

---

# *Economic Development, Enlightenment and Creative Transformation: Creative Industries in the New China*

This paper examines some of the implications for China of the creative industries agenda as drawn by some recent commentators. The creative industries have been seen by many commentators as essential if China is to move from an imitative low-value economy to an innovative high value one. Some suggest that this trajectory is impossible without a full transition to liberal capitalism and democracy —not just removing censorship but instituting ‘enlightenment values’. Others suggest that the development of the creative industries themselves will promote social and political change. The paper suggests that the creative industries takes certain elements of a prior cultural industries concept and links it to a new kind of economic development agenda. Though this agenda presents problems for the Chinese government it does not in itself imply the kind of radical democratic political change with which these commentators associate it. In the form in which the creative industries are presented —as part of an informational economy rather than as a cultural politics— it can be accommodated by a Chinese regime doing ‘business as usual’.

*Este artículo explica algunas de las implicaciones que tiene para China su programa de industrias creativas y se detallan varias hipótesis de varios autores sobre la capacidad de las industrias culturales de ser elemento clave para el cambio de economía copiadora a economía innovadora o bien de estar su desarrollo constreñido a la rigidez del sistema político o incluso que su propio desarrollo promoverá el cambio político y social. En este artículo se señala que las industrias creativas toman ciertos elementos de un concepto previo de industrias culturales vinculándolo a una nueva clase de agenda de desarrollo económico. Aunque esta agenda plantea problemas al gobierno chino, no implica en sí misma el tipo de cambio político democrático radical al que la asocian diversos autores. Así las industrias creativas pueden ser adoptadas por un régimen chino que sigue funcionando de la misma manera que hasta ahora.*

Artikulu honetan Txinako sorkuntza-industrien programak dituen zenbait konpromiso azaldu dira. Halaber, hainbat egilek egindako hipotesiak zehaztu dira: kultura-industriek ekonomia kopiatzaitetik ekonomia berritzaileira aldatzeko funtsezko elementu izateko duten gaitasuna, horren garapena sistema politikoaren zorroztasunari mugatuta egotea, edo garapenak berak sustatuko dituela aldaketa politiko eta soziala. Artikulu honetan adierazi da sorkuntza-industriek kultura-industriaren aurretiko kontzeptutik hartu dituztela zenbait elementu, garapen ekonomikoaren beste agenda-mota bati lotuz. Agenda horrek arazoak eragiten dizkio Txinako gobernuari, baina ez du berez ekartzen egile batzuek aipatzen duten aldaketa politiko demokratiko erradikalaren mota zehatz hori. Horrela bada, orain arte bezala funtzionatzen jarraitzen duen Txinako erregimenak ere har ditzake sorkuntza-industriak.

## Index

---

1. Introduction
2. Creativity as innovation
3. China: no through road
4. Trojan horse
5. Creative consumption
6. Good and bad capitalism
7. Conclusion

### References

Keywords: creative industries, cultural industries, China consumption, entrepreneurship, modernity.

JEL classification: Z10,Z11.

---

## 1. INTRODUCTION

This paper examines some of the implications for China of the creative industries agenda as drawn by some recent commentators. The creative industries have been seen by many commentators as essential if China is to move from an imitative low-value economy to an innovative high value one. Some suggest that this trajectory is impossible without a full transition to liberal capitalism and democracy - not just removing censorship but instituting 'enlightenment values'. Others suggest that the development of the creative industries themselves will promote social and political change. The paper suggests that the creative industries takes certain elements of a prior cultural industries concept and links it to a new kind of economic development agenda. Though this agenda presents problems for the Chinese government it does not in itself imply the kind of radical democratic political change with which these commentators associate it. In the form in which the creative industries are presented —as part of an informational economy rather than as a cultural politic— it can be accommodated by a Chinese regime doing 'business as usual'.

This paper is concerned with the process of international policy transfer around the creative industries as it specifically applies to China. Such policy discourses are

never merely technical, and especially not in a field as ambiguous, contested and malleable as the creative industries. As a number of commentators have shown, the 'creative industries' have been picked up by different governments in different ways according to local needs —some structural and others merely transitory (Wang, 2004; Kong et al, 2006; Cunningham, 2009). Here we look at some of the narratives within which this particular policy discourse is embedded. Parts of this narrative are clearly visible, other aspects lie below the surface. In the first part of this paper I attempt to identify what might differentiate a 'creative industries' discourse as opposed to that of a prior 'cultural industries'. The latter derives from a critical 'political economy' school of cultural and media studies but it is also had a more positive cultural policy agenda rooted in the new left and urban social movements of the post-68 period. I suggest that the creative industries discourse takes much of the emancipatory rhetoric from this tradition but that ultimately it becomes a politics of creative consumption. In the second part I explore this through the lens of some different views of the prospects for the creative industries in China.

## 2. CREATIVITY AS INNOVATION

The direct provenance of the creative industries discourse is, on the one hand, fairly straightforward —it derives (via the Australian Labour Government's Creative Nation initiative) from the UK Government Department of Culture, Media and Sport's Creative Industries Mapping Document (DCMS 1998). On the other hand, the resonances of this newly named policy object are strongly contested. Some (including this author) have emphasised its connection to the previous 'cultural industries', which as an academic and policy field goes back at least to the 1960s (Banks, 2007; Hesmondhalgh, 2007; O'Connor, 2007). From this perspective the notion of 'creative industries' has been deemed an opportunist and a confusing misnomer (Garnham, 2005; Pratt, 2005; Hesmondhalgh, 2007; O'Connor, 2009; 2010), and often held to signal a radical shift from the cultural to the economic end of the policy value spectrum (Banks and O'Connor, 2009).

For others however the creative industries discourse is a radical break with 'arts and cultural industries'. First this discourse claims a more democratic move from top-down publicly subsidised to bottom up market-led culture. This is linked to claims that the proliferation of Web 2.0 technologies have undermined the role of the big 'culture industry' corporations, extended the active influence of consumers within the production process ('prosumption', 'co-creation', new forms of user-led aggregation and feedback mechanisms) and generally opened up the field of digital creative practice through cheaper and more user-friendly technologies (Hartley, 2005; 2008; Cunningham, 2005).

Second (and despite the above), continued public investment in the creative industries is justified, primarily as economic policy. However, this is not simply in

terms of the direct employment and wealth creation of this sector —a claim shared by the cultural industries policy discourse and one which still animates most national and local government creative industry strategies. Just as the cultural industries had other public good outcomes —various contributions to cultural and social life—the creative industries contribute to the ‘innovation system’ of the economy. Unlike the cultural public goods argument, which makes claims on public money based on market failure, the claims of the innovation system —like other infrastructural investments such as transport, R&D and education— are based on enhanced future economic growth (Potts et al, 2008; Potts and Cunningham, 2008)).

Creative consumption and production flow into one another. Creative/ symbolic inputs now feed into ever more service and manufacturing goods, going beyond advertising into the design of the product from physical entity through customer service through to global brand positioning. From this perspective the DCMS’ emphasis on the exploitation of intellectual property, and its subsequent policy roll-out within fairly traditional cultural industrial parameters, failed to grasp the full import of this new discourse for national economic competitiveness. The input of creative consumers is now increasingly central to the concerns of cultural, service and manufacturing sectors; creative producers are increasingly likely to work outside the creative industries proper (i.e. in the DCMS’ sense), adding value in business to business services right across the economy. Not only does creativity becomes the central resource of the post-industrial creative economy but the creative industries in this expanded sense operate as an information and co-ordination system within which new forms of symbolic production and consumption are organised.

From this second perspective, the creative industries are now located within the wider discourse of innovation and competitiveness in the ‘post-industrial’ or ‘knowledge’ society. Despite invocations of a ubiquitous creativity animating all aspects of economic and social life, these specifically ‘creative industries’ still act as exemplars and primary generators of this new resource. This narrative shift has had great rhetorical power and provided enhanced access for those with creative industry credentials within local and national policy making (as it was always intended to do).

A key aspect of the creative industries discourse is that it moves beyond the arguments for the ‘economic importance of culture’ and suggests that they represent a new kind of industry (or post-industry), a new kind of economy and a new source of comparative advantage. That is, they are inserted within a narrative of post-industrial development very much attuned to the specific histories of western developed countries. This is both a source of attraction for the other developed and newly developing countries but also problematic. The creative industries for some are a new high value sector signaling an important next step in economic development. For others they bring a charge of bottom-up culture, challenging the established cultural elites and opening up space for small producers. More generally they have the air of the new, the modern, the future. But this is a story with

long provenance –it is a story of catching up with the West, of querying the validity of local traditions and cultures, of being offered liberation in a language unknown, of being caught up in somebody else's universal history. It is the story of global modernity.

### 3. CHINA: NO THROUGH ROAD

How then are we to understand the creative industries agenda in China? I will look at two contrasting accounts. The first is a more standard account which suggests that China is incapable of developing creative industries without political reform —political reform that includes the development of civil society, free markets and a cultural openness associated with western modernity. The second suggests that the creative industries can act as a Trojan horse, provoking social, cultural and political change via their introduction as a new economic agenda. We look at this argument from the perspective of creative consumption and then creative production.

The first perspective is exemplified by Hutton's *The Writing on the Wall* (2007) which suggests that China's economic modernization is only half achieved. State-led capitalism has spurred rapid economic growth but this is about to come apart because the polity has not been reformed on western lines. We will not discuss the specific claims about the economic crisis Hutton suggests is about to hit China (he was writing before West was hit by one of its own) but try to outline the overall argument insofar as it pertains to the underpinning narrative for the creative industries.

Hutton's historical argument is straightforward. Western capitalism became globally dominant because it grew up in conjunction with 'Enlightenment values'. These values emerged out of a new public sphere mediating between the state and the individual. This allowed a free circulation of knowledge and the contestation of tradition; the rule of law facilitating new forms of property, trade and finance; and the increasing restraints on the action of states by 'opinion', demanding that its actions should be rationally justified. The emergence and global success of European capitalism is absolutely inseparable from these Enlightenment values and it is they that made the difference when the European system encountered the powerful Qing Empire in the early nineteenth century.

These four elements —the pluralism developed by nearly continual war and state competition; profitable long-distance trade and the companies it created; a robust soft institutional infrastructure; and the universalisation of technology— kindled Europe's miracle and allowed it to overtake China.... Uniting, underpinning, and embodying all four elements was the Enlightenment, and the public institutions it underwrote. (Hutton 2007: 58).

Crucially, China is lacking not just Enlightenment values but ‘Enlightenment attitudes’ (Hutton 2007: 51). The separation of state and society, the accountability of the latter to the ‘reasoned collective judgement’ (Hutton 2007: 170) of the former is the essence of Enlightenment, and this public sphere also underpins ‘good economy and society’ (Hutton 2007: 170). These are non-market institutions which allow the market to be so successful because they link it to the aspirations of the individual to ‘substantive freedom and the capacity «to choose a life that one has reason to value»’ (Hutton 2007: 171).

So here is the mechanism, plural public institutions; and here is a consequence, human happiness. Enlightenment institutions need Enlightenment people to breath life into them; modernity has to be won by real people who are prepared to imagine a life that they themselves want to make and are prepared to act on that concept, leaving behind the universe in which preferences are inherited and fixed.... [T]his involves a mental shift from the traditional to the modern. (Hutton 2007: 171).

For Hutton it is the knowledge economy that will continue to represent the West’s great advantage —not just the ‘hard knowledge’ of science and technology skills (which is now more easily acquired by countries such as China) but ‘soft knowledge’:

... the bundle of less tangible production inputs involving leadership, communication, emotional intelligence, the disposition to innovate, and the creation of social capital that harnesses hard knowledge and permits its effective embodiment in good and services and —crucially— its customisation. Their interaction and combination are at the heart of the knowledge economy. (Hutton 2007: 311).

Soft knowledge, soft skills —what he calls ‘tacit interactions’— are central to the knowledge economy; it is these which will continue to give the West its edge. These skills in turn rest, for Hutton, on a shift to Ingleharts’s ‘post-materialist’ values that we noted above. Creative industries then, like the knowledge economy as a whole, demand a cultural as well as a political transformation in China. One is not possible without the other but both are related to a wider set of ‘enlightenment values’ within which economic growth has to be framed.

Hutton makes clear what is often only implicit in the consultancy literature on creative industries in China. Imitation, corruption, cronyism (*guanxi*), political before business considerations, lack of public debate, an uncreative education system and, of course, censorship are all seen to be obstacles to the development of a creative economy. But for Hutton, no amount of exhortation to be more creative will work unless the Chinese political system and the culture which it sustains are changed. This change will represent a transition to a complete modernity, a final break from the Chinese past and a full embrace of those universal values derived from the European Enlightenment which alone can underpin the global community.

114

These are very big claims and which have challenged elsewhere (O'Connor, 2009b). The key problem is the way in which Hutton repeats many of the discourses, not just of western-centric developmentalism but of classic imperialism (a word that barely appears in his text) without a blink. Rather than bringing 'civilization' Hutton brings us 'enlightenment capitalism'. It is a restatement of the classic liberal thesis that capitalism and democracy are inseparable. But now this link rests not on the growing demands of a rising capitalist class but on the centrality of the open circulation of knowledge to contemporary economic productivity. China can get so far by copying western industrial and technical knowledge but in its current state it will not be able to become a mature knowledge intensive economy. Despite the fact that the main purpose of the book is to convince the USA not to abandon enlightenment values (which he suggests is an immanent possibility) Hutton never considers the contradictions between enlightenment and capitalism that have been a constant theme within western (and anti-colonial) thought for 200 years. This reached a breaking point in the experience of imperialism where economic and military violence took place precisely under the banner of enlightened civilisation. Hutton, following economists such as Mokyr (2002), sees the knowledge produced by enlightenment and that required for the expansion of capitalism, as one and the same thing. This contradicts an argument implicit in Hutton's thesis that, just as there are different forms of economic growth, and there are 'good' and 'bad' capitalisms. Rather than make a claim for the validity of enlightenment values per se he argues that they represent the competitive advantage of a western knowledge economy. By melding the two sets of knowledges and values his approach runs into problems when 'bad capitalism' seems like a good option. Which is his take on the current US scene!

The other aspect of Hutton's thesis is that it completely disempowers the specific socio-cultural resources available to produce endogenous change in China. It must catch-up with the West by adopting its values and the main mechanism for this is the USA using its authority to coax China into the community of enlightened nations (O'Connor, 2009b). I will return to this at the end.

#### 4. TROJAN HORSE

For the second perspective I draw on the work of the CCI at Queensland University of Technology<sup>1</sup>. This approach agrees in large part with Hutton's account of the knowledge economy but is much more circumspect about 'enlightenment values'. They do not see democratic institutions and civil society as necessary preconditions for the knowledge economy or creative industries. To the contrary, they suggest that the economic promise represented by the creative industries agenda can

---

<sup>1</sup> ARC Centre for Creative Industries and Innovation. <http://www.cci.edu.au/about/> For a more detailed critique see O'Connor 2009a.

of itself produce the socio-cultural shifts and autonomous democratic spaces which Hutton sees as foundational. Their starting point is the most obvious failing of Hutton's thesis —that in fact the Chinese government are right now adopting the creative industries as a new development agenda.

On the surface its adoption is fairly clear in intent. The term 'creative industries' was from the first linked to that agenda of a post-industrial knowledge economy where creativity will be at a premium. China —like many other Asian countries— is looking to move towards higher value knowledge intensive industries, and the creative industries landed at the right time. There is little doubt that it was the DCMS Mapping Document which was the catalyst for this process ( O'Connor and Gu, 2005; Hui, 2006; Kong et al, 2006; Keane, 2007; Cunningham, 2009). The document positioned the creative industries squarely within the knowledge economy with its emphasis on 'the generation of wealth through the exploitation of intellectual property'. This emphasis was underlined by the subsequent success of John Howkin's *Creative Economy* (2001) in China and his enthronement as 'father of the creative industries' in that country. Hong Kong first picked the term up in 2002; Shanghai were itching to use it almost immediately afterwards but had to wait until 2005; Beijing's new Choayang cultural district wanted to use it but were hesitant and eventually settled on the hybrid cultural creative industries (Hui, 2006; Keane, 2007).

Keane's (2007) account of this gradual shift from cultural to creative is structured around the shift from 'made in China' to 'created in China', a shift from industrial to post-industrial and from derivative to original products that both requires and provokes a mobilisation of creativity —all under the heading of 'the new great leap forward'. Ignoring the irony of the 'great leap' (the original ending in unmitigated catastrophe) the envisaged outcomes are somewhat ambiguous. On the one hand it offers the economic promise of a knowledge intensive industry with creative 'spill-overs' into other sectors. But for the creative economy to happen —here is the Trojan Horse— it will necessarily have to empower both producers and consumers at grass roots level. There is a political promise which is left mostly implicit; the new spaces within which creative production and consumption take place are necessarily progressive and democratic. However, I suggest that the reason this wider political promise remains mostly implicit is not a cautious nod to the fiction of the Trojan Horse but a testimony to the severe limitations of the politics of the creative industries.

In Keane's narrative the hesitations of the Beijing municipal and national governments over the new term was a sign of political caution and cultural conservatism which must sooner or later give way. 'Cultural industries' as a policy term had been adopted in China in the late 1990s and represented an aspiration both to develop these sectors —film, television, publishing, performing arts, crafts, tourism etc.— economically and to retain control over content. It did both through an industrial



strategy aimed at 'controlling the big, letting go the small'. It initiated a process of agglomeration and partial privatisation —building national champions such as CCTV or the Xinhua publishing company —whilst keeping control over content via part-ownership and various formal and informal regulatory mechanisms. The cultural industries were thus not just any industry but part of the ideological formation of the People's Republic. What opened new possibilities was the shift away from such ideology rich programming towards popular entertainment and new, 'up-market' forms of identity consumption and its attendant marketing. The expansion of the television market (still overwhelmingly the central media form in China, as elsewhere) and the need to make an operating profit saw the import of programmes from Korea, Taiwan and Japan and formats from across the globe. New digital genres such as computer games, the spread of the internet and mobile phones, as well as the proliferation of department stores, public advertising space, tourism, urban consumption spaces and so on, represented huge new markets. In order to fully compete in and take advantage of these new markets, it is argued, the government will need to mobilise creative talent; such 'autonomous innovation' as Hu Jintao called it, necessarily involves a diminishing of central control over the circulation of knowledge and the socio-cultural spaces of innovative practice.

Keane's account was linked to a wider CCI initiative whose central hypothesis was:

that the internationalization of the creative industries would prove transformative in China, encouraging the growth of individual talent, «content» innovation, and a shift from centrally planned command-and-control industries to a complex dynamic system growing via the self-organized interactions of myriad creative agents (Hartley and Montgomery, 2010:10).

'Creative agency' then is a driver of economic change and also of political change 'though possibly at a slower rate' (Hartley and Montgomery, 2010:10). They share with Hutton the emphasis on the centrality of knowledge accumulation and retention to economic growth, but rather than a set of explicit political values they stress the 'evolutionary process of the growth of knowledge' (Hartley and Montgomery, 2010:10). Unlike Hutton, who sees the institutional setting as blocking such a process, the CCI school see this as more or less inevitable.

Though CCI refute the primacy of the economy over culture as 'a left over Marxist causality' (Hartley and Montgomery, 2010: 9) and allow great agency to autonomous political intervention —such as Deng's decision to launch the 'opening up' process— they seem unconcerned about the ability of the political structure to stand against the evolutionary tide of the knowledge economy. For example, as Keane (2007) clearly outlines, the Chinese government make a clear distinction between cultural and creative industries, one that is replicated right down to local city level. The former do not just include heritage, crafts and the arts but 'content' that is deemed ideologically sensitive such as news and information media, publishing, televi-

sion drama and so on. That is, the very heart of the information and communication system. The creative industries are designated as ‘safe’ —certain forms of entertainment, design, fashion, computer games, software, animation, advertising, marketing and related consultancy services. In making such a distinction, and allocating resources, responsibilities and regulations accordingly, ‘politics’ reaches into the very heart of the creative economy.

Yet CCI take pains to distinguish itself from the ‘political economy’ school of media and cultural studies, which concern themselves with the ‘various injustices’ of the system rather than looking at media’s contribution to economic growth (Potts, 2010: 98). According to CCI the focus on censorship and state control (Hartley and Montgomery, 2010:3) or the power of the big international media (Keane, 2007:5) has made them blind to the development of the creative economy in China. In Keane, long involved in Chinese media studies, this can be a valid point about western observers’ over-emphasis on political censorship; but it shades into a sense that these concerns are irrelevant or indeed illegitimate. Yet their absence makes the CCI account increasingly problematic.

There are two dimensions of this transformative creative agency —that of creative consumption and creative production.

## 5. CREATIVE CONSUMPTION

Potts argues that the political economy approach ignores the ‘information and coordination services provided by cultural, creative and communications industries’ (2010: 96) by which he means the complex feedback mechanisms between producers and consumers in a service economy in which price information is volatile and uncertain. In short, their ability to help assemble a knowledge intensive consumer economy based on identity goods. This is why they are more important than their direct employment consequences:

the film, television, video, publishing sectors serve an important function beyond providing journalistic information and analysis, consumer entertainment, and in delivering an audience for advertisers. But in a growing economy with increasing social mobility and opportunity, they also play a role in shaping and stabilizing shifting identities and aspirations (98).

Keane also suggests that:

The ‘old’ mass media (television, press) remain under tight control and are barred from foreign investment. On the other hand periodicals, magazines, animation, video games and mobile content applications are diversifying their market scope, targeting niche markets more than mass consumption, and finding ways to respond to their most valued demographic, the urban youth market. (2007:5).

That is, the ideological content associated with old media and 'citizen formation' is now irrelevant; the ostensibly 'safe' creative industries can, under the radar, 'shape and stabilize' the socio-cultural changes experienced in the West since the 1960s and now much more rapidly. As Hartley and Montgomery put it:

consumers armed with information about how to navigate the complex choices offered to them are finding opportunities to consume «entrepreneurially» —to maximize the status benefits associated with their purchases, to forge and express identities that express the values of «risk culture», and thereby to explore the ways in which commercial offerings might be applied or adapted to their own needs and circumstances. (2010:10).

Thus the 'self-organized interactions of myriad creative agents' manifested in the emerging creative industries thus represents an evolutionary process to which outmoded institutions will have to adapt. However, contrary to the way it is presented by CCI, the foundational premise of the political economy school is that the 'cultural, creative and communications industries' produce commodities first and foremost, which must appeal to audiences to make money and often do so in direct contradiction to the ideological wishes or even legal structures of the state (Garnham, 1990; Hesmondhalgh, 2007). CCI equates the cultural commodity market with pure consumer sovereignty and see it as a transparent expression of individual and group aspirations and identities. It grows out of a hotly contested interpretation of the 'creative consumer' (Hartley, 1999) and an 'internet optimism' (cf. Turner, 2010: Ch.5) which combines elements of community politics with Randian right-wing free-market anarchism. Not only does this approach ignore the ways in which capitalism systematically distorts markets in search of profit but also the ways in which the state continues to frame these consumption choices—for good or bad.

This is patently clear in the China case where the programme of social and political transformation through creative consumption amounts to the most naïve wishful thinking. In effect it is a version of the classical liberal claim that the rising middle class will begin to demand its political rights, if only to better secure its economic rights. Here the long awaited Chinese middle classes—those with education, leisure and disposable income—are the harbingers of creative consumption. These, or at least their youthful off-spring are positioned alongside those post-1989 popular revolutions, where students and professional middle classes demand access to the consumption rights the rest of the world takes for granted. If regimes are unable to supply this then they lose legitimacy. However, the standard thesis on post-1989 China has been that political radicalism of the 1980s was bought off by the economic growth of the 1990s. That is, enhanced consumption was a way of staving off political demands.

The distinction the Chinese government makes between cultural and creative industries is not some conservative finger-in-dyke before the inevitable flood of the

creative economy, it is part of its active construction of a consumer economy that is channelled into the safety of 'identity' consumption. The Chinese state has the means and the legitimacy to intervene in the cultural commodity market to an extent far beyond what is possible in the West. The recent victory of the partly state owned Bai Du over Google is merely one indication of this. Potts' claim that the creative industries 'also play a role in shaping and stabilizing shifting identities and aspirations' turns out to be correct, though not necessarily in the way he intended.

It remains to be seen how the contradictions between the political requirements of the state and the dynamics of the cultural commodities market turn out. Keane's distinction of 'mass' and 'niche' consumption turns on the opposition of 'old' and 'new' media. But they also may also turn on that of mainstream and disruptive or dissenting consumption. I say may because, as we know, post-fordism is precisely about the production of difference and niche. For niche consumption to mean anything other than discerning consumption —to become dissenting or disruptive— we would have to know more about the social, cultural and political values involved, which this particular approach to creative industries does not do.

The main sites of political conflict in China remain in the realm of 'sensitive' information or unacceptable symbolic content. The safe zones of identity consumption remain just that unless they abut against these more sensitive areas. The transformation of lifestyles is of major importance to our understanding of the prospects for contemporary China, but for real political change to occur citizen-consumers will need to actively challenge the structures of power, symbolically or in practice. That is, be more citizens than consumers. But if it seems unlikely that this political challenge will emerge amongst readers of *Vogue*, then maybe it will come from the cultural producers themselves?

## 6. GOOD AND BAD CAPITALISM

Michael Keane writes:

China's next 'stage of development' may see its cultural producers successfully targeting regional and international markets. In order to achieve this, however, there is a need for Chinese cultural and media industries to break free of institutional and political shackles. (2007:5).

The classic liberal schema whereby the growth of capitalism led to a new middle class demanding democratic freedoms informed capitalist development theory up to the 1960s (Barrington Moore, 1966). From the 1970s this symbiosis seems to come apart. On the one hand many Latin American countries adopted capitalism with very little —if any— democracy and little social improvement. On the other the 'Asian Tigers' promoted a highly competitive and socially re-distributive capitalism

within highly restricted democracies. Though the situation is complex there is a clear problem with linking capitalism directly with democracy.

A variant of this debate concerns the role of the entrepreneur within these different capitalisms. Many, though somewhat loosening the direct ties between capitalism and democracy, argue that the high participation of entrepreneurs and small businesses within market economies will produce a more equitable distribution of wealth, as well as a more productive and innovative economy. There are good and bad capitalisms<sup>2</sup>. China represents a real challenge. It has achieved unprecedented economic growth and seems set (pace Hutton) to become an economic counterweight to the USA. It certainly is not democratic; the question is, does it provide space for entrepreneurs and small businesses. Is it good capitalism or bad?

Huang's (2008) findings are extremely interesting. His detailed investigation concludes that the space opened up for small scale rural entrepreneurs in the 1980s produced huge economic and social welfare benefits. But in the 1990s entrepreneurs were squeezed out by the industrial growth strategy which favoured high levels of state and foreign investment in companies heavily controlled by the state. 'Control the big and let go the small' meant much closer regulation of this entrepreneurial sector and its diminishing economic significance —something that, despite the image, has continued to this day. Huang (echoing Hutton) links this to low levels of productivity and innovation in China and a rapidly escalating social polarisation as increased GDP is retained by elites<sup>3</sup>. Another study (Tsai, 2007) more directly looks at the relationship between entrepreneurs and the state, arguing unsurprisingly that they do not directly challenge the local state and spend a lot of time trimming their strategies to accommodate its moves, though they can sometimes achieve incremental change (Tsai, 2006).

We cannot comment on the implications of these findings for the Chinese economy as a whole but given the reliance of the creative industries discourse on the emergence of small entrepreneurs and autonomous innovation they present some real challenges. Can there be good and bad creative industries? One obvious answer is to point to the role of China and other developing economies in providing routine processing for the creative economies of the West —what Miller (2001) calls the 'new international division of cultural labour'. These tendencies are also echoed in Ross's account of new media workers in China (2006; 2009). That is, that large creative industries are using cultural workers for sweat labour.

Keane's 'great leap forward' suggests that China would miss real economic growth if it continued at this low value 'routine processing' level, and he suggests

<sup>2</sup> The literature is obviously huge. See the discussions in the works of Huang (2008) and Tsai (2006; 2007) discussed below.

<sup>3</sup> Andreas (2010) disputes Huang's 'free market liberal' interpretation but not the concentration of capital and political power in the 1990s.

how it might escape this trap through the enhanced role of autonomous creativity and thus more space for entrepreneurial agents. National, provincial and city governments are now promoting cultural and creative industries but, as Keane argues, these are characterised by the duplication of production, imitation, repetitive subcontracting, over-bureaucratisation and the locking up of *guanxi* networks around government officials. That is, a lack of autonomous learning networks essential to a creative milieu.

It is however conceivable that learning effects do exist but do not necessarily translate into the independent start-ups that characterise the West. They may be recouped within the state controlled sector. The ways in which local officials in Shanghai, for example, were able to learn the knowledge, protocols and language appropriate to international contemporary art suggest the Chinese state has very effective learning (Zhong, 2009). The organisation of the Beijing Olympics and Shanghai Expo mobilised design and events management skills at the highest levels. Keane's suggestion that cultural and media industries need to break free of institutional shackles seems less likely than that they pursue their goals via state gatekeepers, and hoping to 'educate' these officials as they go (Watterson, 2010).

We might return here to the concept of 'creative class' which gained some currency in Hong Kong but less so in mainland China (Florida, 2002; Hui, 2006; Keane, 2007). One issue in Hong Kong was the 'tolerance' that, with 'technology' and 'talent', made up Florida's 'three Ts'. The association of 'tolerance' with bohemian and gay lifestyles was dropped. Given the close connection between these values and the wider narrative of the 'culturalisation of the economy' we discussed above this is significant. What we have is a creative class without any semblance of the cultural radicalism that gave Florida's portrait its cool edginess. The Chinese government of course did not like the idea of a 'class' but seem perfectly at home with a 'social group' possessing the requisite talent and creativity to work within a highly controlled creative industries sector. Without the cultural radicalism associated with its western counterparts (however attenuated) and with access to domestic and international markets necessarily dependent on state gate-keepers there seems little reason to expect any political or institutional shackle-breaking in the near future.

## 7. CONCLUSION

This is not to say that the growth of cultural production and consumption lacks any emancipatory thrust because it does not look like the West. Keane's detailed knowledge of the Chinese context makes him wary of such western-centric views as evidenced in Hutton. Under the grand claims for the creative industries lies some nuanced and instructive insights into the specific contexts within which creative industries are situated and how these differences are not therefore 'backwards'. An

example is his attempt to produce a different account of Chinese creativity based on modularity and incremental change rather than the originality and even iconoclasm of the western tradition (Keane, 2010). These specificities are not however to be seen in the same way as Jacques' recent work (200), which argues for a Chinese modernity radically different, and indeed indifferent, to western modernity. I would situate these issues within a 'singular modernity', one not based on the universal validity of the western experience, but in which western experience has become itself merely one particular experience (Jameson, 2002). But modernity —those sets of transformations associated first with Europe, though partially present in other previous historical formations— is now a global experience and the values with which it is assessed are still marked by its enlightenment origins of individual autonomy within a collective somehow responsible to these individuals<sup>4</sup>.

Hutton's claim that China cannot develop a knowledge economy without western values and institutions, despite its severe limitations, at least has the benefit of bringing economic growth under the rubric of social and political values (even though this is justified in terms of even more growth). The CCI claim that the evolutionary system of creative consumption and production can produce social and political change. I have tried to suggest some of the limitations of this thesis as it applies to China. I have also suggested that the creative industries discourse has tended to uncouple itself from the more radical social, cultural and political values of a previous cultural industries discourse and rooted in urban popular cultures and new social movements. As such it has little to say about a state that enables a creative economy as long as it does not challenge the political system. Seeing no contradiction between cultural and market value, between the citizen and the consumer, between an economic system and the wider social values within which it is framed, this discourse can only offer technocratic support to a creative economy in the belief that the system will eventually evolve.

In conclusion I suggest that we need to use a grounded and forward-looking political economy approach, one that recognises that there can be clear differences between the dynamics of actual economic growth and the social, political and ethical claims of 'knowledge'. Indeed that these latter might find good grounds to frame and even constrain the former. The emergence of a critical but positive notion of cultural industries in academia and policy from the 1960s (which it shared in part with cultural studies) was part of this contestation and renegotiation of the values of autonomy and democracy from within the field of culture (O'Connor, 2011). The reduction of this programme to a co-ordination and information system for a consumer economy can only be regressive.

---

<sup>4</sup> For an excellent discussion of Chinese modernity from this perspective see Hui, 2009.

## REFERENCES

- ANDREAS, J. (2010): 'A Shanghai Model?' *New Left Review* 65: 63-86.
- BANKS, M. (2007): *The Politics of Cultural Work*, London: Palgrave Macmillan.
- BANKS, M AND O'CONNOR, J. (2009): 'Introduction. Creative Industries Ten years After', *International Journal of Cultural Policy*, Special Issue: Creative Industries Ten years After, 15. 4, 365-373.
- BARRINGTON-MOORE (1966): *Social origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*. Boston: Beacon Press.
- CUNNINGHAM, S. (2006): *What Price a Creative Economy?* Strawberry Hills, NSW: Currency House.
- (2009): «Trojan Horse or Rorschach Blot? Creative Industries discourse around the world», *International Journal of Cultural Policy* 15:375–86.
- DCMS (1998): *Creative Industries Mapping Document*. London: DCMS.
- FLORIDA, R. (2002): *The Rise of the Creative Class: and how it's transforming work, leisure, community and everyday life*. Basic Books, New York.
- GARNHAM, N. (1990): *Capitalism and Communication: Global Culture and the Economics of Information*. London: Sage.
- (2005): 'From cultural to creative industries: An analysis of the implications of the 'creative industries' approach to arts and media policy making in the United Kingdom', *International Journal of Cultural Policy*, 11 (1), pp.15-29.
- HARTLEY, J. (1999): *Uses of Television*. London: Routledge.,
- (2005): 'Creative Industries' in Hartley, J (ed.) *Creative Industries*. Oxford: Blackwell, 1-40.
- (2008): «From the Consciousness Industry to Creative Industries: Consumer-created content, social network markets and the growth of knowledge». in *Media Industries: History, Theory and Methods*, edited by Jennifer Holt and Alisa Perren. Oxford: Blackwell.
- HARTLEY, J, AND LUCY MONTGOMERY. (2009a): 'Creative Industries come to China', *Chinese journal of Communication* 2: 1-12.
- (2009b): 'Fashion as Consumer Entrepreneurship: Emergent Risk Culture, Social Network Markets and the Launch of Vogue in China.' *Chinese Journal of Communication* 2: 61-76.
- HESMONDALGH, D. (2007): *The Cultural Industries*. Second Edition. London: Sage.
- HOWKINS, J. (2001): *The Creative Economy: How People Make Money from Ideas*. London: Allen Lane.
- HUANG, Y (2008): *Capitalism with Chinese Characteristics*. Entrepreneurship and the State. New York: Cambridge University Press.
- HUI, D. (2006): 'From Cultural to Creative Industries: Strategies for Chaoyang District, Beijing.' *International Journal of Cultural Studies* 9: 317.
- (2009): 'An Interview Concerning Modernity: A Conversation with Ke Kaijun' in *The End of Revolution. China and the Limits of Modernity*. London: Verso pp. 69-104.
- HUTTON, W. (2007): *The Writing on the Wall: China and the West in the 21st Century*: Little, Brown London.
- INGLEHART, R. AND WEIZEL, C. (2005): *Modernization, Cultural Change, and Democracy: The Human Development Sequence*. Cambridge: Cambridge University Press.
- JACQUES, M. (2009): *When China Rules the World The End of the Western World and the Birth of a New Global Order*. London: Penguin.
- JAMESON, F. (2002): *A Singular Modernity. Essay on the Ontology of the present*. London: Verso.
- KEANE, M (2010): 'Great Adaptations: China's Creative Clusters and the New Social Contract' *Continuum: Journal of Media & Cultural Studies* 23: 2, 221–230.
- KEANE, M. A. (2007): *Created in China: the Great New Leap Forward*. London: Routledge.



- KONG, L., C. GIBSON, L. M. KHOO, AND A. L. SEMPLE. (2006): «Knowledges of the creative economy: Towards a relational geography of diffusion and adaptation in Asia». *Asia Pacific Viewpoint* 47: 173-194.
- MILLER, T. (2001): *Global Hollywood*. London: British Film Institute.
- MOKYR, J. (2002): *The Gifts of Athena: Historical Origins of the Knowledge Economy*. Princeton: Princeton University Press.
- O'CONNOR, J. (2011): *Arts and Creative Industries*. Sydney: Australia Council for the Arts.
- (2009a): 'Creative Industries: A New Direction?', *International Journal of Cultural Policy*, Special Issue: Creative Industries Ten years After, eds. Mark Banks and Justin O'Connor. Vol. 15. 4, 387-404.
- (2009b): 'Shanghai Moderne: Creative Economy in a Creative City?', in Kong and O'Connor (eds.) *Creative Cities, Creative Economy: Asian European Perspectives*, Springer, Dordrecht. pp. 175-196.
- (2010): *Creative Industries: A Critical Bibliography*, Arts Council, London. Revised edition.
- O'CONNOR, J., AND GU. (2006): «A new modernity?: The arrival of 'creative industries' in China». *International Journal of Cultural Studies* 9: 271.
- POTTS, J. (2010): 'Do developing economies require creative industries? Some old theory about new China' *Chinese Journal of Communication* 2:1, 92-108.
- POTTS, J. AND CUNNINGHAM, S. (2008): 'Four models of the creative industries'. *International Journal of Cultural Policy*, 14 (3), 233-247.
- POTTS, J., CUNNINGHAM, S., HARTLEY, J. AND ORMEROD, P. (2008): 'Social network markets: a new definition of the creative industries'. *Journal of Cultural Economics*, 32, 167-185.
- PRATT, A. (2005): *Cultural Industries and Public Policy: An oxymoron?* *International Journal of Cultural Policy*, 11(1) pp. 31-44.
- ROSS, A. (2009): *Nice Work if You can Get It: Life and Labour in Precarious Times*. New York. New York University Press 2009.
- (2006): *Fast Boat to China. Lessons from Shanghai. Corporate Flight and the Consequences of Free Trade*. New York: Pantheon.
- ROSS, A. (2003) *No Collar: the humane workplace and its hidden costs*. New York: Basic Books.
- TSAI, K. (2006): 'Adaptive Informal Institution and Endogenous Institutional Change in China'. *World Politics* 59: 116-141.
- (2007): *Capitalism Without Democracy: The Private Sector in Contemporary China*: Cornell University Press.
- TURNER, G. (2010): *Ordinary People and the Media: The Demotic Turn*. London: Sage.
- WANG, J. (2004): 'The Global Reach of a New Discourse: How Far Can 'Creative Industries' Travel?' *International Journal of Cultural Studies* 7: 9.
- WATTERSON, L. (2010): *From Culture to Creativity: Creative Entrepreneurs in the Chaoyang District*, PhD. Thesis Queensland University of Technology.
- ZHONG, S. (2009): 'From Fabrics to fine Arts: Urban Restructuring and the Formation of an Art District in Shanghai' *Critical Planning Summer*: 119-137.