and services from developing countries<sup>①</sup>. In the newly published global report, UNESCO reiterated its four goals of cultural diversity, which respectively are as follows.

First, support sustainable systems of governance for culture. "National policies and measures are implemented to promote creation, production, distribution and access regarding diverse cultural goods and services and contribute to informed, transparent and participatory systems of governance for culture." This goal concerns the monitoring of four fields, i.e. cultural policies, public service media, digital environments and cooperation with civil societies.

Second, achieve a balanced flow of cultural goods and services, and increase the communication of artists and cultural professionals. This goal concerns three fields, i.e. artists and cultural professionals, cultural goods and services, as well as treaties and agreements.

Third, integrate culture in sustainable development frameworks. "Sustainable development policies and international assistance programs integrate culture as a strategic dimension." This

goal concerns two fields, i.e. national sustainable development policies and plans, and international sustainable development programs.

Fourth, promote human rights and fundamental freedom. "International and national legislation related to human rights and fundamental freedom are implemented to promote both artistic freedom and the social and economic rights of artists." This goal concerns two fields, i.e. gender equality and artistic freedom (UNESCO, 2016).

It can be concluded from the above framework and this latest global report that the core idea of UNESCO's cultural diversity is to boost endogenous growth in an open economy. First, it points out that market power alone is not sufficient to guarantee a society's best possible development and that government investment and policy making are of great significance. Second, it highlights the decisive roles of cultural deposits and technological progress in economic growth. Apart from that, it also embraces the free flow of production factors among countries so that developing countries can transfer capital and talents to developed countries and at the same time utilize internationally advanced technology to boost their technological progress and economic growth. Obviously, such a development idea is heavily influenced by the New Growth Theory<sup>②</sup>, which was developed in the 1970s when the Western world was suffering from stagflation, slowing growth and high inflation.

The corresponding countermeasures arose from such a context enriched traditional Western economic theories with updated knowledge and technology vital to modern economies. They highlighted how imperative and urgent it is for

① Article 6, 8 and 15 of the Preface; Chapter 2; Article 14 of Chapter 4 of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions.

② The New Growth Theory, also known as endogenous growth theory, is a branch of a Western macro theory developed in the mid 1980s. Being loosely structured, this theory identifies endogenous technological progress as a determinant of sustainable economic growth and therefore presents a detailed analysis of the realization mechanism of technological progress.

all countries to transform their economic growth patterns, while urging underdeveloped countries, whose economic growth relied on resource exports and increases in factor inputs, to transform their extensive pattern of economic growth into an intensive one.

It must be pointed out that both the idea of cultural diversity itself and its corresponding New Growth Theory were proposed by developed countries, and therefore were based on the economic, cultural and social development of the second-tier developed countries. Through the WTO's relentless efforts over the past decades, global trade liberalization has created a key development opportunity for developing countries to integrate into the global market and significantly raised their export volume. For the "seven emerging countries" (China, Russia, India, Brazil, South Africa, Indonesia and Malaysia), the average ratio of export dependence rose from 9.8% in 1990 to 22.6% in 2010. Since the financial crisis of 2008, however, economic globalization has quietly undergone changes even as we keep talking about "the rebound of cultural and creative industries against the economic downturn."<sup>①</sup> Under such circumstances, the WTO rules are faced with significant challenges; relevant parties have accelerated the process of developed country dominated negotiations on cross regional economic integrations (TPP, TTIP, EJEPA, etc.). Although developing countries have been working hard on building bilateral free trade areas or sub-free trade areas, they may not be able to withstand the threat from the developed country dominated agreements. Relevant statistics indicate that after the international financial crisis, developed countries saw their trade deficit declining year by year, and realized a 0.34% trade surplus in 2013 (Zhu

& Wu, 1999).

That explains why ten years after the introduction of the Diversity Convention, developed countries still maintain their dominance in the export of cultural goods and services. Basically, China and India contributed most of developing countries' increased export of cultural goods and services. In 2013, the export of cultural goods generated a total of USD 212.8 billion revenue. And developing countries contributed 46.7% of this revenue—a figure significantly higher than that of 2004 (25.6%). However, excluding China and India, the remaining developing countries' average annual increase in cultural goods exports has remained lower than 5% since 2004. The performance of cultural service exports was even more discouraging. In 2012, the export of cultural services worldwide generated a total revenue of USD 128.5 billion, of which developing countries contributed only 1.6% (Yi, 2014). By contrast, China and India followed an "OEM" approach proposed by the New Growth Theory to increase their exports of cultural goods and services.

## 2. The prosperity and bottleneck of the cultural and creative industries after ten years' promotion of cultural diversity

The new round of globalization, relying heavily on digital technology and the Internet, advances economic integration and global cultural trade. It is a digital revolution facing all civilizations. It makes people re-examine their designs, production, distribution, acquiring and consuming of cultural goods and services and transform their work styles on almost everything in the realms of economy,

① "Internet Access, Yes but in My Mother Language!" by World Bank in 2014. Retrieved from the World Bank website: <http://www.worldbank.org/en/news/feature/2014/07/03/internet-access-yes-but-in-my-mother-language>.



society and culture. This digital revolution raises cultural and creative industries to the core position of sustainable development strategy. During the discussions on the Millennium Development Goals at the 2010 UN General Assembly, culture was identified as an indispensable factor in sustainable development. At the 2012 UN Conference on Sustainable Development, the significance of culture to sustainable development was also highlighted. The 2030 Agenda for Sustainable Development, coming into force on January 1, 2016, for the first time recognized the importance of culture, creativity and cultural diversity in addressing the challenges concerning sustainable development from a global perspective.

First, judging from general statistics, cultural and creative industries have become cornerstones of the global economy.

In December 2015, UNESCO unveiled the first report on global cultural industries—*Cultural Times: The First Global Map of Cultural and Creative Industries*. According to this report, 11 cultural and creative sectors have combined to be the cornerstones of the global economy; in 2013, their total output value reached USD 2.25 trillion, accounting for 3% of global GDP; some 29.5 million jobs were thus created. This output value exceeded the total output value of the global telecommunication industry and was also higher than the 2013 GNP of India.

It is worth mentioning that developing countries' performance in cultural and creative industries was particularly impressive. For example, the report indicated that the Asian-Pacific region created the largest output value in this industry, and that in 2013, its output value reached USD 743 billion, accounting for 3% of its regional GDP. According to the report, the Asian-Pacific region is expected to gather two thirds of the world's middle class by 2030. Apart from a large population, this region is also known for being home to leading cultural

and creative enterprises, such as Tencent, CCTV and Yomiuri Shinbun. Another example is Africa, whose cultural and creative industries are the least developed but nevertheless very promising. The most representative of all remains "Nollywood" in Nigeria, where the movie industry accounts for 2% of the GDP, generating annual revenues of USD 500 million—800 million, and offers some 300,000 jobs. With a working population second only to that of the agricultural industry, its movie industry has become the second largest employment market nationwide. Nigeria has a weekly output of 40 movies, ranking number two worldwide. The biggest movie producer remains Bollywood in India. In 2013, India produced a total of 3,000 movies; Nigeria produced 2,000; and the USA only 800.

Second, the new media field is of great significance, with digital media quickly filling the gap of traditional public broadcasting coverage.

For traditional public broadcasting systems, expanding coverage involves the installation of more equipments, which requires a lot of time and investments. For example, China launched its 12-year project of "full TV broadcasting coverage of all villages" project in 1998, aiming to bring TV access to all electrified villages with a minimum of 20 households by the end of 2010. Ranking among top developing countries, China could afford to launch such an ambitious project of "full coverage of all villages," which is presumably much more challenging for other developing countries. In April 2016, the State Council introduced the Work Plan on Accelerating the Upgrading of the Full TV Broadcasting Coverage Project from Village Level to Household Level. This Plan aimed to bring TV access to every household; digitalize local wireless TV broadcasting networks; introduce a two-way scheme to digitalize and intelligentize TV broadcasting networks; and expand satellite TV coverage to rural areas without cable TV access in



"full TV broadcasting coverage of all villages"

four years (by 2020). In a way, the implementation periods of the two projects testify digital media's capacity of quickly filling the gaps of traditional media.

Third, a more detailed analysis reveals that imbalanced development remains a barrier to the development of cultural and creative industries.

According to the statistics revealed by UNESCO's report, imbalanced development torments global cultural and creative industries. This is primarily because global exports of cultural goods and services are still dominated by developed countries. It has been over ten years since the UN's introduction of favorable policies to support developing countries' export of cultural goods and services. Even so, the above statistics indicate that

such exports still rely heavily on the development of a manufacturing sector and that our anticipated explosive increase in cultural goods exports is yet to appear. On the other hand, the export imbalance of cultural goods and cultural services gradually emerges. Two factors contribute to such imbalance. One is the existing gap between the two aspects; the other is the fact that cultural service exports are not yet a significant development direction for some developing countries. The combined services exports of developing countries (exclusive of China and India) only accounts for 1.6% of global services exports.

As Australian cultural economist David Throsby analyzed in the *Reshaping Cultural Policies*, the principle of sustainable cultural development is

particularly applicable to the formulation of cultural industry-targeted policies. Although culture is repeatedly mentioned in the 2030 Agenda, only the fourth goal, which concerns education, specifies culture's contribution to sustainable development; and the eighth and 12th goals, which concern sustainable tourism, touch upon the production and sales of cultural goods. In other words, not much importance is attached by the 2030 Agenda to the development of cultural and creative industries. An analysis of the data in the *Cultural Times: The First Global Map of Cultural and Creative Industries* reveals that developing countries (exclusive of China and India) remain at a rather low level in terms of cultural goods and services. Besides, when it comes to service trades, no developing country, not even China or India, can compete with developed countries in the West. Thus, it can be concluded that cultural and creative industries have not yet played their due roles in global sustainable development. Having stepped onto the historical stage, the cultural and creative industries are still far from significant.

One important goal of the Diversity Convention is to boost the developing countries' export of cultural goods and services. Why did the ten years' implementation effort fail to deliver any impressive performance? Regarding this, UNESCO's global report concluded that although developed countries still dominated global export of cultural goods and services, they increased the proportion of their imports from developing countries. According to the report, of all music and audio-visual imports made by developed countries in 2013, 39.6% were from developing countries; and of all the imports of books and other publications made by developed countries in the same year, 32.3% were from developing countries (Zhao, 2015). It is thus imperative for us to further think about two questions. How did the New Growth Theory-based and developing countries-targeted promotion policies go wrong? What

restricted the development of developing countries' cultural and creative industries?

On the one hand, while the existing framework highlights the decisive role of technology and expertise in economic development and substantially enhances skill training in developing countries, it totally overlooks institutional factors' impact on technological progress and economic growth. As American economist Douglass C. North put it, those models are all determined by the existence of an implied incentive structure; without such an incentive structure deriving from institutions being a key part of his research, he could expect nothing but a futile test (UNESCO, 2016). Therefore, even if the dominant role of government policy has been constantly emphasized within the cultural diversity framework, for various reasons, discussions on relevant institutions have been avoided, resulting in a sweeping approach to all developing countries and a lack of country-specific solutions.

On the other hand, the specific policy recommendations on implementing the Diversity Convention, supposed to boost developing countries' cultural and creative industries, were in fact designed to serve the economic system of developed countries. Those recommendations expose one defect, i.e. a blind faith in the invisible hand—market mechanism, rather than a rational approximation of economic reality (UNESCO, 2016). Unlike classical economics, the New Growth Theory recognizes the market defects brought about by external economic factors or monopoly factors; yet at the same time it relies entirely on government authority. As what is quoted from UNESCO's preface at the beginning of this essay, both the Diversity Convention and the "global report" aim to stimulate all relevant policy makers to formulate innovative policies and measures; ensure all countries to conduct most efficient assessments of the new agenda implementation and timely correct and solve policy-



related problems.

The abovementioned defects have hampered developing countries from developing their cultural and creative industries in many ways. The most essential obstacle of all lies in the fact that the UN and its corresponding agencies responsible for promoting the development of cultural and creative industries have regarded creativity (innovation), the core of this industry, as a technique and overlooked the uniqueness of culture and creativity.

Being a technique, creativity (innovation) is understood as something that can be learned and passed on and as an extension of “knowledge economy” thinking, which is no different from “technological innovation.” According to this development model, the development of cultural and creative industries is investment-generated premium benefit; the creative professionals, with investments from developed countries, can accumulate production experience; developing countries can “cultivate” their creative capacity to develop their own cultural and creative industries. In this sense, they merely apply the same acquired “technique” to different cultural resources.

Although no conclusion is reached concerning the relationship between innovation and demand,<sup>①</sup> there is no denying that creative ideas and innovative technologies are often stimulated by market demand and that new consumer markets and demands are fostered by creative ideas and innovative technologies. Therefore, when it comes to creativity and innovation, all stimulus factors, including market demand, technology and creativity itself need to be taken into full consideration. The combination of “creativity” and “technology” can highlight their

differences, as well as substantial similarities. It is precisely those differences that bring about distinct results.

### 3. The opportunities created by China and the digital revolution for the innovation cause of developing countries

The digital revolution has never been fair to developing countries right from the very beginning. According to the World Bank's statistics, the number of the world's SSL servers increased from 3.2 billion sets in 2004 to 13.7 billion sets in 2014<sup>②</sup>. However, most of those SSL servers were distributed in developed countries and the USA alone had 36% of all SSL servers worldwide. Judging from the number of SSL servers owned by per million population, in some developing countries, this figure even declines year by year. For some African countries, this figure remains at zero. And China is not much better, with only 7 SSL servers owned by per million population. By contrast, for developed countries like the USA, UK and the EU countries, this figure is over 1,000 or even several thousand.<sup>③</sup> In terms of the Internet users per 100 people, in 2014 most developed countries had over 80 users, while China had 49.3 users, ranking among the average. For most developing countries in 2014, this figure was below 50; worse still, for about ten countries, this figure was even below 2; for 31 developing countries, this figure was below 10.<sup>④</sup>

That is why UNESCO admitted in the “global report” that there was still a long way to go before developing countries could reach developed

① Among the representative theories are Schumpeter's theory of innovation, Schmookler's demand-pull innovation, as well as Moverly, D. & Rosenberg's view on the “interaction between technological innovation and demand.”

② According to the World Bank's definition, an SSL server is the one utilizing encryption technology during the process of online transaction.

③ The World Bank database: <http://data.worldbank.org.cn/indicator/IT.NET.SECR.P6?display=default>, date of visit: February 15, 2016.

④ The World Bank database: <http://data.worldbank.org.cn/indicator/IT.NET.SECR.P6?display=default>, date of visit: February 15, 2016.

countries' existing digital penetration. By contrast, the mobile phone usage rate was rather high in developing countries. Relevant statistics indicate that for most countries, the number of mobile phones owned per 100 people exceeded 50 sets and that this figure was below 50 only in 17 countries. In terms of mobile phone popularization, there is no significant difference between developed countries and developing countries. For example, for the USA, this figure was 98, while for China, it was 92<sup>①</sup>.

The 2030 Agenda attaches particular importance to the building and enhancing of global partnerships. "Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation; we acknowledge the diversity of the private sector, ranging from micro-enterprises to cooperatives to multinationals; we call upon all businesses to solve sustainable development challenges with their creativity and innovation." Over the past decade, the digital revolution has triggered the most significant change in our society and economy. Particularly in the cultural field, where the emergence of Internet tycoons, social media content and user generated content (UGC) have kept increasing. Further importing of such content into multi-media devices increases the existing data volume. Under such circumstances, traditional modes of cultural production and consumption have undergone profound changes; and previous self-reliant development approaches simply no longer apply to the social and economic development of today. This digital revolution has created a far-reaching impact on developing countries, as well as developed ones. This can be exemplified by Africa, where mobile phone penetration increased by 300%

from 2007 to 2012. It is necessary to extend the new media coverage to underdeveloped regions. After all, as of the accomplishment of the Millennium Development Goals (MDGs), more than half of the global population still had no access to public television broadcasting services. This lack of public cultural services may be directly compensated by means of the Internet and new media<sup>②</sup>.

In 2013, the sales of digital cultural goods via B2C channels generated revenues of USD 200 billion; and the online streaming media generated USD 22 billion in advertising revenue. Also in 2013, the online sales of tangible cultural goods and tickets reached USD 26 billion; while the sales of digital goods reached USD 66 billion, more than half of which was from online or mobile games (UNESCO, 2016). According to relevant statistics from abroad, in the first six months of 2015, online music plays had exceeded one trillion, reaching 1,032,225,905,640 plays (McAlone, 2015). Any change in consumer structure or consumption habit can trigger corresponding restructuring of cultural and creative industries. In terms of response to the Internet, cultural and creative industries are faster than any other industries.

Six characteristics of cultural and creative goods in this Internet era were concluded in one UNESCO report as follows.

(1) Abundance: Nowadays online consumers are used to choosing their favorite item from a wide range of products.

(2) Personalization: Customization is evolving into a more and more ordinary consumer service.

(3) Aggregation and recommendation: At present, we are at cross-roads of time and content,

① The World Bank database: <http://data.worldbank.org.cn/indicator/IT.NET.USER.P2/countries?display=default>, February 15, 2016.

② The World Bank statistics took "the number of leased telephones covered by a cellular mobile phone system per 100 people" into account. This cellular mobile phone system refers to "public mobile phone services using cellular technology; the latter offers the right to use a public switched telephone network (PSTN); both post-payment and pre-payment-based rental models are included. The World Bank database: <http://data.worldbank.org.cn/indicator/IT.CEL.SETS.P2?display=default>, date of visit: February 15, 2016.



*House of Cards*

with the existing market reshuffled by big data and new relationships developed. The recommendation engineer, by virtue of its increasingly advanced technology, can recommend right items to users based on their preference and thus realize “super selection.”

(4) Community: There is a new network connecting people via social media. It even gives the impression that social media can be more reliable than traditional media outlets.

(5) Involvement: The more and more open environment for cultural and creative production has attracted numerous talents via social media to participate in producing quality content like *House of Cards*.

(6) Illegal content: Digital technology and the internet give rise to many unauthorized services and applications, which deprive the original creators and enterprises of their deserved interests and discourage the creative staff from pursuing further innovations

(UNESCO, 2016).

The changing consumption habits have also affected the original model. And such an effect is most prominent in the TV segment. It is true that due to sector categorization and target pre-establishment, among the 11 sectors of cultural and creative industries, the TV sector remained the largest in 2013. However, reform in this segment is quietly going on. TV stations begin to attach more and more importance to interactions with viewers. Given that some 76% of viewers prefer to watch TV series via other channels, the TV segment has introduced new e-sports video platforms like Twitch to attract viewers. In the meantime, traditional TV stations, aware of online public opinion's influence on the audience rating of a program, lay increased emphasis on interactions with viewers and promotions via social media.

In this Internet era, the sources of cultural goods have been substantially diversified. The emergence

of “we media” gives everybody a chance to have their voice heard in the public sphere. There are more and more citizen journalists and amateur content producers. In such a context, the boundary of journalism is redefined. Developing countries significantly increased their share of global feature movie production volume from 3% in 2005 to 24% in 2013; and drastically increased their share of global documentary production volume from 1% in 2005 to 25% in 2013.

However, the explosive increase in Internet cultural goods is not precisely in line with the UN’s original intention of developing cultural and creative industries, i.e. to develop, protect and promote the diversity of cultural expressions. As we know, diversity is most represented by characteristic language. This internet era is accompanied with a variety of digital inputs and transmissions in different languages. With the emergence of Internet tycoons, however, users may have fewer and fewer language choices. According to the World Bank’s analysis, currently some 80% of the Internet texts are presented in English, Chinese, Spanish, Japanese, Portuguese, German, Arabic, French, Russian and Korean. Languages used by minority groups may go extinct much faster than expected unless they quickly go digital and adapt to the network environments<sup>①</sup>. From another perspective, due to the unique characteristics of online consumption, major online platforms can provide a wider selection of cultural goods, which may give rise to segmented consumer groups with different identities. The intensified estrangement of those groups can result in a divided society.

Authoritative statistics show that the total added value of the Chinese cultural industry increased from RMB 344 billion in 2004 to RMB 2,394

billion in 2014, with an annual increase of 21.4%. According to relevant statistics in Creative Economy Report 2010, China’s mainland saw its export of creative goods increasing from USD 32.348 billion in 2003 to USD 84.807 billion in 2008. This meant a 16.9% annual increase and 20.8% market share globally.

This indicated a further increase since 2005. Inclusive of the exports of Hong Kong, China’s annual exports of creative goods was estimated to be USD 118.061 billion, accounting for 29.01% of the global market. As the *Cultural Times: The First Global Map of Cultural and Creative Industries* put it, without China’s growth contribution, it would be very difficult for developing countries to deliver impressive cultural and creative performances, which is key to sustainable development.

Clearly, China uniquely stands “somewhere” between developed countries and developing countries on the global map of cultural and creative industries. Furthermore, China has been a large country tormented by unbalanced development between east and west. More specifically, east China has already completed industrialization and is now approaching developed countries’ level; by contrast, central China and west China are still in the process or even at the early-stage of industrialization. Given that, in terms of national governance, China attaches great importance to the balanced development of the east and west; makes the most out of the great leeway in its “multi-tier development space;” accumulates important managerial experience; forms a unique “development path with Chinese characteristics;” and gives full play to its experience and expertise. This national governance model is very conducive to the development of China and the entire world.

① “Internet Access, Yes but in My Mother Language!” by World Bank in 2014. Retrieved from the World Bank website: <http://www.worldbank.org/en/news/feature/2014/07/03/internet-access-yes-but-in-my-mother-language>.



Over the past ten years, China has made relentless efforts in the promotion of cultural diversity and is now ready to make more contributions to implement the 2030 Agenda. It will continue to provide support and aid for developing countries and keep improving South–South cooperation. In this regard, the Chinese government has proposed a series of initiatives, among which are preparing to build an aid fund for South–South cooperation; establishing an academy for South–South cooperation and development; concluding an agreement with the UN on a China–UN Peace and Development Fund; and providing financial support for projects concerning peace and development.

China will continue to advance the Belt and Road Initiative and give more play to AIIB and the New Development Bank (NDB, formerly referred to as the BRICS Development Bank).

Most important, because of its own successful practices, China will provide references for other developing countries. By developing cultural and creative industries, we are expected to achieve coordinated and sustainable development in our economy, society and culture, and subsequently form a new development path unique to late–development countries.

(Translator: Wu Lingwei; Editor: Xiong Xianwei)

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