

# *New Forms, Trends and Problems of Cultural and Creative Industries in China Today*

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**Abstract:** A creative economy is one of the latest trends in the global cultural economic development, with innovation and creation being the driving force of the global economy and cultural practice. To transform cultural industries into cultural and creative industries, the priority is economic restructuring, and specifically upgrading low-end manufacturing through creation. From the Internet way of thinking to "Internet+," from theories to practice, high technologies represented by the Internet have deeply integrated with culture, thereby opening a new dimension of innovation and creation to enhance the dynamics of creative industries and a creative economy. The fast-growing maker movement is an excellent strategy for China to develop into a great country of originality. Core contents of this movement include facilitating national originality, achieving leaping development of originality of our cultural and creative industries, promoting Internet celebrity economy, VR, AR, and other new experiments and new forms. What should correspond to "Internet+" and "Maker space" is "Culture+". It is vital to notice that culture, esthetics and ethics are in fact missing in the development of our cultural and creative industries.

**Keywords:** creative industries; creative economy; maker movement; Internet+; Culture+

A creative economy is one of the latest trends in global cultural economic development, with innovation and creation being the driving force of the global economy and cultural practice. At present, China's cultural and creative industries are on the rise despite the overall economic downturn. The "Internet+" strategy has made remarkable results, and the maker movement has presented

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a number of vibrant and original new forms characterized by such new trends as transboundary nature, integration, collaboration and sharing. Meanwhile, a series of new problems have also been exposed.

### 1. Innovation and creation have become the driving force of the global economy and cultural practice

In recent years, the concept of “creativity” has been further evolved, and is different from what it was a few years ago. The current “creativity” involves not only scholars’ theories and framework designing, but also industrial practices and industrial development, the strategic practices of more countries and regions, and the common mechanism of global development.

Creative economy is one of the latest trends of the global cultural economic development. In recent years, the international research on creative industries, creative economies, creative cities and creative ecology has developed from theoretical and academic discussions into a new field and a new stage of global practice. The development of a creative economy is not only an important national policy for sustainable development within developed countries, but also an important option for integrated development of developing countries and underdeveloped countries and regions. Creative industries and creative economies have once again become the center of global economic and cultural concerns. In China, the transboundary extension from cultural industries to creative industries and from creative industries to creative economies is an important way to break original restrictions and patterns, adjust economic structures, transform our country’s economic structures and enhance industrial forms.

The transition from cultural industries to creative industries and then to creative economies in countries around the world is not simply a change in names. “Fundamental understanding of the creative economy — what it comprises and how it functions in the economies of both developed and developing countries — are the concepts of ‘cultural industries’ and ‘creative industries.’ Many debates were made on these terms” (UNCTAD, 2010, P3). This evolution is the manifestation of industrial form in different scopes, sizes, levels and stages in the development of industrial practices; the result of expansion in industrial development space, transboundary practices, constant quick evolution and expansion, upgrading and updating; in essence, the result of breaking the original classification patterns and the integration, collaboration, reform and innovation between culture and technology, culture and various industries, culture and economies, and culture and finance through creativity.

As an international organization with huge global influence, UNESCO has actively acted as an irreplaceable organization in the world in recent years and “as a benchmark in modern creative sectors” to put forward creatively a series of “world-class proposals” and pay close attention to industrial creative economies. It mentioned in its Medium-Term Strategy for 2014—2021 (document 37 C/4), “The emergence of the creative economy demonstrates its relevance for the economic and social well-being of countries... Facts have proved that a creative economy is a viable development option. It relies on the transformation of creativity as raw material into assets, often operating on a small scale and offering new employment opportunities and forms of revenue at the local level, thus contributing to more balanced and inclusive economic growth. UNESCO will support the emergence of dynamic cultural and creative industries and markets, in particular by means of

activities relating to the 2005 Convention. In so doing, it will encourage investments in the artistic and creative potential of individuals and institutions in developing countries, securing access and the full participation of all small and medium-sized cultural enterprises and creators from the South.”

To promote the development of creative industries and creative economies, UNESCO has also actively organized the Creative Cities Network. In October 2013, UNESCO Creative Cities Beijing Summit was held in Beijing. Government delegates, education officials and cultural and art celebrities from around the world signed the Beijing Declaration, the Beijing Agenda, the Beijing Consensus and other important documents, noting that creativity, as a pillar of sustainable development, is key to cities’ sustainability. The Beijing Agenda signed by the representatives from 32 cities around the world mentioned that creative industries, as the catalyst of emerging economies driven by technology and innovation, are one of the most dynamic growth poles bringing vitality to the development of cities. Exploration of the relationship between creativity and sustainable development from the perspective of the city has become the focus of cooperation between cities during this summit. In order to further facilitate the cooperation between Beijing and other cities in the world in terms of creativity, designing and sustainable development, the Beijing Agenda encouraged cities to promote sustainable development through technology, culture and innovation and strengthen the inseparable relationships between technology, innovation and cities with the themes of cities and innovation, innovation and creativity, and creativity and designing.<sup>①</sup> Established in October 2004, the Creative Cities Network of the UN is committed

to promoting the role of economy and society by global creative industries and facilitates the exchange and cooperation between cities around the world in the development of creative industries, professional knowledge training, knowledge sharing and establishing international sales channels for creative products. Currently, the network is divided into seven themes: designing, literature, music, folk art, film, media art, cooking and cuisine. The cities that have joined the network upon approval are known as Creative Cities. Nearly 40 cities have joined the network such as Berlin in Germany, Edinburgh in the UK, Lyon in France and Santa Fe in the US. Beijing, Shanghai, Shenzhen, Hangzhou and Chengdu have also joined the network, showing good momentum of development.

Focusing on creative industries with greater passion, the EU has taken the lead in planning the future creative development of Europe and put forward a future development plan called Creative Europe. Creative Europe refers to the Multiannual Financial Framework (MFF) 2014—2020 for cultural and creative sectors (CCS) in Europe. This new framework brings together current cultural, media and media Mundus programs within a common framework, and creates new and convenient services to drive and improve financing. By meeting the needs of cultural and creative industries, it aims at multinational operations and pays close attention to promote cultural and linguistic diversity. This plan will be a complement to other EU programs, and will be used in such programs as structural funding support for creative industries, cultural relic restoration, cultural infrastructures and services, expansion of cultural heritages and digital funding for external relations. The plan will support and assist a wide range of cultural and creative activities

① The UNESCO Creative Cities Beijing Summit concluded on October 23 2013, and representatives from government of different cities, educational officials and cultural and art celebrities from around the world signed and released the Beijing Declaration, the Beijing Agenda and the Beijing Consensus.

in Member States through finance and other means. For the MFF 2014—2020, the Commission recommended an increase in the budget for investment in cultural and creative industries totaling 1,080.1 million euros (current price), an increase of 37% over the current level of spending. This large-scale growth reflects Europe's high expectations for the future development of creative industries.

To transform cultural industries into cultural and creative industries, the priority is the economic restructuring, and specifically upgrading low-end manufacturing through creativity. It is also an inevitable demand for our country's cultural industries to upgrade from the primary form to digitalized, networked and mobile integration continuous emergence of new types of businesses, the shift in industrial focus, the strong demand for industrial integration and the constant evolution of industrial management have broken the shell of the original concept of cultural industries and called for new industrial concepts. As China has become an important part of the world's cultural and creative industries, we must also respond and integrate into the trend of global development.

From the perspective of theory, cultural industries' upgrading into creative industries has its logical inevitability. In the paper *From Cultural Industries to Creative Industries: Theory, Industry and Policy Implications*, Australian scholar Stuart Cunningham held that there is theoretical significance in distinguishing the notions of cultural industries and creative industries, and will further explain the basic framework about the nature of the knowledge-based economy and its relation to culture and creativity. Shifts in the nature of the industries usually described by the terms also need to be

captured effectively, since different policy come into play as regulation of and support for cultural and creative industries. Creative industry is a quite new category in academic, policy and industry discourse. It captures many enterprises dynamics that such terms as "the arts," "media" and "cultural industries" do not. As evidenced by information technology creativity funded by the governments of the UK, Europe, Singapore and Malaysia, there are many intersections between the promotion of knowledge-based cultural industries and economic development. The term creative industry is the core of this development strategy. In this sense, creative industries is used to distinguish traditional sponsored art departments from cultural industries that have huge potentials in wealth creation through the generation and development of intellectual property rights.<sup>①</sup>

The core of creative industries is originality. Originality, innovation, designing creativity and creative research and development constitute the soul with which creative industries are imbued. In some traditional industries or fields, creativity is only an attachment and does not hold a core position in products. The creativeness or creativity is still a quite general concept, like the originality of artists in artistic creation we are familiar with. However, according to the concept of creativity in the era of post standardization, creativity or creativeness has become the specific core of industrial approaches oriented towards the market. Creativeness has become the lifeline of creative industries. In contemporary consumer societies, popular cultures follow fashion trend, giving unprecedented highlights to the novelty, short-term nature and strong space (visual) features of cultural

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① From *Cultural to Creative Industries: Theory, Industry and Policy Implications* by Stuart Cunningham, 2005, Collected Papers from the 1st International Creative Industries Conference jointly sponsored by Queensland University of Technology, Renmin University of China and Chinese Academy of Social Sciences.

products. All the contents of creative industries including advertising, architecture, art and artifacts, crafts, designing, fashion design, films, interactive leisure software, music, performing arts, publishing, software, television broadcasting, games and online games, cartoons, mobile phone businesses and online video upgrades are based strongly on new ideas and new designs.

The intrinsic motivation of the development of creative industries is structural adjustment, transformation and promotion during industrial development. Creative industries focus on promoting the upgrading, crossover, adjustment and restructuring of the overall industrial structure. The fundamental idea of creative industries is to facilitate the reorganization and cooperation between different industries and different fields (including economic forms inside and outside of cultural industries) through crossover. Many scholars in the West have noted the important role of cultural and creative industries in optimizing existing industrial structures. O'Connor, a British scholar pointed out in a far-sighted way, "It can be asserted that the mission of local and regional strategies in the next ten years is to find a way to link cultural industries with the wider manufacturing sector. Creativity, risks, innovation and information, knowledge and culture will play a key role in the global economy."<sup>①</sup>

Creative industries generally take shape based on a fully developed manufacturing industry and the constant growth of the service sector. They are the results of the upgrading of the second industry and integration with the tertiary industry. In addition to the general service sector in traditional tertiary industries, creative industries include not only the

productive service contents of designing, R&D, investment and financing, but also new artistic experiences, information interactions, recreation and entertainment and other consumer service activities. They are the carriers of integrated development of urban economies and industries, and a high-end form of the modern service sector.<sup>②</sup>

Creative economy is a broader concept covering a larger scope than creative industries. Its key significance lies in grasping the strategies of global, national, economic and industrial development from a macro perspective, top-level designing across adjacent industries or economic forms and omnidirectional visions. Creative industries are mainly displayed in the form of industries, and are more concerned about the operations and product creations within industries, while a creative economy is characterized by crossovers among sectors, fields and industries, and industrial integration. It covers the different stages and different aspects of the development of creative industries, and displays a trend of extension and expansion from exerting slight impacts on the overall economy in the beginning to becoming an important component of the overall economy. Another implication of creative economy also reflects the significance of creativity and innovation as core elements in promoting the development of economic and social sectors in the present world. It reflects the general global trend of innovation and creativity leading economic development and radiating into other fields, and includes the positive significance in promoting social inclusion, cultural diversity and human development.

Thus, creative economy is by no means a simple traditional economic concept, but an extendable

① From *Development Trend of Cultural Industries in the Next Decade*, by O'Connor, 2005, Collected Papers from the 1st International Creative Industries Conference jointly sponsored by Queensland University of Technology, Renmin University of China and Chinese Academy of Social Sciences.

② From *Historical Debut of Cultural and Creative Industries*, by Jin Yuanpu, 2008, *Qiushi*; from *Cultural and Creative Industries: Major Strategic Transition Towards the Future*, by Jin Yuanpu, from *Guangming Daily*, January 20 2006.

open concept under the new situation.

## 2. From Internet way of thinking to Internet+: From theories to practice

Then, what is the impetus for the development of creative industries and creative economies? High technologies represented by the Internet has deeply integrated with culture, thereby opening a new dimension of innovation and creation, enhancing the dynamics of creative industries and economies.

Under the rapid development of mobility, China has vigorously promoted the ideas characterized by big data, smart cities, cloud computing, mobile networks, we media, small enterprises, micro approaches, new business modes, cool features and integrated thinking. We have paid close attention to the core impetus of digital technology, developing new ideas and new channels in originality with digital technology; promoting the development of content industries with digital technology, vigorously promoting supply-side reforms, introducing various types of cultural products; introducing new revolutions and new approaches to dissemination with digital technology; making new changes in cultural consumption and way of acceptance with digital technology; and opening new channels for Chinese culture to go abroad with digital technologies.

During 2013—2014, a number of private entrepreneurs in China put forward the idea of the Internet way of thinking based on their Internet practices which caused extensive discussions in the industry, academia and political circles. Then, the Internet way of thinking quickly entered the field of practice. Through “Internet+” practices, it has become a national strategy, the program of action of national economic movements, a new impetus in the development of cultural and creative industries, and forecasted the direction of future development.

The market has played a decisive role in this transformation, and the private economy or the mixed economy played an important role.

In 2014, while promoting the upgrading of China’s second industry, cultural industries in China began to upgrade of its own. Listed Internet enterprises have led the rapid development of China’s cultural industries. The business modes of cultural industries are changing dramatically: Great changes have taken place in cultures and technologies, transboundary integration has produced a “spillover effect,” the creative class has grown fast, and consumer groups have undergone an intergenerational conversion.

“Internet+” is a new form and a new business mode of Internet development under Innovation 2.0, and the latest evolution pattern of the rapid development of the Internet under the promotion of Knowledge-based Society Innovation 2.0. The development of the new generation of information technology has spawned Innovation 2.0 which in turn has affected the formation and development of a new generation of information technology, reshaped the new generation of information technology such as the Internet of things, cloud computing, social computing and big data, and further promoted Innovation 2.0 in the knowledge-based society characterized by user innovation, open innovation, public innovation and collaborative innovation. It has also changed ways of production, work and life, and led the “new normal” of innovation-driven development. The significance of “Internet+” is that it has changed our traditional thinking. We are no longer confined by such questions as what is this industry, under whose management is that industry, and in which fragmented area should we operate. We are now focused on the overall promotion of economic development.

The “+” of “Internet+” is followed by two modes: Internet+ traditional industries, and Internet+



newly created business modes.

“Internet+ traditional industries” refers to the integration between the Internet and existing industries. For example, when new Internet media are put together with traditional media, we may have many different new business modes such as online journals, digital publishing, digital TV, online video, mobile phone programs, microblogging, WeChat and mobile client. At the same time, “Internet+” is also an upgraded version of industrialization promoted by informatization. It is an important approach in the manufacturing upgrading of the country. Its connotation is fundamentally different from informatization in a traditional sense. It is redefined new concepts of the Internet and cultural and creative industries characterized by leap-forward development. The mobile terminal becomes the only medium for increased consumption time. Through “Internet+,” creative designing has become the engine of upgrading of the equipment industry, the consumer goods industry, the construction industry, tourism, the sports industry, and agriculture.

“Internet+ newly created business modes” refers to a group of new business modes emerging in China’s cultural and creative industries inspired by the creative Internet spirit, such as online celebrity and an online celebrity economy, video and live streaming, virtual reality and augmented reality, IP and pan-entertainment, Danmaku and bilibili, cultural crowdfunding, Internet cultural finance and artistic finance, cultural trade and cross-border e-commerce, online drama and online films, Wechat official accounts, mobile phone columns, enterprise operation and business modes.

So, the “+” of “Internet+” means the emerging mobile Internet links which transcend time and space, and the core concepts of “full connection” and “zero distance.”

Under the strong promotion of “Internet+,” structural adjustments have taken place in China’s

cultural and creative industries. Performing arts, tourism, the souvenir industry, book publishing, newspapers, broadcasting even film and television which used to hold important positions in cultural industries have now given way to creative industries and creative economies across different sectors. Internet-related creative industries have now been upgraded to high-end industries, core industries, leading industries and pioneering industries among China’s cultural industries, or pillar industries in a real sense. A fleet of listed Internet enterprises such as Baidu, Alibaba, Tencent, Huawei, Lenovo, Mi and 360 has begun to take shape. The common characteristics of these enterprises include high-speed growth, dissemination via the Internet, ways of risk financing, international and cross-border development, and operation procedures suitable for the development of modern enterprises.

The American enterprises are led by global creative Internet giants like Apple and Google. In today’s world, there is not a second country that is able to set up such a fleet of cultural and creative carriers. Apple, Google, IBM, Facebook, Amazon and Microsoft, all are multinationals companies with USD 200-300 billion of market value. Among them, the market value of Apple alone reaches USD 700 billion, and the total market value of the two listed companies of Google is above USD 700 billion. Surpassing many global manufacturing and energy companies, these companies have become solid pillars of the American economy. They hold extremely important positions in the US’s GDP of USD 17 trillion and have made outstanding contributions to the US’s GDP growth.

Correspondingly, China’s cultural and creative enterprises are initially taking shape, becoming the only enterprise cluster of private and mixed ownerships in today’s world that may be compared with the fleet from the US. Alibaba’s listing in the US became a major event in the international



Google Glass

Internet economy. Huawei has become China's largest leading cultural and creative enterprise. Tmall's double 11 transaction amount in 2015 reached RMB 91.217 billion, with 68.67% being wireless deals. 232 countries and territories were involved in these transactions. It was a new world record set by Taobao. Tencent, Baidu, JD, Netease, Sohu, Lenovo (the world's No.1 PC manufacturer), Mi, 360, Ant Financial and Youku have enjoyed fast development. Through being listed and mergers, these companies have expanded quickly in scale and formed a fleet of would-be internationalized carriers of cultural and creative industries. These companies have gained international backgrounds through modern investment, financing and being listed, and have quickly grown through venture investment and risk financing. Through new types of leap-forward developments in the Internet era, especially the era of the mobile Internet, they have greatly added to the aggregate of cultural industries, facilitated the speed and scale of transboundary integration, and promoted cultural industries to become the pillar

pioneering high-end engine industries of China's future economy.

### 3. The maker movement is a major strategy for China to become a power of originality

The global pattern of creative economies is changing. Under the guidance of creativity, China is becoming a creative power of originality.

The core of creative industries is originality. Originality, innovation, designing creativity and creative research and development constitute the soul with which creative industries are built. How to strengthen China's weak originality and realize leap-forward development in cultural and creative originality?

Xi Jinping pointed out at the National Science, Technology and Innovation Conference that the key to technological innovation and innovative development lies in the establishment of a science and technology system that leads innovation,



supports innovation and encourages innovation. Premier Li Keqiang once again put forward the concept of “mass entrepreneurship and innovation” in the 2015 Report on the Work of the Government. In fact, unlike Western “geeks,” “makers” in Chinese style is not only obsessed with technological breakthroughs, but also aimed at stimulating the nation’s primary creative force. This is very important in the long run. Chinese-style “makers” refer to all the members of a new generation of entrepreneurs with the awareness of “creativity, entrepreneurship, and innovation.” They are a generation with innovation consciousness at the forefront of the cultural economy.

As one of the two engines of China’s economic transformation and growth assurance, mass entrepreneurship and innovation are of great significance. After the strategy of mass entrepreneurship and innovation was put forward in China, China’s economy and society has witnessed a new wave of entrepreneurship and demand for technological development which brought along a new climax in cultural and technological development. Its greatest achievements enable more than ten million entrepreneurs to become makers.

What is “Chuang Ke”? The word stems from the English word “maker,” a person who strives to turn creative ideas into reality out of interest and hobbies. Chris Anderson, inventor and exponent of the long tail theory in economics predicted in *Makers: The New Industrial Revolution*. In the next decade, people will apply the wisdom of the Internet in the real world. The future will not only belong to Internet companies based on virtual principles, but also be deeply rooted in the industries in the real world. Therefore, the maker movement is not only the high degree of integration between online and offline

elements, but also the high degree of integration between the virtual world and the manufacturing industry and other industries. Anderson predicted that, as digital designing and rapid prototyping technology enable everyone to invent, the makers will turn Internet innovation into a common practice, and a person may participate in all the creative activities simply by sitting alone at home.

Since 2011, a trend toward a maker culture has arisen around the world. In 2014, President Obama of the US elevated maker to the height of the new round of national innovation competitiveness and announced that June 18 will be the National Day of Making in the US. Maker has become a booster for the digital world to truly subvert the real world. It has set off a new round of industrial revolution in the world to achieve “mass creation.” Like maker, there is also the concept of “geek.” The word “geek” is an American slang. With the rise of the Internet culture, this word also means intellectual superiority and effort, and is used to describe persons who have fanatical interests in computer and network technology and spend a lot of time on it. In the new model of operation, the role of geeks is very important. They constantly change the ecologies of the Internet, creative industries and creative economies through technological innovations. The development of geek has coincided with the rise of an Internet culture in China: Breakthrough, innovation, and towards the forefront of global creativity.<sup>①</sup>

“The maker movement” has been a booster for the integration between the digital world and the real world in a real sense, and an epoch-making landmark. The world will realize universal creation and start a new round of the industrial revolution. In *Makers: The New Industrial Revolution*, Chris

① At the third Geekpark Conference, Robin Li interpreted as a top geek Baidu’s technological input in mobile Internet. He regarded it as a faith, and the future of industrial development.

Anderson went to the forefront of the new industrial revolution and examined how entrepreneurs engage in designing and 3D printing and bring manufacturing to their own desktops with open sources. In this age of customized “hands-on” product designing and innovation, the collective potentials of millions of inventors and enthusiasts are about to be gushing out, and the global manufacturing industry will thus open a new page.

The concept of maker finds a new interpretation in Premier Li Keqiang’s report: “Maker in Chinese style.” That is, the original concept has been further expanded in current mass entrepreneurship and innovation: The innovative exploration of technologies will be expanded to cultural innovation and entrepreneurship movements in larger scopes. The idea is to vigorously give play to the infinite wisdom of grassroots entrepreneurs while promoting industrial structures to transform towards medium to high ends. Therefore, makers are a new summarization of people with innovative ideas who will invigorate China’s economy.

Since 2015, a large group of maker spaces have been built across the country. Most of them are operated as coffee shops or in other forms and perform as business incubators. They have become the starting place of young makers who want to realize their dreams, and provided spaces for activities, exchanges and transactions for many entrepreneurs. In such maker spaces, investors, partners, employees, angel investors, venture capitalists, venture funds and bank loans are brought together. There are also industrial spaces advocated by the state. The major long-term significance the maker movement is that it has reversed the pattern of tracking and copying strategies adopted by the Internet technology cultural creative enterprises in China and ushered in an era of originality.

An example of the so-called “maker mode” is that, online virtual creative industrial cluster zones

or cultural parks may, based on contemporary cultural trends, cultural consumption, cultural markets and cultural fashion, build digital platforms for scientific research, production, circulation and transactions of a creative industry (sector) or digital transaction harbors for creative information which will attract a great deal of makers to go online and build online creative cluster zones. Through attracting huge amounts of information/aggregating orders, these cluster zones will offer online information exchanges, business transactions and product promotions and sales. These online creative industrial cluster zones or “digital transaction harbors for cultural and creative information” are multi-language, low-threshold and highly efficient international platforms facing the world market, and may serve customers both at home and abroad. They may solve the problem of language switching, establish multi-language exchange platforms, and offer complete business translation services.

The new online virtual cluster zones adopt the witkey mode. The fundamental idea of creative industries is to facilitate the reorganization and cooperation between different industries and different fields, especially online and offline parties through crossover. They seek new growth and promote integrated development of culture and economy through crossover, and facilitate reforms and innovation in social mechanisms through advocating creative originality in the entire society. From a development perspective, the new O2O mode characterized by high-end digital integration is the senior form and future development trend of creative industrial cluster zones. The senior form and future development trend of creative industrial cluster zones refer to creative industrial cluster zones based on certain real objects. International virtual creative cluster zones without borders will be established based on the creative industrial cluster zones of real objects, and efforts should be made to

build digital online markets characterized by quick and smooth exchanges and transmission and digital transaction platforms; and establish “virtual creative industrial cluster zones” or “digital transaction harbors for cultural and creative information,” like jbj.com which adopts the witkey mode. This is a new mode for future development of creative industrial cluster zones. Online creative industrial cluster zones/platforms may bring together more conveniently the latest technological achievements of the universities, scientific research institutions, enterprises and individuals with creative ideas (often geeks) across the country or the world, facilitate independent makers and small and micro enterprises to enter online cluster zones, promote technological result transfers, and realize the quick transformation from scientific and research results to production.

In addition to the witkey platform, cultural creative industries also need distribution channels based on cloud services. Therefore, the online cloud mode for micro shops was introduced. Corresponding to online creative industrial cluster zones or digital transaction harbors for cultural and creative information, there may be corresponding physical production and logistics centers or exhibition or trade centers. They will match with regular expos and trade fairs to form three-dimensional transaction systems featuring regular online digital transactions, exhibitions on the ground and direct transactions. The online cloud mode for micro shops opens a new online cluster mode which does not require enterprises and marketer to gather together offline, and realizes intensive management in the simplest way.

In the new modes of operation, the role of “geeks” cannot be ignored. Geeks are the technology explorer and supporter of the whole new operation modes. They lay the foundation for and change the ecological landscapes of the Internet, mobile Internet and cultural industries/cultural economy through

constant technological innovations. They are the pioneers and backbones of the constant innovation in China’s future technological development. We must attach great importance to this group, constantly discover talents, care for them in a warm and tolerant manner, support them in all respects, and expand the team of geeks through incubators and other means.

Dataers, or data analysts, refer to the professionals specializing in industrial data collection, processing and analysis of industrial data in the current era of big data, and conduct industrial research, evaluation and forecasts based on the data. They are important talents in the digital era, and are also key talents promoting the development of big data. Currently, the serious shortage of dataers is a weakness in domestic digital technological development, and such talents need to be cultivated as soon as possible. More and more government agencies and institutions, especially many scientific and cultural enterprises have noticed the importance of data analysis. They will increasingly choose professional data analysts with comprehensive skills to carry out scientific and reasonable analysis of their projects to improve decision making.

More and more venture capitalists regard the data analysis reports produced by dataers (data analysts) as an important basis for judging whether their projects are feasible and worthy of investment; more and more institutions of higher learning and educational institutions regard courses on data analysts as an important content of their training schemes for middle and senior managers and decision makers; and more and more people regard the contents of data analyst training as a necessary knowledge system in their career development.

The Internet itself is characterized by high degrees of digitalization and interactions, and this feature brings revolutionary breakthroughs to the collection, collation and research of data. Data analysts in the “Atomic World” in the past needed

to spend huge sums (money, resources and time) to obtain data supporting research and analysis, and there are huge differences between the data richness, comprehensiveness, continuity and timeliness and those of the Internet age. Compared with traditional data analysts, data analysts in the Internet age are faced with excessive data, not data scarcity. Therefore, new dataers must learn to resort to technical means for efficient data processing. More importantly, data analysts in the Internet age need constant innovations and breakthroughs in the methodology of data research. The value of data analysis in specific industries is like this. In whichever age in the press and publication industry, for example, whether media operators may accurately and timely learn the audience status and change trends or not is the key for the success of the media. For press and publication and other content-related industries, data analysts will play the role of data analysis of content consumers to support press and publishing agencies to continuously improve customer service.

It must be emphasized that the maker movement is a major strategy for China to become a power of originality. It has planted the seeds of creativity, innovation and creation in the hearts of tens of thousands of young entrepreneurs, and this is the most important guarantee for the future of Chinese cultural and creative industries.

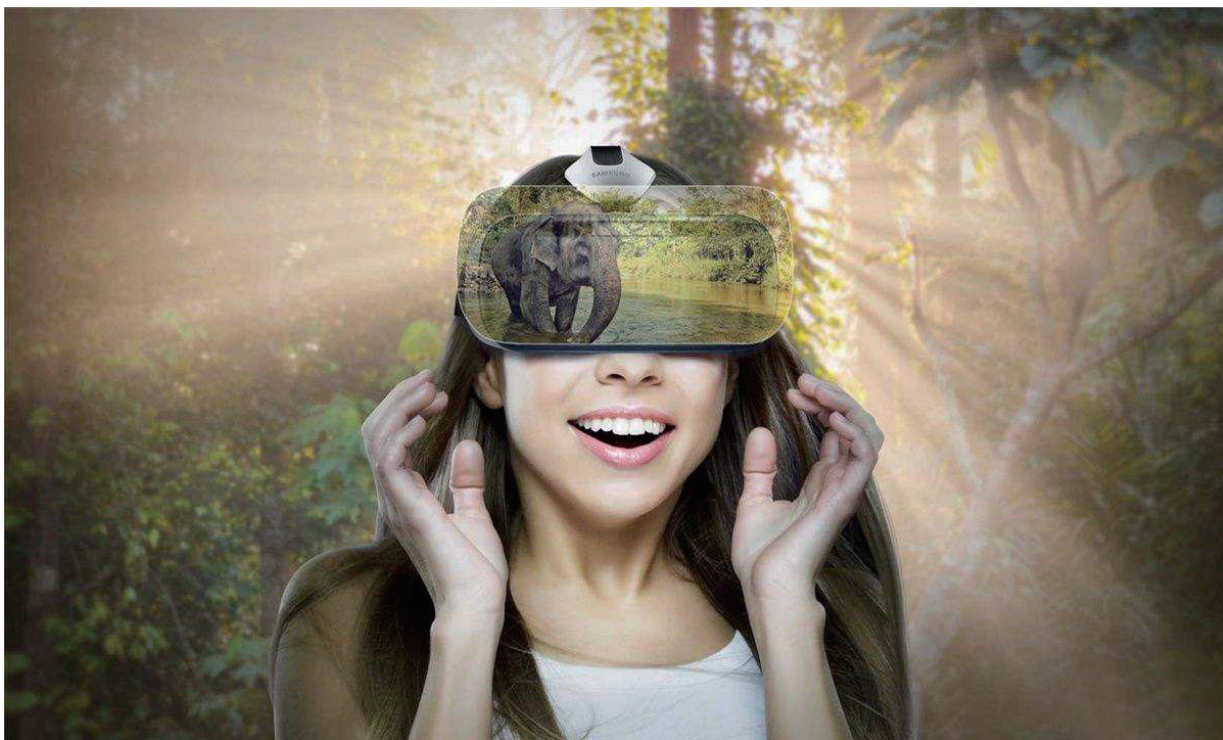
#### 4. Creativity facilitates new cultural business modes and innovation experiments

Since the Twelfth Five-Year Plan period, with the updating and application of digital technology, the degree of integration between digital technology and culture has been increasingly improved, and new modes of culture promoted by digital technology have emerged one after another. Under the context

of “Internet+,” there have been a number of new cultural and creative forms and business modes such as the online celebrity and the online celebrity economy, video and live broadcasting, virtual reality and augmented reality, IP and pan-entertainment, Danmaku and bilibili, cultural crowdfunding, Internet cultural finance and artistic finance, cultural trade and cross-border e-commerce, online drama and online films, Wechat official accounts, mobile phone columns, enterprise operation, business modes and other innovation forms. These new cultural forms and new cultural business modes are cultural forms with modern digital technology and mobile Internet as the core support. Different from traditional cultural business modes, the new business models are characterized by technology-intensiveness, knowledge-intensiveness and high added value which may embody digital technology’s upgrading and creation of traditional cultural industries and their forms.

IP-pan entertainment operation. IP-pan entertainment is a path of intellectual property right transfer with Chinese characteristics, and a new business mode in China’s new business modes of cultural and creative industries. On the one hand, it has greatly activated the unique vast market of online novels in our country, found a new way to transform our intellectual property rights, and explored and amplified the potential value of content-story. Through the integration of the industrial chain, we have produced an aggregation effect far beyond its simple element. IP-Pan entertainment ecology strategy was first proposed by Tencent in 2011. Through acquisitions and mergers, Tencent has bridged the upstream and downstream of cultural industrial chains of literature, publishing, cartoon, film and television, games, online drama, online films and other cultural industrial chains to build an interactive entertainment ecology of “the same star IP, experience a variety of cultural and creative





Virtual Reality (VR)

products.” After that, Alibaba, Baidu, 360, Mi and other Internet giants have vigorously promoted “pan-entertainment” as their important strategies. In the pan-entertainment IP industrial chain, online literature occupies a predominant position, enjoys policy support, capital intervention and changes in business models, and is experiencing an outburst.<sup>①</sup>

Virtual Reality (VR) and Augmented Reality (AR). VR technology generates a vivid virtual environment integrating the senses of vision, hearing and touching with computer technology as the core. With necessary equipment, a user may naturally interact with the objects in the virtual world and influence each other to get an immersive experience. Broadly speaking, VR is a new way of visual

operation on and interaction with complicated data via the computer. Compared with traditional human-computer interfaces and popular widow operations, VR realizes a qualitative leap in technological thinking. VR is an immersive and interactive system based on computable information. These defined qualities are summarized into the 3I qualities of VR: Immersion, Interaction and Imagination. AR is a new technology developed from VR. It is a technology which enhances users’ perception of the real world through information provided by the computer system. The virtual objects, scenes or system prompts generated by the computer are added to real scenes to realize augmented reality. AR adds the virtual objects generated by the

① Pan-Entertainment Industry Receives 100 Billion Yuan of Investment, Business Giants Aim to Profit from Hot IPs, from *South Daily*, on May 9 2016; *Media Studies Industrial Research Report: Pan-Entertainment IP – Online Literature* by Liu Jiang from *Changjiang Securities*, on 2015,10–10–13.



computer or non-geometric information about real objects into scenes of the real world, and realizes augmentation of the real world. Meanwhile, as the connection with the real world has not been cut off, the interaction seems to be more natural. In the visualized augmented reality, a user may integrate the real world with computer images with the screen on the helmet, and see the real world around them. With the wide application of AR, it is receiving more and more attention. It has now developed into a powerful market tool. 2016 was known as the first year of the VR industry, and VR/AR trends were introduced within China. As a creative industry focusing on visual culture, VR/AR now enjoy the leading position in China. VR and AR have already applied widely in innovation experiments in tourism, film and television, entertainment, games, theme parks, education, military and real estates.<sup>①</sup>

Live video streaming. Recently, live video streaming has become a hot spot or even a boiling spot in Internet and mobile Internet competitions. The major websites in China have opened several live video streaming platforms, and various types of live video streaming have quickly emerged like games (Douyu, Panda), Danmaku (Bilibili), video (Letv, Youku and Iqiyi), shows (9158, 6.cn), mobile (Inke, Huajiao), and social network (Weibo, Wechat). A trend of live video streaming has arrived. Each mobile phone is a platform for online news and public opinions, and each Internet user may become a source of information or a medium of dissemination. The resulting new changes and challenges are worth our attention and study.

The emergence of live video streaming on mobile Internet is mainly embodied in two ways. The first one is network anchors. Internet users may

serve as anchors on live video streaming platforms and interact with other Internet users in real time, such as the hot Papi Jiang and other Internet celebrities. The second one is live streaming with videos, photos or words about hot issues, sports and entertainment news on some portals, like the live video stream of the UN's open interviews with candidates for the next Secretary General on video. sina.com.cn, a commercial website.

With the extensive coverage of the Internet and mobile devices, a mobile phone can turn everyone into a publisher of videos and an initiator of topics on public opinion that completes complex tasks such as appearing on camera, interviewing, editing, publishing and even the release of news. As a kind of eyeball economy, live streaming creates new topics of public opinion at any time. Live streaming has changed the traditional mode of news operation, and has become an important carrier of mobile Internet public opinions. As an experience economy, live streaming can provide live entertainment scenes and zero-distance user experience, which can be shared at any time through mobile terminals. As a fan economy, live streaming is outstanding in strong two-way interactions, has huge network communication energy via the mobile terminal. Live streaming also offers the function of information interaction while sharing. Internet users can forward, share and reply to videos, and express their views and interact with live broadcasters through Danmaku or other ways, turning individual watching into a group behavior. This not only has changed the one-way information dissemination model of traditional media, but also may generate other problems during the interactions with other Internet users.<sup>②</sup>

① From [www.sfw.cn](http://www.sfw.cn), February 2, 2016. Goldman Sachs recently released an industrial report on VR and AR: Interpretation of the Next General Computer Platform. According to the report, by 2025, the market scale of VR and AR will reach USD 80 billion. They may become changers of game rules, like the first personal computers.

② *What's the Future of Live Streaming Will be Like* from official account of Media Street, on May, 18, 2016.

The Internet celebrity economy. The Internet celebrity economy is a fan economy in the form of the Internet. Internet celebrities are often ordinary people with a certain professional ability in some fields. They disseminate their own knowledge on product and lifestyles through the Internet, and become key opinion leaders (in commerce and trade) with a certain influence in specific fields. It is an emerging business mode in the age of "Internet+." The fans that pay close attention to an Internet celebrity are often those who understand, have demands or are interested in a specific field. When the Internet celebrity recommends a product, they will naturally become potential customers of that product. Moreover, due to the trust between Internet celebrities and their fans over long periods of interactions, the fans are more sensitive to the products promoted and more easily accept them. Therefore, the Internet celebrity economy often may find products catered to the fans' demands, thus realizing "precision marketing" and greatly improving the rate of consumption conversion. The Internet celebrity economy enjoys its own unique advantages: (1) professionalism in vertical fields; (2) personalization of products; (3) precision positioning, and from "flooding" to "precision watering" in marketing; (4) providing new channel choices for brand owners to attract users and customers.

Internet celebrities and their fans may gradually develop trust and a close relationship through word of mouth, interactions, comments and sharing. Internet celebrities endorse products by integrating their own personalities with them, so that the products may become more personalized and more easily accepted by the fans. What Internet celebrities

introduce to their fans are not simply products, but their individual lifestyles, values and consumption habits. When their fans buy the products, what they buy are the life samples and model personalities created by the Internet celebrities they trust.

When locating and searching for target customers, traditional brand owners often find it difficult to look for he/she in massive user databases and accurately disseminate product information. Therefore, they had to resort to "flooding" and cast the information to all the audience.

The Internet celebrity economy is an innovative practice of "Internet+ traditional commodities." It looks for new market channels through Internet platforms and social media. For creative industries, popularizing and disseminating traditional brands by making use of the features and advantages of the Internet celebrity economy is a new innovative exploration.

As a fast-growing new thing, the Internet celebrity economy has developed dramatically. It may be foreseen that the case of Papi Jiang will be just a beginning. In the future, there will be more and more high-quality Internet celebrities with content making abilities that are favored by capitals and the market, and there will be more Internet celebrities without concrete content creation abilities who will vanish in the tides of this new economy. During this process, traditional brand owners may enjoy new opportunities under the new situation if they change their ideas, actively take the opportunities created by the Internet celebrity economy and embrace this emerging business model with e-commerce and social genes.<sup>①</sup>

It should be noted that the above new cultural

① Reporter Liu Yuying from China News Service reported on May 23 that with the Internet celebrity Papi Jiang receiving RMB 12 million of investment from Logic Show and other investors in March, the realization of Internet celebrities is becoming a trend in China. According to a newly released report, the output value of the celebrities' industry in 2016 was expected to be nearly RMB 58 billion, higher than the total film box office in 2015. Also from the report on the prevalence of the Internet celebrity economy, on March 31, 2016 on [www.people.com.cn](http://www.people.com.cn), by Liu Yang: *The Internet Celebrity Economy, Morning Dew or Future Trend*.

and creative business modes and innovation experiments are only a few hot areas of many cases. In China, such creations are being carried out at every moment, In the Yangtze River the waves behind drive on those before, and the inspiration of creativity, innovation and creation will always lead to an amazing inspired passage.

## 5. Culture +: The most fundamental and the longest historical details

What should correspond to “Internet+” and “Maker space” is “Culture+.” Culture is the most fundamental and contains the longest historical details of creative industries and creative economies. Creativity, innovation and creation are man’s “free and conscious life processes” in the new era. They are the cultural practices of the countries around the world “built according to the rules of beauty” based on their own traditional bases.

Under the impacts from market torrents, the lack of culture is currently a major deficiency in the development of China’s cultural and creative industries. In the present development stage, film and television, publishing media, visual imaging, advertising creativity, urban planning, rural tourism, restoration of ancient towns, protection of intangible cultural heritages, the Internet celebrity economy, live video streaming, VR/AR, online dramas and films and bilibili’s Danmaku all require improvements in artistic, aesthetic, cultural, philosophical and spiritual characters.

The development of Chinese culture is currently at a historical turning point. In the past decades, we have focused on the center of economy, and culture seemed to be dispensable. After nearly a decade of promotion and improvement in the economic level, we have seen that culture has a profound impact on all aspects of the socio-economy. China’s economic and social development has entered the current form

and is facing upgrading. The importance of culture has become increasingly prominent, becoming the core element of social development. Culture moistens things silently like water, and all the industries and sectors of social and economic development need “+ Culture.” Cultural industries have become an important support force for China’s economy, tourism, film, cartoons and games, especially the field of science and technology related to innovation, have all become important support forces of GDP, and are developing into pillar industries.

The most fundamental cause for the huge gap in cultural consumption is that currently the citizens are not paying enough attention to “Culture +.” In other words, it has not been put in place. The missing of “Culture +” has caused a series of problems such as the ethical issues of cultural and creative enterprises and the inability of culture to go global.

The missing of “Culture +” results in prominent industrial ethical issues. The theories and practices of industrial ethics in China are lagging, resulting in a series of ethical issues or even criminal problems such as the integrity of cultural products, sexually suggestive problems, electronic frauds, Internet rumors, rampant piracy, toxic “information,” misconduct of morality in medium professions; fake news, news blackmails and news-related corruption; and loss of ethics and credit in advertising. All these have seriously affected the healthy development of cultural and creative industries. On April 14, 2016, the Ministry of Culture published the 25th list of Internet cultural activities in violation of laws and rules, and 19 Internet live streaming platforms were examined and punished. It is reported that the Ministry of Culture plans to formulate policies on the strengthening of management over Internet performance which will specify the key aspects of Internet performance. Besides, a system of warned list and blacklist of Internet live streaming platforms and anchors in violation of rules will also be

established.

On the one hand, the absence of a strong cultural element is the result of the short length for the development of a market economy and the low degrees of marketization and rule of law in China, especially the neglect of humanistic values during the primary stage of development. On the other hand, of the ethical issues in global creative industries and creative economies, many have been new common problems generated during the development of new global technologies, new media and new business types. These problems urgently need to be faced and dealt with by relevant countries. After all, they are problems caused by the missing “Culture +.”

The missing of “Culture +” has caused the loss of traditional cultural heritages. On the one hand, the missing of “Culture +” has caused the loss of China’s traditional cultural heritages. On the other hand, the culture has been unable to go global due to the lack of core contents. Let’s take intangible cultural heritages as an example. There are more than 1,000 types of intangible cultural heritages

in China, many of which being the protection of our own culture. However, the large amounts of traditional culture are gradually becoming extinct during the current fast economic development. We need productive protection over these ethnic cultural heritages and will protect and develop them in an industrialized manner. We have noticed that many cultural heritages have lost original cultural qualities in marketized development. In cultural industries, China needs further opening up to further enable really good Chinese cultural products to go global. However, pioneering technologies and capitals have allowed the absence of inner cultural cores in cultural products. By holding the Chinese knot today and paper cutting tomorrow, we cannot create internationally competitive products that will embody China’s cultural connotations. Emerging live streaming, the Internet celebrity economy and VR and AR lack many regulatory measures and add to the risks of social instability. All these need to be changed.

(Translator: CCTB Translation Service;  
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