



MAPPING THE EU-CHINA CULTURAL AND CREATIVE LANDSCAPE

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Disclaimer

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I. General Introduction

1. Background

China and the European Commission signed a Joint Declaration on Culture in October 2007, which was followed by a policy dialogue on EU-China cultural cooperation in May 2009. The Year 2012 marked an important milestone:

- The 14th EU-China Summit was held in Beijing on February 14, 2012, and both sides jointly established the high-level people-to-people dialogue as the third pillar of the EU-China strategic partnership. This together with the high-level strategic dialogue and the high-level economic and trade dialogue formed the three pillars of EU-China relations, aimed at establishing a partnership based on mutual learning and understanding.
- The EU-China Year of Intercultural Dialogue 2012 provided an opportunity to raise awareness of the third pillar, the EU-China high-level people-to-people dialogue. The year 2012 highlighted the importance of culture and mutual understanding in the EU-China relations, and provided an overview of bilateral cooperation in culture, with a number of activities held in the EU and China.
- The "EU-China high-level people-to-people dialogue mechanism", jointly promoted by Chinese state leaders and leaders from European institutions, was officially launched in April 2012, to provide a framework for exchanges between China and EU in the fields of education, culture, research and youth.
- The EU-China Year of Intercultural Dialogue was concluded in Beijing on November 30, 2012. At the closing ceremony, the Minister of Culture of China and the European Commissioner for Culture, Mrs. Vassiliou, adopted a new Joint Declaration on EU-China Cultural Cooperation.

More systematic and structured information gathering, comprehensive analysis and the involvement of independent experts in the EU-China culture-specific fields are particularly important to respond to the needs, opportunities and challenges of EU-China cooperation in culture.

2. Project Description

The EU-China Policy Dialogues Support Facility (PDSF) was jointly funded by the EU and China to promote and support the ongoing EU-China policy dialogue, which involves key fields and is aimed at a comprehensive deepening of the strategic partnership between China and EU.

This project was jointly proposed by DG Education and Culture (EAC) of the European Commission and the Ministry of Culture of China; it is aimed at investigating the status of EU-China stakeholders, partners and projects of common interest in the following areas:

- Cultural heritage
- Cultural & creative industries
- Contemporary art

Two groups of EU-China experts will collect information on EU-China stakeholders in cultural cooperation and offer proposals for EU-China cultural cooperation. Specifically, they will do the following:

- Identify the stakeholders in the cultural & creative cooperation between China and the EU, their interrelationships, and their most pressing concerns from a strategic perspective.
- Identify possible levels of mutually beneficial cooperation in the future.
- Provide feedback for decision making at the political level (including through the presentation of a sustainable, long-term research model).

3. Research Method

1) Data analysis

This involved the gathering of previous survey reports in China and abroad, conference papers, scholarly articles, relevant website material, annual reports, media reports, significant award appraisals, news events, etc. for extensive and cross investigation. The specific research method used was as follows:

2) Qualitative research

This entailed the study of complexities and difficulties of research collaboration and predictions for the future based on existing cooperation in the three fields, case studies, and changes in the way cooperation between China and the EU has evolved.

3) Case studies

Representative cases of one or more phenomena were studied to determine their special characteristics.

4) Questionnaires

The nature of expert opinions was analyzed through questionnaires.

5) Experts' meetings

The inaugural meeting of experts was aimed at developing route maps for the future cooperation. The meeting was held in the National Art Museum of China on October 22, 2013, and 24 people involved in EU-China cultural exchanges, from embassies, institutions

and organizations of EU member-states, participated in the meeting.

6) Trend analysis

The nature of cooperation between both sides was analyzed in order to predict future trends.

7) Sustainable research model

A long-term research model specific to the project was presented.

II. Mapping of Cultural Heritage Policies and Stakeholders

1. Overview of related work of EU Member States

1) Policy evolution

EU countries generally pay attention to the protection of cultural heritage. In addition to the policies of the "cultural powers" such as Italy, Spain, France, and Germany at the national level, EU advocated cultural-heritage protection at all levels – from the series of resolutions passed by the European Parliament in 1974 to the signing of the Treaty on the European Union in 1993 (in which Article 151 specified that actions taken by member states must be supported to protect and guard Europe's cultural heritage), and the key objective of "Culture 2000 Program" (34% of the program budget was used for "funding and protecting special and important European heritage projects"), to one of the three policy guidelines in EU's policy paper, European Spatial Development Perspective in 1999, i.e. "Careful Management and Protection of Culture and Natural Heritages."

On May 22, 2014 EU Culture Ministers called for the development of cultural heritage as a strategic resource for a sustainable Europe, emphasizing the huge influence of cultural heritage on the social economy and its core contribution for sustainable development of the environment, which would play a special and important role in the achievement of the strategic vision, Europe 2020.

On July 22, 2014, the European Commission adopted its latest and historic policy document on cultural heritage. The Communication entitled "Towards an integrated approach to cultural heritage for Europe" invites Member States and stakeholders to work together to maximize the intrinsic and societal value of cultural heritage, and its contribution to EU jobs and growth. The Communication describes the challenges facing the heritage sector, and highlights the opportunities for Member States and stakeholders to work more closely across borders, making the most of EU policies and programmes. Especially in the context of the European economic crisis at present, Europe's cultural heritage is a powerful weapon against the new tendency "against the EU".

Also, the Member States coordinate their policies at EU level through "Joint Programming Initiatives on the European Cultural Heritage and Global Change".

To better promote the strategic development of cultural heritage protection and promotion, the EU released the latest and the most important EU mapping on this issue in July 2014: Mapping of *Cultural Heritage Actions in European Union Policies, Programmes, and Activities*.¹ The status of EU's work on "cultural heritage" was explained in detail, from policies, regulations and work plans to projects in key areas, financial support, and other aspects.

¹*Mapping of Cultural Heritage Actions in European Union policies, Programmes and Activities*, http://ec.europa.eu/culture/library/reports/2014-heritage-mapping_en.pdf

It is important to note that "cultural heritage" in EU's planning is not only linked to just culture, but is also closely correlated to the planning and funding systems of other EU policies such as "education & training", "social integration", "digital Agenda", "research and innovation", "science", "tourism, enterprise and industry", "cultural product exports", "European competitiveness", "market development within EU", "common agricultural policy", "maritime policy", "environment protection policy", "citizenship", and "external relations and development."

2) EU Cultural Work Plan for Culture and "cultural heritage" field

In accordance with the *2011-2014 EU Work Plan for Culture*, the key focus areas are among others:

- (1) Cultural diversity, intercultural dialogue, and access to culture.
The efforts and work of public art and cultural institutions to improve access to culture (for the popularization of culture among the masses), cultural diversity, and dialogues are especially emphasized.
- (2) Cultural and creative industries (CCIs)
Exploit the huge potentialities of culture (including cultural heritage) to assist local, regional and national economic development, particularly focusing on the output of cultural products and a global support strategy.
- (3) Mobility of artists
Promote exchange between artists, facilitate creative cooperation, and establish international residency programs.
- (4) Mobility of collections
Focus on how to simplify exhibition procedures of cultural exhibits in EU countries, professional valuations, risk prevention, etc.

"Cultural heritage" is present in all the areas above.

The Council should adopt EU's new Work Plan for Culture (2015-2018) at the end of 2014. Its implementation will start in 2015. The EU has called on the Member States to increase investment in cultural heritage protection at the national policy and European political levels. The European Commission will also give ongoing support at the EU level to the cooperation among Member States in the framework of the European Agenda for Culture (Open Method of Coordination) as well as through the dialogue with the grassroots level, including civil society organizations.

It is particularly noteworthy that the EU has formed a multinational expert work pattern, i.e. the Open Method of Coordination (OMC), to exchange successful case studies and patterns in each key work direction within the EU, and complete relevant handbooks, practical tools, reports, policy advice, professional standard research, workshops, etc.

3) Highlights of "cultural heritage" in the "Creative Europe" programme

The "Culture Programme", the predecessor of "Creative Europe" as EU's key cultural programme, funded 130 important projects in the field of "cultural heritage", spending up to EURO 40 million. The "Creative Europe" project has a budget of EURO 1.46 billion for 2014-2020, and "cultural heritage" will continue to be strongly supported as one of the key fields, especially through international cooperation projects and networks. Creative Europe support will be focused on:

- Providing cultural players with skills, competences and know-how, including encouraging adaptation to digital technologies, testing innovative approaches to audience development and testing new business and management models;
- Enabling cultural players to cooperate internationally and to internationalize their careers and activities in the EU and beyond;
- Strengthening European cultural and creative organizations and international networking in order to facilitate access to professional opportunities;
- Supporting audience development as a means of stimulating interest in and improving access to European cultural works and tangible and intangible cultural heritage.

The EU key projects associated with "cultural heritage" [under the framework of "Creative Europe"] are as follows:

(1) "European Heritage Days" (EHD)

The European Heritage Days are the most widely celebrated participatory cultural event shared by the citizens of Europe. Following an initiative in France, and independent pilot schemes in other countries, the Council of Europe launched the Europe-wide initiative in 1985. In 1999 the Council was joined by the European Union to create the joint action which has continued up to the present day.

Held in September each year, EHD events – often called Heritage Open Days or Doors Open Days – take place in all signatory countries to the European Cultural Convention. These events permit access to a large number of buildings and other sites, many of which are either closed to the public or accessible only by private arrangement. In many countries, sites which are normally open to paying visitors are accessible for free during the EHD weekend. There are more than 20 million participants every year.

(2) "European Capitals of Culture" (ECOC)

This is one of the most famous large-scale cultural initiatives of the European Union, which has won worldwide acclaim; it promotes and celebrates the rich diversity of cultures in Europe (including cultural heritage), highlights common features they share, and fosters the contribution of culture to the social and economic development of cities. Every city awarded the title of "European Capitals of Culture" develops a specific programme for the year of the title, which must be of high artistic quality. Very often, the city's own roots and cultural fabric

are the starting point of this programme. Budgets for European Capitals of Culture vary considerably; recent programmes (i.e. not including infrastructure or buildings) have ranged from €20m to over €80m. Most of the funding comes from the public purse (mainly at local, regional and national levels). A part of the funding can also come from EU's "Structural Funds".

(3) **"European Heritage Label" (EHL)**

The Label is awarded to sites for their symbolic value and for the role they have played in the history and culture of Europe and/or the building of the European Union. It was established by Decision 1194/2011/EU of the European Parliament and of the Council and entered into force by November 2011, 2014 is the second selection year.

In 2006, the EU Council of Culture Ministers started to award the European Heritage Label to sites which played an important role in the European history. This inter-governmental process led to award the label to 64 historic venues including Athens' Temple, Gdansk Port in Poland and Robert Schumann's former residence in France.

In 2011, this process was replaced by an EU initiative implementing a selection process with demanding criteria and aiming at strengthening European citizens' sense of belonging to the EU and intercultural dialogue.

An officer from the European Commission stressed that the European Heritage Label program was an effective complement to UNESCO's World Heritage List, European Council's "Road to European Culture" and other existing initiatives, and would improve Europeans' awareness and understanding of European integration, reduce the distance between the EU and common people as well as promote European cultural tourism, especially by helping young people learn about Europe's cultural heritage and common history. The program's focus is not on heritage protection and maintenance, but on visibility and activities implemented on the sites to promote their European dimension.

(4) **"EU Cultural Heritage Award/Europa Nostra Award"**

The European Union Prize for Cultural Heritage/Europa Nostra Awards celebrate outstanding initiatives taking place in the field of Europe's cultural heritage in categories ranging from the restoration of buildings and their adaptation to new uses, to urban and rural landscape rehabilitation, archaeological site interpretations, and care for art collections. Also awarded are prizes for research, for education projects related to cultural heritage and for dedicated service to heritage conservation by individuals or organizations.

The Prize consists of two award levels. Annually up to twenty-five entries receive an Award and up to six entries will be awarded a Grand Prix, which includes a monetary award of 10.000 Euros.

This Awards Scheme aims to promote high standards and high-quality skills in conservation practice,

and to stimulate the trans-frontier exchanges in the area of heritage. By spreading the 'Power of Example', the Prize also aims to encourage further efforts and projects related to heritage throughout Europe.

Criteria for the assessment of entries include excellence in the work executed and preliminary research conducted, as well as respect for artistic, cultural and social value, setting, authenticity and integrity. Special attention is paid to sustainability, interpretation and presentation, educational work, funding and management, and social responsibility. Entries can be on a scale ranging from small to large, local to international, and they should display a standard of work considered outstanding in a European context.

Exemplary heritage achievements in Europe are awarded in the following four categories:

Category 1: CONSERVATION

Outstanding achievements in the conservation, enhancement and adaptation to new uses, of cultural heritage in the following areas:

- Architectural Heritage; Building additions or alterations, or new building projects within historic areas; Industrial and engineering structures and sites; Cultural landscapes: Historic parks and gardens; Archaeological sites, including underwater archaeology; Works of art:

Category 2: RESEARCH

- Outstanding research which leads to tangible effects in the conservation and enhancement of cultural heritage in Europe in any of the above-mentioned Category 1 areas.

Category 3: DEDICATED SERVICE by INDIVIDUALS or ORGANISATIONS

- Open to individuals or organizations whose contributions over a long period of time demonstrate excellence in the protection, conservation and enhancement of cultural heritage (relating to the above-mentioned Category 1 areas) in Europe. The contribution should be of a standard which would be considered outstanding in the European context.

Category 4: EDUCATION, TRAINING and AWARENESS-RAISING

- Outstanding initiatives related to heritage education, training schemes in cultural heritage conservation, and programmes for raising awareness on cultural heritage, past political divisions.

4) Other aspects of EU's work related to cultural heritage

(1) EU structural funds 2014-2020

The total budget of EU structural funds 2014-2020 will be up to EURO 325 billion (whether it can really be in place still poses a challenge), including European Regional Development Fund (ERDF), European Social Fund (ESF), European Agricultural Fund for Rural Development

(EAFRD), and European Maritime Fund (EMFF). “Cultural heritage” is a priority area and is supported by significant investments from EU structural funds.

From 2007 to 2013, ERDF invested EURO 3.2 billion in the protection of cultural heritage, EURO 2.2 billion in cultural infrastructure construction and development, and EURO 550 million in cultural services that indirectly contributed to cultural heritage work. In its Charter, the protection, promotion, and development of cultural heritage has been vigorously funded with the emphasis on “effective promotion of environmental protection and resources”; funding has also gone to concerted efforts in “research and innovation”, “information and communication technology”, “competitiveness”, “employment”, “social cohesion”, “education & training” and other fields.

ESF also indirectly promoted work related to cultural heritage by supporting the development of professional skills. EAFRD supported the preservation and upgrade of cultural and natural heritage, as well as community-driven local development and projects with significant influence on the socio-economic environment. EMFF also provided support funding (EURO 640 million) and backed specific projects for development of cultural heritage in coastal zones (for example, “European Maritime Cultural Heritage Map” which may both promote cultural tourism and ensure maritime safety).

In addition, EU launched the “JESSICA Programme” in cooperation with the European Investment Bank, European Development Bank, and other financial institutions to support the sustainable development and vigor revitalization of cities, which are indirectly associated with cultural heritage. EU’s special program, “*Interreg and Urbact*” also supported the local and urban development of cultural heritage.

(2) European EUROPEANA digital project

The digitization of European cultural heritage pose great challenges for Europe’s digital strategy aimed at serving future generations. European libraries, museums, galleries, archives, and audio-visual materials will showcase the rich history and culture of Europe. Funded by EU, this project was launched in 2008 and involved 2,500 cultural organizations all over Europe, with more than 30 million pieces of digital collections; it actively displayed European efforts in cultural heritage protection, and especially explored the potential of social media.

(3) European JPI CH project (Joint Programming Initiative in Cultural Heritage and Global Change)

In 2010, the European Commission launched an initiative to “develop a universal medium and long-term strategy research, and protect and use cultural heritage in the context of global change” for its member-states. With the support of EU, the creative JPI project emphasized the improvement of cross-boundary disciplinary research with respect to “cultural heritage” through interdisciplinary collaboration in science, art, and anthropology.

(4) Horizon 2020 project

EU has supported specific projects on cultural heritage under the environmental conservation studies framework since 1986. About EURO 100 million have been used to support research projects in key areas since the 7th Framework Program (FP7), such as protection and preservation of cultural heritage, cultural interaction, cultural identity, language diversity, development pattern, early warning model, efficient use of energy for historic buildings, international cooperation between EU and other countries, etc. The “**Horizon 2020**” project is EU’s new framework with the emphasis on “research and innovation”. EURO 80 billion will be paid from 2014 to 2020. Work related to cultural heritage research will be funded in the following three aspects - high-quality scientific development, industry leaders, and scientific challenges to ensure EU’s leading position in global cultural heritage research.

(5) Related projects in the field of cultural tourism

- **COSME project (2014-2020)**

EU supports themed cultural tourism products on the premise of sustainable development, such as development of transnational cultural routes with different themes, environmentally-friendly travel products, historical, religious & cultural tourism, maritime cultural tourism, industrial cultural tourism, etc. In 2015, EU will hold the transnational open recruitment activity for “Tourism Products of Cultural & Industrial Heritage”.

- **European Destinations of Excellence (EDEN) project**

The EDEN project, begun in 2006, aims to develop the value, diversity, common history, and experience of European tourist destinations. The contests held by the countries each year will be carried out under the same theme; EU, together with the tourism administrations of the countries, will decide the EDEN winner of each country, and an important standard is the contribution to the sustainable development of society, culture, and the environment. In 2011, for example, the theme was “vigorous development of local cultural and industrial heritage,” which could promote contemporary development in a broader sense.

5) "Cultural heritage" cooperation between EU and other countries/international institutions

(1) Candidate and potential candidate countries for EU membership

From 2007 to 2011, the EU's [Instrument for Pre-accession Assistance](#) (IPA) funded cultural heritage protection projects in candidate and potential candidate countries for a total amount of € 33 million. IPA II will continue to support cultural heritage projects from 2014 to 2020.

(2) Ljubljana Process I and II in Southeast European countries

Known as “Ljubljana Process I”, the participating countries included Albania, Bosnia, Bulgaria, Croatia, Kosovo, Romania, Serbia, etc., and focused on the discussion of working methods to restore cultural heritage and promote local economic development. “Ljubljana Process II -

Rehabilitating our Common Heritage” was begun in 2011, and the set targets were reached by May 2014 - participating countries were equipped with comprehensive plans related to the sustainable management of cultural heritage. The Ljubljana Process is a joint project of the Council of Europe and the European Commission.

(3) **"European Neighbourhood" project**

The EU's European Neighbourhood and Partnership Instrument (ENPI) provided specific support for cooperation projects between the EU and Eastern Europe as well as between the EU and Southern Mediterranean countries. It seems ninety percent of the funds were used for national and regional projects between partner countries (two or more countries) so that these partner countries could better strengthen their political, economic, and cultural links with the EU. Under the successor of the ENPI, the European Neighbourhood Instrument (ENI), the project "Community-led Urban Strategies in Historic Towns – COMUS" is supported by the European Commission and the Council of Europe with a budget of 650.000€. The project will support max. 12 historic towns in Eastern Europe. Euromed Heritage IV (2008-2012) promoted people's ownership of their national and regional cultural legacy through awareness-raising and easier access to education on cultural heritage in several southern Mediterranean countries (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine, Syria and Tunisia). 12 projects were funded for a three-year period for a total amount of €17 million.

(4) **Cooperation between EU and UNESCO in the southern Mediterranean region**

The cooperation between the EU and UNESCO in the southern Mediterranean region has been very strong. The main domain of bilateral cooperation was cultural heritage. The EU has earmarked €2.46 million in support of UNESCO's cultural heritage protection program in Syria, which was officially started in 2014. There were also similar programs in Egypt and Palestine.

(5) **Cooperation between the EU and other third countries**

The protection and digitization of cultural heritage was a key issue in the first Senior Officials' Meeting on culture between the EU and India. Cultural heritage was one of the 3 key areas in the Joint Programme on culture (2011-2014) between the EC and the Brazil Ministry of Culture. The EU's Development Cooperation Instrument (DCI), 2007-2013, also supported a series of international cooperation projects in the field of cultural heritage, such as the restoration of Segundo Cabo Palace in Havana, Cuba (2010-2014), and the "Venture Capital Investment LAB for Cultural Heritage and Management" (launched in 2014), in Ahmedabad, India.

6) European non-governmental stakeholders of important "cultural heritage"

(1) **EUROPA NOSTRA**

www.europanostra.org/

Established in 1963, this pan-European network on "cultural heritage" is an independent NGO made up of 250 member institutions (heritage associations, foundations, etc., with a

membership of more than 5 million), 150 joint organizations (governmental agencies, local governments, corporations, etc.), and 1,500 individuals from 50 countries across Europe. Europa Nostra works actively to carry out international exchanges, organize a network of European cultural heritage stakeholders, manage the "European Union Prize for Cultural Heritage/Europa Nostra Award" each year, and raise awareness on how to preserve Europe's historic monuments and sites of cultural relics in danger.

The focus of Europa Nostra's activities is on the promotion of European cultural heritage among the general public, the promotion of cultural heritage to gain more attention from public policies at the European and national levels, the improvement of professional skills, the promotion of sustainable development of urban and rural areas, and the promotion of an identity among European citizens.

(2) **The European Heritage Alliance 3.3**

www.europeanheritagealliance.eu/

The "European Heritage Alliance 3.3", established during the "International Conference on European Heritage" in Amsterdam in June 2011, is an informal European platform. It comprises 30 European and international professional networks and institutions, and plays a positive role in the field of culture. Europe's major heritage networks and institutions agreed to work together more closely to promote the extraordinary potential of European cultural and natural heritage. Members include European civil society organizations, historical towns, museums, experts, volunteers, collectors, historical building owners, cultural landscapes, educators, town planners, etc. "3.3" in the name is a reference to the historic "Treaty of Lisbon 3.3" that stated: "EU shall respect its rich cultural and linguistic diversity and shall ensure that Europe's cultural heritage is safeguarded and enhanced."

(3) **The International Committee of the Blue Shield**, referred to as "ICBS"

www.ifla.org/blueshield.htm

In 1954, the *Hague Convention* declared that the symbol "Blue Shield" can be used to mark at cultural relicts to protect them against attacks caused by war conflicts. Founded in 1996, ICBS devoted itself to protecting world cultural heritage against the threat of war and natural disaster, and was made up of four NGOs, namely, the International Council on Archives, the International Council of Museums, the International Council on Monuments and Sites, and the International Federation of Library Associations. ICBS was established for the purpose of solving and responding to manmade and natural emergencies through coordinated preventive measures to protect world cultural heritage; archives, libraries, memorial halls, ancient ruins departments, and museums around the world were welcome to join ICBS.

In July 2004, ICBS held the first international conference in Turin, Italy. The representatives of the founding members of ICBS and representatives of ICBS from Belgium, the Czech Republic, France, Italy, Republic of Macedonia, Madagascar, Norway, Poland, UK, Ireland, Venezuela and other countries, as well as representatives from cultural emergency and borderless cultural heritage institutions attended the conference. The main topics of the first international conference were: watching each country's rights and obligations to protect its

cultural heritage, discussing the Declaration of Cultural Diversity Unity agreed by UNESCO in 2001, helping formulate the International Convention for Cultural Diversity recommended by the 32nd General Conference of UNESCO and affirming UNESCO's 2003 Declaration on No Deliberate Damage to Cultural Heritage, and concerning the impact of destruction to movable and immovable cultural heritage by manmade or natural disasters. The conference suggested that all member states of UNESCO and all member states of UN sign and ratify the Convention for the Protection of Cultural Property in the Event of Armed Conflict approved in the Hague in 1954 (the First Agreement in 1954 and the Second Agreement in 1999); the UN and other international organizations incorporate protection of movable and immovable cultural heritage and documents of important value into their work for world peace against destruction and substitution; national governments and UN organizations take action to prevent looting and destruction of protected areas and buildings, as well as illegal transaction of cultural wealth; member-states of the International Council on Archives, International Council of Museums, International Council on Monuments and Sites and International Federation of Library Associations set up such institutions in those countries where the ICBS had not been established, and the authorities in these countries were urged to support and play a part in their work to protect movable and immovable cultural heritage in the case of natural disasters or manmade destruction; and to make the ICBS a recognizable, efficient organization.

(4) List of other important organizations

Chinese Name of Organization	Full Name in English
文化中心会议联盟	Association des Centres Culturels de Rencontres
欧洲保护组织联合会	European Confederation of Conservator-Restorers' Organizations
欧洲文化基金会	European Cultural Foundation
欧洲小城镇村庄委员会	European Council for the Village and Small Town
欧洲文化旅游网络	European Cultural Tourism Network
欧洲空间规划委员会	European Council of Spatial Planners
欧洲工业及技术遗产联合会	European Federation of Associations of Industrial and Technical Heritage
欧洲历史房屋联合会	European Historic Houses Association

欧洲地产主联合组织	European Landowners' Organization
欧洲博物馆学会	European Museum Academy
欧洲博物馆论坛	European Museum Forum
欧洲海事遗产	European Maritime Heritage
欧洲文化行政培训中心联盟	European Network of Cultural Administration Training Centers
欧洲文物保护教育联盟	European Network for Conservation-Restoration Education
欧洲历史教育联合会	European Association of History Educators
欧洲文化遗产之声	The Voice of Cultural Heritage in Europe
欧洲城墙市镇	European Walled Towns
欧洲博物馆和铁路旅游联合会	European Federation of Museum and Tourist Railways
宗教历史遗址的未来-欧洲宗教历史遗址网络	Future for Religious Heritage – European Network for Historic Places of Worship
欧洲历史地区城镇联合会	European Association of Historic Towns and Regions
国际博物馆委员会	International Council of Museums
国际纪念碑委员会	International Council on Monuments and Sites
国际自然建筑联合会欧洲分会	International Federation of Landscape Architects
国际国家信托组织	International National Trusts Organization
国际城市和地区规划协会	International Society of City and Regional Planners
欧洲博物馆机构网络	Network of European Museum Organizations
国际遗产城市组织	Organization of World Heritage Cities
东南欧遗产网络	South East European Heritage Network

国际工业遗产保护委员会欧洲分会	The International Committee for the Conservation of the Industrial Heritage
国际建筑师协会地区遗产	International Union of Architects
意大利非洲和东方研究院	Istituto Italiano per l'Africa e l'Oriente
法国卢浮宫	Louvre
德国柏林国家博物馆	Staatliche Museen Berlin
德国考古研究院	Deutsches Archäologisches Institute
比利时皇家艺术与历史博物馆	Royal Museums of Art and History
德国鲁尔基金会	Ruhr Stiftung
德国墨卡托基金会	Stiftung Mercator

(5) Four European representative cultural heritage projects were awarded the "European Heritage Label" in 2013

- **Archeological Park Carnuntum in Austria**

www.carnuntum.co.at/park

The first ever archeological park worldwide: Governance halls, villas, and public hot spring facilities of the urban areas (the imperial city that determined the fate of the ancient Roman empire) of the ancient Roman period of the 4th century AD were rebuilt and restored according to the historical planning. The rebuilt buildings were made available for use, allowing its occupants to go back in history some 1,700 years ago.

- **Estonian History Museum (Great Guild Hall)**

www.ajaloomuuseum.ee/en/visiting

The Estonian History Museum was first built in 1802. A place of sporadic collections in the beginning, it grew into the Estonian Literature Association Museum, becoming an important cultural institution for Estonian public education seminars and exhibitions. The National Museum set up later enriched archeological science, natural science, cultural history, and other collections and archives. After being taken over by the Soviets in 1940, the Estonian History Museum was nationalized. It

was moved to the **Great Guild Hall** in 1952 and was **restored into the independent Estonian History Museum in 1989. A series of important exhibitions of contemporary history were held.** The “Spirit of Survival” exhibition about Estonia's 11,000 years of history received much recognition.

- **Former Site of Camp Westerbork in the Netherlands**

www.kampwesterbork.nl/index.html#/index

Camp Westerbork, built in 1939, served as a transfer station of detention camp for Jews in 1942-1945, and as a residential area and a Royal Army family area successively after the war, until 1971. Those who had lived through these different periods talked about their life experiences, and this inspired discussion on the protection and development of war ruins.

- **Peace Palace in The Hague**

www.vredespaleis.nl/index.php?pid=107&page=Introduction

The Peace Palace in The Hague is home to a number of [international judicial institutions](#), including the [International Court of Justice](#) (ICJ) or World Court, the [Permanent Court of Arbitration](#) (PCA), the renowned [Peace Palace Library](#), as well as the [Hague Academy of International Law](#), which attracts law students from all over the world every summer. The Peace Palace is one of the most photographed landmarks of The Hague and is accessible to the public through [guided tours](#). The Palace, the premises on which it stands and the Library are the property of the [Carnegie Foundation](#). The Foundation encourages the organisation of seminars and other initiatives to foster the peace ideal and is part of the international philanthropic network of [Carnegie Institutions](#).

(6) The 2014 "EU Prize for Cultural Heritage" winners: Institutions, projects, and organizations
(Arranged in alphabetical order of countries)

Category 1 - Conservation

- Horta Museum, Brussels, BELGIUM
- Home for Cooperation: Educational Centre in the Buffer Zone of Nicosia, CYPRUS
- Biblioteca Bardensis, Barth, GERMANY
- Basilica Palladiana, Vicenza, ITALY
- Teatro Sociale, Bergamo, ITALY
- Walser Houses: Preservation of Vernacular Architecture in Alagna Valsesia, ITALY
- Hovelsrud Villa, Helgøya Island, Nes på Hedmarken, NORWAY
- Historical Route of the Lines of Torres Vedras, Lisbon, PORTUGAL
- Dragomirna Church's 17th Century Frescoes, Suceava, ROMANIA
- Cooperative Wineries Programme, Catalonia, SPAIN
- Historical Landscape of El Sénia's Ancient Olive Trees, SPAIN
- Roman Bridge, Gate of the Bridge, Calahorra Tower and Surrounding Areas, Cordoba, SPAIN
- Abbotsford: The Home of Sir Walter Scott, Melrose, UNITED KINGDOM

Category 2 - Research

- Roman Vaulted Construction in the Peloponnese, GREECE
- Transylvanian Castle Gardens, Budapest, HUNGARY
- Van Dyck in Spain, Madrid, SPAIN

Category 3 - Dedicated Service

- Gustav Klimt Memorial Society, Vienna, AUSTRIA
- Kempens Landscape Association, Putte, BELGIUM
- Iubilantes Association, Como, ITALY

Category 4 - Education, Training and Awareness-Raising

- Cultural Heritage without Borders' Regional Restoration Camps, Tirana, ALBANIA
- Passage: From a Rusty City to a New Miskolc, HUNGARY
- The Coen Case, Hoorn, THE NETHERLANDS
- 'Encounters with Heritage' Radio Programme, Lisbon, PORTUGAL
- Shaping 24: Promoting Heritage in Norwich and Ghent, UNITED KINGDOM and BELGIUM

A Europa Nostra Award is also presented to three projects from two European countries not taking part in the EU Culture Programme:

- Conservation - Agate Rooms in Pushkin, St. Petersburg, RUSSIA
- Conservation - Belle Époque Steamers on Lake Geneva, Lausanne, SWITZERLAND
- Research - Church Architecture of the 7th Century in South Caucasus, Moscow, RUSSIA

2. Overview of Related Work in China

1) Policy evolution

China joined the rank of signatories to the Convention concerning the Protection of World Cultural and Natural Heritage on November 22, 1985. China was elected as World Heritage Committee member on October 29, 1999. China's achievements in the field of cultural heritage protection have been fruitful since 2000:²

(1) Macro planning

The Ministry of Culture has improved the "12th Five-Year Plan" on cultural undertakings, improved the work for intangible cultural heritage protection, and brought the classification of intangible cultural heritage in line with the requirements of law. Efforts have been made to study and formulate the objectives for the protection of cultural relics by 2020, and put forward the medium- and long-term development goals and tasks in the five aspects of management systems, protection effects, social functions, international positions and policy guarantee.

(2) Legal construction

The regulatory framework for cultural heritage protection has been established with the Cultural Relics Protection Law and Law of Intangible Cultural Heritage Protection at the core. The NPC Standing Committee has listed the revision of the Cultural Relics Protection Law in its five-year legislation plan, and the State Bureau of Cultural Relics has launched a series of studies and researches to highlight the revisions.

The Ministry of Culture and Ministry of Finance have jointly established the Measures for the Management of the Special Fund for National Intangible Cultural Heritage Protection to provide the legal basis for regulating and strengthening the management of the special fund for national intangible cultural heritage protection and improve the efficiency of funds use.

The Interim Measures for the Management of Intangible Cultural Heritage Survey Carried out by Overseas Organizations and Individuals Within the Territory of the People's Republic

²Cai Wu, minister in the Ministry of Culture, and Li Xiaojie, director of State Administration of Cultural Heritage, spoke at the conference for 2013 national cultural bureau directors, in early 2014

of China and other supporting regulations have been established to detail the survey system, the system of list of representative projects and the system of inheritance and dissemination, and convert them into various, long-term working mechanisms.

Places such as Yunnan, Guizhou, and Guangxi have detailed the local regulations, while the intangible cultural heritage protection regulations of Hebei, Shanxi, Inner Mongolia, Hubei and other places have also been included in the legislative plans of Provincial (Regional) Peoples Congresses and Offices of Legislative Affairs to implement the directives of the State Council on the protection of cultural relics in tourism and other development and construction activities, and correct behaviors that are in violation of laws. Some of the systems in place for the protection of cultural relics have been straightened out, and some problems left over by history have been resolved.

(3) Reform mechanism

Measure have been taken to accelerate the transformation of government functions, actively promote the reform of project examinations and approvals for the protection of cultural relics, expand the government purchase services, and promote the transformation of public institutions into enterprises.

(4) Census management

Efforts have been made to strengthen the census of cultural heritage, carry out the first comprehensive nationwide census of movable cultural relics, and establish and perfect the list of relics under protection.

(5) Development of emerging fields

Measures have been taken to vigorously expand the "globally important agricultural heritage", "industrial heritage", "global heritage in irrigation engineering", "wetland heritage" and other emerging fields of cultural heritage on the basis of cultural heritage protection.

(6) Museum development

The number of museums in China stood at 3,866 by the end of 2013, including 3,219 state-owned museums, and 647 private museums. Performance evaluation measures for museums with free admission have been formulated and the top 10 exhibits of national museums have been promoted. The museums host 22,000 exhibitions that drew 560 million people annually.

The annual evaluation of national top-level museums has been completed, and a preliminary mechanism for museum management has been put in place. Support has been extended to private museums and the Opinions on Work Promotion of Pairing Assistance to Private Museums by State-owned Museums, printed and distributed. In coordination with the printing and distribution of the Interim Measures for Management of Special Funds Complemented by Central Government for Free Opening of Local Museums and Memorial

Halls, a special fund of up to 100 million yuan has been set aside for private museums by the central financial authority.

(7) Restoration of precious cultural relics

In 2013, the protection and restoration of more than 6,000 endangered cultural relics in the collections of cultural institutions was completed, and the protection and restoration of more than 8,000 cultural relics in the collections of cultural institutions was begun. The training on conservation environment monitoring and control for movable cultural relics was carried out. The market regulation of cultural relics was reinforced, and the registration of cultural relics auctions as well as their oversight of enterprises strengthened. The French Pinot family's donation of bronze statues of rat and rabbit heads, etc., from the Summer Palace was facilitated, the handover of confiscated cultural relics by the public security bureau and customs was promoted, and more than 10,000 sets of confiscated cultural relics handed over by Beijing Customs were taken care of.

(8) Talent training, science and technology support

Thirty-five special training classes were held in 2013 for heads of national cultural relics administrative departments at the county level, cultural relics safety managers, archeological team leaders, textile and stone cultural relics restoration experts, museum exhibition planners, enforcers of standards for the protection of cultural relics, involving more than 2,700 trainees.

Skills training in national cultural relics protection planning and engineering survey & design, and protection and restoration of ancient architectures and color painting were imparted through the Beijing University of Civil Engineering and Architecture and the Shaanxi Institute of Cultural Relics Protection.

The medium- and long-term plans, including education, for relics protection and for fostering museology talents were formulated and studies on the cultural heritage talent training and education system were launched.

Coordinative innovation has been strengthened. The Dunhuang Academy China, Emperor Qinshihuang's Mausoleum, as well as other relics and museology organizations were promoted to establish a cooperative scientific research institution under the Chinese Academy of Sciences and establish coordination between the Ministry of Industry and Information Technology for the preservation of cultural relics.

The fifth batch of selection of key scientific research bases of the State Bureau of Cultural Relics, the special "Compass Plan", the Tracing of Chinese Civilization project, and investigation into the scientific and technological resources of Tibet were carried out.

The follow-up survey on the scientific and technological achievements of the "11th Five-Year Plan" was completed, with the conversion rate of scientific and technological achievements standing at 44%.

2) Macro-policy planning on Chinese cultural heritage protection and “cultural heritage” realm

In December 2013, in line with the latest national strategy of “new urbanization development”, the central conference on urbanization put special emphasis on cultural inheritance as one of the Four Fundamental Principles of “new urbanization.” It was stressed that the country should “improve the level of historical relics protection, develop beautiful towns of historical value, protect and carry forward our excellent traditional culture, extend the urban historical context, pay attention to retaining the original style of villages, allow residents to be able to see mountains and rivers and remember symbols of their hometowns” in the process of urban construction. Guided by principles of “giving priority to protection”, “rescue first”, “reasonable use”, and “strengthening the management”, archaeologists were tasked with the dual responsibility of development in protection and protection in development to ensure the special nature, integrity, the authenticity of ancient cities was preserved and the approach to relic protection was people-oriented.

Important achievements in cultural heritage protection in 2013:³

(1) Protection

In 2013, 2,224 cultural relics protection projects of key national cultural relics protection units were implemented, and restoration work of more than 6,000 sets of precious cultural relics in the collections of cultural institution was completed. The special fund set aside by the central government for this purpose stood at 7 billion yuan. The first census of state-owned movable cultural relics across the country was started. The rescue-based, production-based and overall protection of intangible cultural heritage gained momentum; the Chinese abacus was included in the world list of intangible cultural heritage, ranking 38 of world intangible cultural heritage items from China.

(2) Utilization

At present, there are 3,866 museums in China, comprising public comprehensive museums, industry museums, and private museums, that host 22,000 exhibitions every year, drawing 560 million people annually; around 2,500 of these museums are open to the public for free. All the 31 world cultural heritage sites and 24 great ruins and national archeological parks in China are open to the public.

(3) Management

In March 2013, the State Council approved and announced the seventh batch of 1,943 national key cultural relics protection units, raising the number of national key cultural relics protection units to 4,295. The provincial, municipal, and county-level people's governments

³ At a press conference held by the State Council, Cai Wu, Chinese Minister of Culture, and Li Xiaojie, director of the State Administration of Cultural Heritage, detailed the cultural reform work carried out in 2013 and outlined the key objectives for 2014 (February, 24, 2014)

too announced a new batch of cultural relics protection units at the provincial, municipal and county levels, bringing the number of cultural relics protection units at all levels to more than 120,000. With respect to management, a list of nearly 770,000 immovable cultural relics in the third archeological survey was published through people's governments at various levels at or above the county level, which in turn led to more cultural relics being brought under legal protection. Revision of the Cultural Relics Protection Law was initiated in 2013. The State Council hopes to complete a draft of the revision before the end of 2014.

In November 2013, the Decision of the CCCPC on Some Major Issues Concerning Comprehensively Deepening the Reform was deliberated and passed at the Third Plenary Session of the 18th Central Committee of the CPC. With regard to reform of cultural administrative system, the Decision put forth the following:

- (1) Perfecting the management of relics protection
- (2) Establishing a modern market system with respect to culture
- (3) Establishing a modern system of public cultural services
- (4) Deepening the opening of the culture sector

The main points of the 2014 work plan of the State Bureau of Cultural Relics are as follows:

- (1) Reforming the top-level design

Speed up the transformation of government functions, promote the transformation of administrative departments in charge of cultural relics - from handling cultural relics to managing cultural relics, from micro management to macro management, from department management to industry management; strengthen policy support, social management and public services; promote the government purchasing service; improve the management efficiency, and vigorously enhance the levels of precision and standardization of management.

- (2) Reform breakthrough

Deepen the comprehensive reform of the examination and approval of cultural relics protection projects, enhance macro management, further delegate authority for examination and approval, establish a hierarchical examination and approval mechanism with administrative examination and approval separated from technical review, overcome and correct the phenomena of attaching importance to examination and approval while neglecting management, give importance to arrangement over implementation, perfect the inspection assessment mechanism and supervision measures, and resolve problems as they arise.

- (3) Reforming the relics and museology, strengthening the social management of cultural relics
Further strengthen the classified reform of public institutions in relics and museology, develop approaches to the formation of the museum council, lift the level of museum serving the society

with strengthening museum education function as the focus, and bring private museums into the ambit of public culture procurement. Carry out pilot projects to identify private collections of cultural relics, and research evidence of relics related to science and technology. Perfect the service supervisory system, and promote the healthy development of the cultural relics market. Improve the audit standards for cultural relics auctions, and pilot a project for the online registration of cultural relic auction targets. Perfect the information management system of cultural relics exit and entry audit, and carry out a nationwide online declaration of cultural relics exit and entry.

(4) Talent cultivation, science and technology support

Devote greater efforts to relics and museology talents cultivation, optimize the team structure (leading talents in the fields of relics and museology, as well as technical professionals, skilled professionals and complex management talents), and break the bottleneck in relics and museology career growth.

Strengthen the management of relics and museology projects associated with the national science and technology plan, the application of cultural relics protection equipment, and the research program for outstanding youths in the scientific preservation of cultural relics. Explore the establishment of a scientific and technical innovation pattern combining entity R&D with a virtual R&D platform. Continue to push forward science and technology cooperation with the Ministry of Industry and Information Technology, Chinese Academy of Sciences, and other departments. Promote the establishment of a working mechanism of scientific and technological assistance to Tibet. Innovate the popularization of scientific and technological achievements of cultural relics protection, and gradually establish a scientific and technological achievements assessment system. Complete the evaluation of key scientific research bases of the State Bureau of Cultural Relics.

3) Statistical figures for the overall work

From the 2013 Cultural Development Statistics Bulletin:⁴

- According to statistics from the Ministry of Finance, the share of culture, sports, and media in the national fiscal expenditure of 2013 was 252 billion yuan, an increase of 11.1% over the previous year, amounting to 1.80% of fiscal expenditure, basically the same as the previous year. The annual nationwide operating expenditure on culture was 53.049 billion yuan, a year-on-year increase of 5.039 billion yuan, up by 10.5%; the national operating expenditure per capita was 38.99 yuan, 3.53 yuan more than the previous year, an increase of 10%. The national operating expenditure on culture was 0.38% of the total fiscal expenditure, basically the same as the previous year.

⁴Issued in May 2014 by Ministry of Culture of China

- The national cultural relics operating expenditure was 23.786 billion yuan, a year-on-year increase of 4.88 billion yuan, up by 25.8%; the cultural relics operating expenditure accounted for 0.17% of the total financial expenditure, and the proportion increased by 0.02 percentage points over the previous year.
- At the end of 2013, there were 7,740 cultural relics institutions in total in China, an increase of 1,616 over 2012. These included 2,809 cultural relics protection and management institutions, accounting for 36.3% of the total, and 3,476 museums, accounting for 44.9% of the total.
- There were 138,800 employees in the cultural relics institutions in China, an increase of 13,600 employees over the end of 2012. These included 35,334 employees in the cultural relics protection and management institutions and 79,075 employees in the museums.
- By the end of 2013, cultural relics institutions in China had 38.4085 million pieces of collections of cultural relics, an increase of 9.6% over 2012. These included 27.1919 million pieces of collections of cultural relics in museums, accounting for 70.8% of the total; 7.6324 million pieces of collections of cultural relics were in antique & curio stores, accounting for 19.9% of the total. Among the collections of cultural relics were 96,800 pieces of first-class cultural relics, 761,400 pieces of second-class cultural relics, and 3.3156 million pieces of third-class cultural relics.
- In 2013, a total of 8,392 permanent exhibitions were in place for the institutions housing cultural relics throughout the country; 9,644 temporary exhibitions were held and they drew 747.06 million visitors, an increase of 11.4%. The museums received 637.77 million people, accounting for 85.4% of the total number of visitors to institutions housing cultural relics; the cultural relics protection and management institutions received 107.11 million people, accounting for 14.3%. Among the visitors, 202.37 million were juveniles, up 16.8% from 2012, accounting for 27.1% of the total.
- The amount of funds released by the central government to local museums for free opening was 3.086 billion yuan in 2013; there were 2,780 museums open for free in China, accounting for 80% of the reported number of museums. There were 58,809 employees in the museums open for free, accounting for 74.4%.

4) Key projects of China's Cultural Heritage protection work

- National cultural relics protection units (at the end of 2013: 4,295)
- National famous historical and cultural cities (at the end of 2013: 123)
- China's historical and cultural streets (at the end of 2013: 50)
- Ancient village protection list (at the end of 2013: 1,561)

- Ancient village protection and utilization integrated pilot projects (at the end of 2013: 6)
- China's important agricultural cultural heritages (May 2013: 19)
- National archeological park
- Exemplary project of cultural relics protection
- Cultural Heritage Day
- Chief Host City of International Museum Day
- International Archeological Site Day activities
- China cultural heritage protection forum
- "Looking for the most beautiful cultural relic safeguard" campaign
- Education activities related to the safety of cultural relics
- Cultural Heritage Big Data Collection Center at the national level (Lanzhou, Gansu, China)

5) Other work realms of the Chinese Government and "cultural heritage" field work

The cultural system actively communicated with the legislative institutions of the National People's Congress and State Council to revise the Cultural Relics Protection Law into a five-year legislation plan of the National People's Congress and the State Council. A preliminary study on this revision was carried out, with heritage sectors of seven provinces and cities tasked with it. The exercise involved the study of 25 topics, such as compensation for the protection of cultural relics, cultural relics impact assessment, utilization of cultural relics, etc. Great efforts were devoted to the revision of standards for the protection of cultural relics, a plan for revision of standards 2014-2016 was formulated. The first review of three national standards and review of 16 industrial standards were completed.

The Ministry of Culture, State Bureau of Cultural Relics, and the Ministry of Finance revised the Measures for Management of Special Subsidy Funds for Protection of National Key Cultural Relics, expanded the scope of financial support, and gave appropriate allowances to non-state units for the protection of national key cultural relics and units outside the system of cultural relics. The funds use performance management was strengthened, and the Interim Measures for Management of Special Subsidy Funds Budget Performance was put in place. The amount of special subsidy funds for protection of cultural relics by the central finance stood at 14 billion yuan, an increase of 10% over the previous year. This included 7 billion yuan for the protection of national key cultural relics and 3 billion yuan for the free opening of museums.

6) "Cultural Heritage" cooperation between China and foreign institutions

In 2013, China deepened foreign exchange and cooperation, with an emphasis on external

connection, external extension, external assistance and external research.

- A bilateral governmental agreement s on prevention of theft, illegal excavation and robbing, and illegal entry and exit of cultural properties was signed with Switzerland, Cyprus, and Nigeria. The International Expert Conference on Cultural Property Return was held, and progress on international consensus on the return of cultural relics was made.
- A joint agreement on training was signed with the International Centre for the Study of the Preservation and Restoration of Cultural Property.
- China was elected as member of the first subcommittee of the Convention 1970.
- Sixty-four all-year round exhibitions were approved; they included Liechtenstein's royal collection exhibition held by the National Museum and the Anatolia civilization exhibition held in China for the first time by Turkey.
- Exhibitions of cultural relics were held to mark the 50th anniversary of diplomatic ties between China and France, 50th anniversary of diplomatic ties between China and Tanzania, and the 40th anniversary of diplomatic ties between China and Malaysia; other exhibitions included China treasures exhibitions, and the Chinese civilization series exhibitions held in Romania, Italy, Morocco, etc.
- Projects to assist with the restoration of the ancient city of Samarkand, Uzbekistan, and the ancient pagoda of the Liao Dynasty, Mongolia, were started.
- The Takeo Temple restoration work Phase II for assistance to Cambodia was advanced.
- Communication with the Taiwan, Hong Kong, and Macao regions became more pragmatic; the 5th cultural heritage protection forum on both sides of the Taiwan straits was held; The *Light on Universe* show was well received in Kao-hsiung, Taiwan; celebrations were held to mark the 15th anniversary of Macao's return to China and the Dunhuang cultural relics exhibition was held in Hong Kong. Camps on Chinese history and culture were organized for Taiwan's teenagers and secondary school teachers, and the Macao Heritage Ambassadors Association was supported to improve communication on the Chinese mainland.
- Incentives for key projects of international exchange and cooperation in culture were articulated.

The United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Environment Program (UNEP), United Nations Development Program (UNDP), International Lake Environment Committee, United Nations Foundation, Global Environment Facility, World Monuments Fund, Wetlands International Union (WIUN) and other international organizations and non-profit foundations actively engaged in various types of cooperation for the protection of China's cultural heritage.

China actively participated in the intangible cultural heritage activities of UNESCO, and participated in defining rules and standards. As of June 2014, a total of 47 Chinese world heritage items were included in the List of World Heritage after being reviewed and approved by UNESCO (including 10 natural heritage sites, 33 cultural heritage sites and 4 dual heritage sites). China was ranked second in the world in quantitative terms, only second to Italy. The capital, Beijing, home to six world heritage sites was the city with the largest number of heritage sites in the world. And Suzhou is so far the only Chinese city where the World Heritage Committee meeting was held (its 28th meeting held in 2004).

The funding and cooperation between Zhongkun Group (China's private enterprise) and UNESCO is worth mentioning: On June 28, 2013, Chairman Huang Nubo of Zhongkun Group and Irina Bokova, who served as Director-General of UNESCO, signed the "UNESCO & Zhongkun Group Sustainable Tourism Strategic Partner Agreement" in Paris, the headquarters of UNESCO. According to the agreement, Zhongkun Group will provide \$1 million to UNESCO for supporting a five-year world cultural heritage conservation and sustainable tourism project. The collection of Mr. Huang's personal essays, published in 2013, on world heritage sites is a ready reference resource for understanding UNESCO's efforts in world heritage protection, calling the people throughout the world to protect the world heritages and carry on human civilization.

7) Important “cultural heritage” stakeholders (governments, NGOs, and individuals)

Sector	Name	Website
Governmental	Ministry of Culture	www.mcorc.gov.cn/
	State Administration of Cultural Heritage	www.sach.gov.cn/
	Development Research Center of the State Council	www.drc.gov.cn/
Academic	Chinese Society of Museums	www.chinamuseum.org.cn/
	Chinese Academy of Cultural Heritage	www.cach.org.cn/
	Archeological Society of China	Kaogu.cn/html/cn/zhongguokaoguxuehui/
	China Association of Collectors	www.zcxn.com
	Chinese National Academy of Arts	www.zgysyzy.org.cn/main.jsp
	Chinese Society of Cultural Relics	www.zgwwwxh.com/

	Chinese Relics Research Institution	www.baike.com/wiki/
	Cultural Heritage Protection and Research Center of Cotsen Institute of Archeology, Chinese Academy of Social Sciences	www.kaogu.cn/html/cn/venhuayic_hanbaohuyanjiuzhongxin/jigoushezhi/2013/1025/29935.html
	Chinese Academy of Engineering	www.cae.cn/cae/html/main/index.html
	Shenzhen Institutes of Advanced Technology, Chinese Academy of Science	www.siat.ac.cn/
	Agricultural Heritage Branch, Society of Agronomy (China)	www.caass.org.cn/
	China's Intangible Cultural Heritage Research Center, Zhongshan University	www.cich.org.cn/
	Specialized Committee of Historical and Cultural Streets of the Chinese Society of Cultural Relics	www.zgwwwxh.com/
	Cultural Heritage Big Data Collection Center at the national level	
	21st Century Education Research Academy	
	("Demonstration project of citizen participation in cultural heritage protection and model")	
Foundation	China Culture Relics Protection Foundation	www.ccrpf.org.cn/
	("China Cultural Heritage Protection Elite	

	Selection of the Year")	
	China Cultural Heritage Foundation	www.cchfound.org/
	Chinese Traditional Culture Protection Fund of China Guang Hua Science and Technology Foundation	www.ghstf.org/
	Intangible Cultural Heritage Protection Fund of China Social Entrepreneur Foundation	www.youcheng.org/plus/list.php?tid=70
	Germany-China Culture Heritage Foundation	www.qdde.org/first.asp
Museum	Palace Museum	www.dpm.prg.cn/
	National Museum of China	www.chnmuseum.cn/
	Shanghai Museum	www.shanghaimuseum.net/cn/index.jsp
	Shaanxi History Museum	www.sxhm.com/
	China Millennium Monument	www.worldartmuseum.cn/
Theater	National Grand Theater	www.chncpa.org
	Peking Opera	www.cn poc.cn/
	Kun Opera Theater of Jiangsu Performing Arts Group Co., Ltd.	Kunqu.jschina.com.cn/
Commercial	Zhongkun Group	www.zhongkun.com.cn/
	Beiao Group	www.beiao.com/
	(Thangka Art Heritage Protection)	
Media	CCTV Documentary Channel	cctv9.cntv.com

	("A Bite of China 1+2")	
	CCTV Xinying Production Center	
	(Full-length documentary of world heritage in China)	www.cctv.com
	"Southern Weekend" green version	www.infzm.com/
Publishing	Social Science Academic Press	www.ssap.com.cn/

3. Representative exchange and cooperation projects between Europe and China

EU-China's exchange and cooperation in cultural heritage revolve around exhibition exchange, international cooperation, personnel exchange and training, and other aspects.

1) Exhibition exchange

To implement the "culture go-global" strategy, China and European countries have cooperated to hold all kinds of entry-exit exhibitions of cultural relics. According to incomplete statistics, China cooperated with European countries to hold five exhibitions (all were held in China) in 2010, 13 exhibitions (eight were held in Europe and five in China) in 2011, 17 exhibitions (nine in Europe and eight in China) in 2012 and 17 exhibitions in 2013, of which eight were held in Europe by China and nine were held in China by European countries, and showed a steadily rising trend.

Representative EU-China cooperation projects:

Project	Year	European organization	Chinese organization
"Qingzhou Buddhism Statue Exhibition"	2001	Berlin Germany	Qingzhou Municipal Museum
		Altes Museum	
"Sichuan Sanxingdui Museum Exhibition"	2004	Paris' town hall, France	Culture Department of Sichuan, China's State Administration of Cultural Heritage
		Paris Museums Association	

“Art Exhibition in Kangxi Period”	2004	Versailles, Paris, France	The Palace Museum
“Exhibition of Genuine Articles of Solar-King Louis XIV—Versailles, France”	2005	Versailles, Paris, France	Meridian Gate exhibition hall of Forbidden City of Beijing
Kunqu Opera Highlights	2012	Music Hall of Berlin, Germany	Jiangsu Art Performance Group Kun Opera Theater
Exhibition of “the Art of the Enlightenment”	2011	National Museum of Berlin, Germany. National Art Collection Museum of Dresden, National Painting Collection Museum of Bavaria, Ministry of Foreign Affairs of Germany	National Museum, Beijing
“Italian Renaissance Art Treasure Collections in Louvre”	2010	Louvre Museum	CAFA Art Museum
“Exhibition of Tibetan Cultural Relics”	2005	Ruhr Foundation, Germany	
		Berlin Museum of Far Eastern Antiquities	
“Exhibition of Shadow Play Art Treasure	2011	Mophedora Palace, Alessandria, Italy	National Art Museum of China

Collected in the National Art Museum of China”			
“Art Exhibition of Italian Renaissance”	2006	Sponsored by the Italian Cultural Ministry of Heritage and Activity, organized by the Florence Region Museum Center Bureau	Ministry of Culture, People’s Government of Beijing, China Millennium Monument
Legend of the White Snake	2010	Antwerp	Shanghai Peking Opera Theatre
Exhibition of Cultural Relics of the Silk Road	2010	Belgium Royal Art and History Museum	State Administration of Cultural Heritage
“China Exhibition of Cultural Relics of Han Dynasty”	2006	Antwerp Provincial Government exhibition hall	Shanxi Provincial Government
“China’s Golden Age - Exhibition of Heritage of the Tang Dynasty”	2012	Belgium Maaseik Municipal Museum	Shaanxi Museology

2) International cooperative study

(1) Negotiation on return of cultural relics

Since the founding of the People’s Republic of China, the country has established and perfected the entry and exit of cultural relics to rein in theft of, and illegal trade in, cultural relics; it also has helped bring back a large quantity of Chinese cultural relics that have been lost overseas, through direct returns, acquisitions, and donors. China has signed bilateral agreements with Italy, Greece,

Switzerland, Cyprus and other countries on protecting cultural relics from theft, illegal excavations, and illegal entry and exit and substantial cooperation has been fostered in information exchange, personnel training, etc.

(2) EU supports the native place of Confucius to protect historical and cultural heritage

The EU-Asia Urban and Rural Cooperation Plan Office is located in Qufu, Shandong Province, the native place of Confucius, and mark the official start of the Qufu Project of this cooperative initiative. According to the plan, the EU will appropriate 750,000 Euro for a three-year cooperation with Qufu on historical heritage protection, tourism revival and other aspects. The EU-Asia Urban and Rural Cooperation Plan is a move by the EU to support sustainable urban development in Asian countries. Qufu is the seventh Chinese city to receive such support but the only of historical significance. This project is led by France and Spain and is specifically devoted to heritage protection and tourism revival. The main focuses are the heritage lists in cities of Shandong, preservation and promotion of ancient Qufu city, and personnel training. In addition, this office will involve cooperation in funding, establishing a friendly city, and strengthening economic and trade cooperation. Meanwhile, it will fully utilize the ancient city wall of the Ming Dynasty restored by Qufu to build a folklore museum to showcase the local traditional lifestyle.

(3) Sino-Italy cultural heritage protection cooperation

This cooperation is centered on the construction of Dazu stone cultural relics protection center, Longmen Grottoes cultural relics protection laboratory, tomb mural museum of Tang Dynasty and mural protection training center in the Historical Museum of Shaanxi. In addition, part of the Badaling Great wall, the “two-cave dwelling” of Longmen Grottoes, the earlier restoration of the Taihe Palace in Forbidden City, the overall plan of Chongqing cultural heritage strategy and construction design of Huguang Guild Hall architectural complex, overall plan of Sichuan’s maintenance of Leshan Giant Buddha, and the archeological study and protection of Fengxian temple relics in Luoyang, Henan Province, have been restored through cooperation.

(4) Sino-German archeological cooperation on protection of terracotta warrior painting project

On November 13, 2009, Gu Yucai, president of the Chinese Academy of Cultural Heritage, and Hans Gerke from the German Academy of Archeological Research, signed an MOU on Archeological and Cultural Heritage Protection Cooperation. This was the first MOU signed by China and Germany on archeological and cultural heritage protection cooperation, signifying a new phase in such cooperation between China and Germany.

(5) Sino- Swiss cooperation on the digging of White Dragon Temple site, Linqu, Shandong

3) Personnel exchange and training

In recent years, China has established a solid cooperation basis with Italy, UK, and other countries in personnel training, which has not only played a positive role in combining modern archeology, museum operation, and historical preservation with the actual situation in China, but also pooled outstanding talents for the development of domestic research institutions and even the development of China's historical preservation. The following projects are representative:

(1) Sino-German training on leather restoration

This is part of the “Silk Road Fashion—Central Asia Costume Dialogue from 10th Century BC to 1st AD” international cooperative project. It is a joint exercise of the Chinese Academy of Cultural Heritage and the German Academy of Archaeological Research and was begun in August 2013 in Beijing.

(2) Sino-Italian cooperative training on mural preservation

This is jointly organized by the Historical Museum of Shaanxi and the Ministry of Foreign Affairs of Italy and was begun in October 2009.

(3) Sino-Italian cooperative training on Forbidden City cultural relics preservation and restoration personnel

Three sessions have been held - in 2005, 2006 and 2008 - by CNICP and Italian, African, and Oriental research institutes with the purpose of promoting ideas and technical exchange in historical preservation between China and Italy and strengthening the multi-disciplinary approach to preservation and restoration.

(4) Advanced training on “historical buildings preservation technology” (Italy, Greece)

(5) Chinese delegations of standardization organizations to Europe

In 2011, China dispatched personnel to visit standardization organizations in Italy, Greece, and Spain to investigate standardization systems in their service industries, historical preservation, and tourism as well as try to get European countries to support China to establish an ISO historical preservation standardization technical committee.

4. Comprehensive analysis

The cultural heritage work of EU countries has the following characteristics:

- (1) Cultural heritage work is driven by not only the government, but also the important role of NGOs.

The NGOs in France, the UK, and Italy are especially active, and promote the work of cultural heritage protection by combining with all manner of talent, through contemporary, professional, and interesting planning, publishing, sponsorships, voluntary work, large-scale public interactive activities, information, local studies, and opinion polls.

- (2) Close integration of cultural heritage with civic education in the national education systems

All European countries have carried out a series of publicity and educational activities to promote public awareness of cultural heritage. These include such programs as “Socrates Program”; “Da Vinci Program”; “Europe: A Common Legacy” in EU; “European Heritage Days” and “Museum Day” in France; and “The Night of Museum” in Germany.

- (3) Complete legal construction and management mechanisms

Guarantees for cultural heritage protection are built into national laws and all departments involved in heritage protection, from the central to the local, work closely with private organizations to ensure each has clearly defined goals and responsibility for skills training.

- (4) Active participation of international organizations

As the supreme authority on world heritage affairs, UNESCO attaches great importance to education about cultural heritage. In 1990, UNESCO put forward the world heritage educational program, “World Heritage Youth Forum”, at the 14th World Heritage Convention. In the mid- and late-1990s, UNESCO completed and published the English version and French version of *World Heritage in the Hands of Youth* (the title of the Chinese translation, published in 1997, is *World Heritage and Youth*). The book occupies an important position in the world heritage education programs of UNESCO. In Europe and Asia, more than 300 middle schools in 90 countries, have made it a part of their instructional materials.

- (5) The complementarities between cultural heritage and cultural tourism in sustainable development

The EU Structural Funds are the most important fiscal instrument for EU to help the development of less developed areas, and accounts for the majority of EU expenditure on cultural activities. The programs funded by structural funds typically involve cultural heritage, such as the restoration and development of historical constructions and cultural heritage, construction of cultural facilities, establishment of cultural tourism services or providing trainings in art or cultural activity management.

- (6) “Privatization” is key to heritage management in Europe

The involvement of the private sector in culture means cultural products too are subject to the market and cultural undertakings are guided by the profit factor. Cultural heritage should

not be only controlled by the state. The cultural consumption demands of the public should not be neglected. The “Denationalizing mode” in France and the “Venice mode” in Italy are two relevant examples.

Drawing parallels in China, one may discover how to strike a balance between rapid urbanization and heritage protection, strengthen the legal framework, and boost public participation. Enforcement of laws with respect to heritage protection continues to be the greatest emphasis and challenge in China.

- (1) Despite policy support and funding, China still lacks professional management and public participation in heritage protection. Chinese NGOs play a very limited role in heritage education. Thus, the Chinese government should strengthen the NGOs by reforming the regulatory framework for NGOs, simplifying the registration procedures for NGOs, and encouraging them to participate in heritage education.
- (2) National financial investment should be increased. During “10th Five-Year Plan” period, the national cultural relics system contributed 27.08 billion yuan in 2005, up from 15.39 billion yuan in 2001, to the national economy, an increase of 76% and an annual average growth rate of 15.2%. This contribution was mainly realized through tourism (53%) and auctions (34%), indicating an urgent need for more investment for the protection of cultural relics.
- (3) Much work remains to be done to bring the legal framework up to speed to deal effectively with challenges on the ground.
- (4) Skills training is limited and linked to the lack of attention being given to cultural heritage in public education.
- (5) Cultural heritage undertakings have educational, scientific, and economic functions. Media publicity and education are very important to help focus attention on cultural heritage. Efforts should be made to enhance the mix of cultural innovation, scientific innovation, and cultural heritage protection.
- (6) When economic development conflicts with cultural heritage preservation, or tourism development conflicts with heritage protection, it is always heritage protection that takes the back seat.

5. Expert suggestions for EU-China development and cooperation in the future

1) Learn from Europe’s technological advances in heritage protection, such as the digitization of cultural resources, and use technology to establish a real-time project cooperation platform

“European Cultural Heritage Online” (<http://echo.mpiwg-berlin.mpg.de/home>) (“ECHO” in short) is a non-profit organization sponsored by the European Commission. From the beginning, “ECHO” has

emphasized the digitization of cultural resources, recognizing its high transparency and potential for raising public awareness through the release and sharing of these resources.

By utilizing remote sensing (RS), global positioning system (GPS), and geographic information system (GIS), changes to natural and cultural heritage sites in a weak ecological environment can be monitored; by utilizing computer display and simulation techniques, changes to heritage resources at threat from heretical ideas can be simulated and plans to tackle this can be put in place; by utilizing network technology and three-dimensional display, virtual tourism can be realized and this can help protect precious resources that are too fragile for tourist presence.

It has been suggested that the support of non-profit organizations from both sides should be enlisted for a digital protection project, to help the engagement of youth in heritage protection and thereby foster a greater appreciation for world heritage.

2) Strengthen publicity for, and promote understanding of, EU-China cooperation through the setting up of an “Annual Award of EU-China Cultural Heritage Cooperation”

At present, EU-China cultural heritage work focuses mainly on professional exchanges through research institutes, art circles, etc., which has little social impact. An annual award to recognize outstanding organizations and individuals involved in EU-China cooperation will help focus media attention on this kind of work.

3) Innovative personnel training and publications

At present, personnel training is concentrated in official organizations but there is a need to involve independent organizations and individuals with social influence. The EU-China should jointly establish an annual scholarship on EU-China Cultural Heritage Protection and initiated an exchange program that will have 10 middle-aged and young talents to work in national institutions for six months in specific cooperation projects to gain a deeper understanding to the country’s culture and work ethos.

China will subsidize publications and educational documentaries and leverage the reach of publishing houses, television and other mass media to the fullest possible extent.

4) Launch cooperation on the basis of joint planning to strengthen professional exhibition and interactive publicity and explore more young audiences

The exchange of cultural relics between China and Europe for exhibitions has been on the increase and the scale of exhibitions has grown significantly; the content has expanded and become more diverse. This will be boosted in future, with more attention being paid to greater publicity in social promotion and social media database so as to engage the youth. Joint academic research and planning mechanisms should be deepened to further improve China’s exhibition planning level abroad.

5) Establish the form and channel for public participation

Demonstration activities and hearings should be held in launching management policies, overall planning and important projects of cultural heritage. More efforts will be directed to solicit the public

opinion in the planning and decision-making in heritage protection, especially those residing in heritage sites. Especially for people living in places where the cultural heritage is located, their rights and opinions should be fully respected. People, the media and NGOs should be able to register complaints if those tasked with restoration works violate the rights of people living in the vicinity or misuse the funds allocated to such works.

6) Solving problems in fundraising

The sources of funding for heritage protection in Europe is very diverse and include such avenues as tax reductions and exemptions, loans, federal appropriations, insurance, etc, besides private donations. In China, the main sources are fiscal appropriation and ticket income but most of the money from the latter goes into meeting the expenses associated with the daily management. Fiscal appropriation at the national and local government levels fall woefully short of the requirements. Fundraising from multiple channels is an urgent need to match the reach of non-profit foundations and NGOs.

III. Mapping of Cultural and creative industries

1. Clarifying the concept

UNESCO defines the cultural and creative industry as “sectors of organized activity whose principal purpose is the production or reproduction, promotion, distribution and/or commercialization of goods, services and activities of a cultural, artistic or heritage-related nature”.⁵ According to the EU definition "cultural and creative sectors" means "all sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether those activities are market- or non-market-oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management. The cultural and creative sectors include inter alia architecture, archives, libraries and museums, artistic crafts, audiovisual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts”⁶.

In accordance with Classification of Culture and Relevant Industries published by the National Bureau of Statistics of China in 2004,⁷ foreign cultural trade can be divided into three layers - core layer, periphery layer and relevant layer:

- Core layer includes periodicals, newspapers, and other publications and distribution and copyright service; books, e-journals, and broadcast and television, and film service; film, TV plays and other culture and art performances, artwork export, etc.
- Periphery layer comprises the network service, network games and other cultural leisure and entertainment services, cultural exhibitions, design and advertisement, etc.
- Relevant layer refers to the production and sale of cultural goods, equipment and relevant cultural products.

Due to the lack of a unified definition, this report divides the core layer from periphery layer and treats the following areas as key points according to the Classification of Culture and Relevant Industries - film and TV; animation; artistic performance; artwork; book/paper publications; E-journal; design; online games; and music.

⁵UNESCO

⁶Legal basis for the Creative Europe programme

⁷National Bureau of Statistics

2. Overview of work of EU and Member States

1) Evolution of policies

With individual European Union Member States responsible for their own culture sector policies, the role of the European Commission is to encourage cooperation between Member States by addressing common challenges, such as limits to the mobility of cultural professionals, barriers to access to finance, and skills deficits.

The Commission is also committed to promoting cultural diversity, protecting cultural heritage, and supporting the contribution of cultural and creative industries to boosting growth and jobs across the EU.

Since 2000, EU's support for the cultural and creative industries can be divided into three stages:

- The first began in 2000: The EU Lisbon Summit in March decided to turn the EU into a competitive knowledge-based economy by 2010. The European Commission stressed the importance of combining creativity with a knowledge-based economy within the framework of regional development.
- The second stage began in March 2007: the EU Council called on member countries to strengthen the competitiveness of middle and small-sized enterprises in the cultural and creative industries and increase employment.
- The third stage began in November 2007: The European Agenda for Culture in a Globalised World proposed by the European Commission was adopted by the EU Council. Promoting culture as a catalyst for creativity in the framework of the Lisbon Strategy for growth, employment, innovation and competitiveness was one of the three strategic targets of this Agenda. In order to implement the latter, the EU Council put forward new partnerships and working methods: structured dialogue with cultural stakeholders; creating an open method of coordination (OMC) with the EU Member States; and mainstreaming culture into all relevant policies.

The 2010 Green Paper "Unlocking the Potential of Cultural and Creative Industries"⁸ and the 2012 Communication "Promoting cultural and creative sectors for growth and jobs in the EU"⁹ showed that:

- In 2010, the cultural and creative industries (CCIs) accounted for 2.6% of EU GDP and guaranteed about 5 million high-quality jobs. In 2012, the CCIs accounted for 4.5% of EU GDP with over 1.3 million companies and 8 million jobs.¹⁰

⁸ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32007G1129%2801%29>

⁹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0537:FIN:EN:PDF>

¹⁰ <http://world.people.com.cn/n/2013/1219/c157278-23893206.html>

- The direct contribution made by the cultural and creative industries to EU economic growth exceeded that of more traditional sectors such as manufacturing and services.
- Country-wise, the cultural and creative industries in the UK, Germany, France, Denmark, Finland, Sweden, and the Netherlands made great contributions to economic growth.
- Sector-wise, the design industry, visual arts industry and film industry made outstanding contributions.
- The significance of the culture and creative industries is not only in terms of direct contribution to GDP, but CCI's have become an important engine for economic and social innovation in many other fields. The indirect contribution is reflected in culture tourism, in the information and communications technology (ICT) industry, and in the enhancement of traditional industrial value added. The cross-fertilisation between cultural and creative industries and information and telecommunications technology industry is especially important.
- In recent years, employment in the EU cultural and creative industries has been growing steadily. They are playing an important role in revitalizing a city, enhancing its image and hastening its integration into the global network of cities. Culture and creativity have an especially positive influence on giving European citizens a sense of the EU identity.
- The development of digital information and communication technology has also played a crucial role in shaping the future of the culture and creative industries. To strengthen this, the European Commission considers it very important to provide fair market access to medium and small-sized enterprises.

Since 2006 the EU has carried out a number of studies to analyze and measure the impact of the culture and creative industries on the overall economy, looking inter alia at the following issues:

- Culture as a driver for economic and social development as well as innovation
- Data collection and statistics on the economic performance of the CCI's, statistical tools available to measure the contribution of the CCI's to EU GDP
- Skills development in the cultural and creative industries.

In addition, a "European Cultural Index" (ECI) will be jointly developed by the European Cultural Foundation and the Boekman Foundation.

2) EU Work Plan for Culture and Culture and creative industries

Cultural and creative industries belong to the key priorities of the multiannual EU Work Plans for Culture. Within the Work Plan 2011-2014, dedicated working group developed policy handbooks on

the use of EU support mechanisms to promote the role of culture in local and regional development and strategies for supporting the export and internalization of cultural and creative industries. An expert group on access to finance for small and medium-sized enterprises in the field will deliver a report in 2015. The next Work Plan for Culture 2015-2018 shall focus on access to finance and entrepreneurship in the cultural and creative industries.

3) Culture and Creative Europe programmes

On February 14, 2000, the EU “Culture 2000” programme was adopted with a total budget of Euro 236.5 million till 2006. This was followed by the “Culture Programme 2007-2013” (hereinafter referred to “Culture 2007”) with a total budget of Euro 400 million. “Culture 2007” supported cooperation projects to encourage the transnational circulation of artists and works as well as intercultural dialogue to build an EU "identity in diversity".

“Creative Europe” (2014-2020), the largest cultural programme in the EU so far, was officially adopted in October 2013 and entered into force in January 2014. The objectives are to protect and promote the cultural and linguistic diversity and to strengthen the competitiveness of the cultural and creative sectors.

Following on from the previous [Culture Programme](#) and [MEDIA programmes](#), Creative Europe, with a budget of €1.46 billion (9% higher than its predecessors), will support:

- [Culture sector initiatives](#), such as those promoting cross-border cooperation, platforms, networking, and literary translation;
- [Audiovisual sector initiatives](#), such as those promoting the development, distribution, or access to audiovisual works;
- [A cross-sectoral strand](#), including a Guarantee Facility and transnational policy cooperation.

The programme consists of two sub-programmes; the [Culture sub-programme](#) to promote the culture sector, and the [MEDIA sub-programme](#) to support the audiovisual sector. Cooperation project partners can not only come from the EU, but also from third countries outside the EU.

4) Important European non-governmental stakeholders in “cultural and creative industries”

Industry	Name	Website
International organization	European Network of Cultural Centres (ENCC)	www.encc.eu/
	European Union National Institutes for Culture – EUNIC	www.eunic-online.eu/
	Goethe Institute	www.goethe.de/ins/de/zhindex.htm

	Alliance Française	www.fondation-alliancefr.org/
	British Council	www.britishcouncil.org/new/
	Instituto Cervantes	www.cervantes.es/default.htm
	Istituto Italiano di Cultura	www.esteri.it/mae/it
	Swedish Institute	www.si.se/Svenska/
Academic	Research Institute for Comparison of Cultural Policies and Art in Europe (ERICarts)	www.ericarts.org/web/index.php
	School of Cultural Management, Free University of Berlin	www.fu-berlin.de/
	European Design Association	www.beda.org/
	French Film Alliance	en.unifrance.org/
	European League of institutes of the Arts Schools	www.elia-artschools.org/
	International Association of Art (IAA) Europe	www.iaa-europe.eu/
	European Design Centre	www.edc.nl/
	UK Arts Council	www.artscouncil.org.uk/
	British Film Institute (BFI)	www.bfi.org.uk/
	Conseil des Architectes d'Europe	www.ace-cae.eu/
	European Fashion Council	www.europeanfashioncouncil/
	European Digital Media Association (EDiMA)	www.europeandigitalmedia.org/
	European Film Export Association (AEFE)	www.efea.info/
Foundation	European Fine Art Foundation	www.tefaf.com/
	Bertelsman Foundation	www.bfna.org/
	BOSCH Foundation	www.bosch-stiftung.de/
	Prada Foundation	www.fondazioneprada.org/

	European Cultural Foundation	www.eurocult.org/
Performance	Paris Opera Ballet	www.operadeparis.fr/en/les-artistes/le-ballet
	Deutsche Oper Berlin	www.staatsoper-berlin.de/
	Berlin Festival (Theaterstreffen)	http://www.berlinerfestspiele.de/de/aktuell/festivals/theatertreffen/ueber_festival_tt/aktuell_tt/start.php
	European Music Council	www.emc-imc.org/
	European Festivals Association (EFA)	www.efa-aeef.eu/
Business	ICEX (Spanish Institute of Foreign Trade)	www.icex.es
	LEGOLAND Parks	www.legoland.com/
	Planet Modulor	www.modulor.de/
Media	European Broadcasting Union	www.ebu.ch/
Publication	European Publisher Council	www.fep-fee.be/
	MONOCLE Magazine	www.monocle.com/
	Gestalten Verlag Publisher	www.gestalten.com
Social organization	Asia House (UK)	www.asiahouse.org/net/
Individual	MICHAEL KAHN-ACKERMANN	
	OMA (NL): Rem Koolhaas	www.oma.eu/
	Herzog & de Meuron (Switzerland)	www.herzogdemeuron.com/
	Foster + Partners (UK)	www.fosterandpartners.com/
	Olafur Eliasson Studio	www.olafureliasson.net
	Philippe Starck(Fr)	www.starck.com/

3. Status of Chinese cultural and creative industry

1) Evolution of policies

The historical development of China's culture and creative industry can be classified into the following three stages:

(1) Initial stage (1978-1991) Birth of cultural system reform

In December 1978, the Third Plenary Session of the 11th Central Committee of CPC introduced the "reform and opening-up policy". In 1988, the Ministry of Culture published the Notice on Strengthening the Culture Market Management to put forward the "culture market" concept for the first time.

(2) Development stage (1992-2002) Improvement of construction and system of cultural and creative industry

In 1993, the Notice on Further Speeding up and Deepening Artistic Performance Team System Reform and a series of policies were put forward. In 2001, China joined the WTO and standards were brought to bear on the Chinese culture industry. A series of laws and regulations such as the Trademark Act, Copyright Law, Patent Law, Regulations on Administration of Films, Regulations on Broadcast and TV Management, Regulations on Audio-visual Products Management, Regulations on Publishing Management, and Regulations on Printing Management have been issued, offering legal protection for the development of the culture industry.

(3) Promotion stage (2003-Present) –Scientific and reasonable development of cultural and creative industry

For the past 10 years, the central government has issued the 10th Five-Year Plan Outline for the Development of the Culture Industry, (State) the "11th Five-Year Plan" Culture Development Plan Outline, the Report of the 17th National Congress of CPC by the Chinese Communist Party, Culture Industry Revitalization Planning by the State Council, Guiding Opinions on Speeding up the Development of the Culture Industry, Decision on Deepening Cultural System Reform, Promoting Socialist Culture Development and Prosperity and Other Significant Problems, Culture Reform and Development Planning in the 12th Five-Year Plan by the Ministry of Culture and other policy initiatives to promote the development of the culture industry.

In 2005, the Opinions on Deepening the Culture System Reform were put forward to promote institutional reform; in addition, it has deepened reform of state-owned cultural institutions as per the Opinions on Deepening State-owned Artistic Performance Troupes System Reform outlines in 2009. In the same year, the Cultural Industrial Revitalization Planning was put forward to develop cultural creativity and nine other key industries and the "culture and creative industry" concept was put

forward for the first time.

In 2012, GAPP (General Administration of Press and Publications) issued Implementation Rules for Supporting Private Capital to Participate in Publishing and Operating Activities and the Ministry of Culture also issued Opinions on Encouraging and Guiding Private Capital to Enter Cultural Field. Thus private capital's entry in the culture and creative industry is guaranteed by policy. Besides the policies issued by state ministries and commissions, provinces also have corresponding policies to support the development of the culture and creative industry. For example, Beijing Administrative Bureau for Industry and Commerce has outlined 23 plans to support the development of the culture and creative industry, which has enlarged the capital base for culture institutions.

Latest policy positioning:

- At the beginning of 2012, the Ministry of Culture issued Redoubling Plan of Culture Industry during the 12th Five-Year Plan Period to increase the value added in the culture industry over the 2011-2015 period to more than 20%, double of that in 2010.
- The 18th Report of the CPC also stressed the need to develop the culture industry as the pillar industry of the national economy. Thanks to policy support as well as adjustment of the industrial structure, China's culture and creative industry has been gaining momentum.
- It is hoped that by the end of the 12th Five-Year Plan Period, the output value of cultural and creative industry will stand at between 800 billion—900 billion yuan. According to the 18th National Party Congress, the output value will be doubled. Thus, there is great growth potential in this sector.
- In 2012, culture and scientific integration has been the important breakthrough to realize the overall upgrading and transition of the culture industry. The scale of this has expanded and the content has been enriched, which are reflected in the emergence of cultural formats based on new technology, digital content (as the subject), and proprietary intellectual property rights.
- In 2013, the Chinese movie box office saw spectacular growth and has become the new favorite of the capital market. Meanwhile, several provinces have also provided policy support to the culture industry, involving financial support, support to regional development and industrial parks.
- In the beginning of 2014, China has seen nearly 100 cases of merger and acquisition in the cultural industry, involving various sectors such as film, game, advertisement, publication, cable and SATV, etc. ?By April 14, the total transaction amount was 73.6 billion yuan, which was far in excess of what was seen in the corresponding period in 2013.
- Since 2013, numerous strategic documents have been issued: Opinions on Deeply Promoting Cooperation of Culture and Finance, Opinions on Speeding up Foreign Cultural Trade, and Opinions on Promoting Integrated Development of Cultural Creativity and Design Service and Relevant Industries were released to encourage trans-boundary integration of the culture

industry with the financial industry and scientific industry. These two elements will be key to promoting cultural industry from small to big and from low-end to high-end. Strong penetration of culture and its integration with industry, ?agriculture?, and the service industry will bring benefits for industrial upgrade and transition. The latest publication of Guiding Opinions on Promoting Characteristic Culture Industry Development in August 2014 has, for the first time, defined the principles, objectives, tasks and policy guarantees for characteristic culture industry development and brought it under the coverage of the special funds for the development of cultural industrial development. It stresses support to art, culture tourism, and performances, particularly those of the ethnic nationalities. It supports the Silk Road culture industrial belt, and establishment of the Tibetan, Qiang and Yi nationalities' culture corridor.

Great national plan and research direction:

In 2013, the Ministry of Culture took steps to promote technological innovation in culture, actively supporting 48 sci-tech projects such as public cultural services, culture industry development, culture market management and system and mechanism reform, 12 national cultural innovation projects and 14 standardization revision projects. It has approved 201 art review projects with a total subsidy fund of 28.36 million yuan.

In 2013, the National Social Science Fund Art Major Project was carried out for the first time and six projects were granted key approval:

- Research on Current Literature and Art Hot Topics
(Zhu Dongli, Chinese National Academy of Arts)
- General History of Chinese Film
(Rao Shuguang, Chinese Cultural and Artistic Research Center)
- Research on Art Since Modern Times
(Zhang Ji, China Academy of Art)
- Financial Guarantees for Strengthening the Public Culture Service System
(Zhang Qichun, Central China Normal University)
- Scientific Approach to Development of the Culture Industry
(Bai Guoqing, Chinese Art Science and Technology Research Institute)

In 2014, 10 projects under the “National Social Science Fund Art Major Project” were granted approval;

- Chinese Contemporary Literature and Art
(Xiong Yuanyi, Inner Mongolia University for the Nationalities)
- Opera (Arts) Management System Construction in the Context of Systematic Reform
(Liu Yanjun, Chinese National Academy of Arts)

- Chronicle Study of Chinese Film (1905-2014)
(Zhou Yong, Communication University of China)
- Vocal Study of Traditional Music
(Yao Yijun, Chinese Conservatory of Music)
- Cross-Cultural Study of the Modern and Contemporary Age
(Ou Jianping, Chinese National Academy of Arts)
- Study of the Chinese Elements in Traditional Costumes and Innovative Design
(Liu Yuanfeng, Beijing Institute of Fashion Technology)
- Status Quo of Chinese Traditional Fine Arts and Development in Urbanization
(Qiu Chunlin, Chinese National Academy of Arts)
- Study of Culture Governance Capacity and System Modernization Construction
(Jing Xiaoyong, Central Academy of Cultural Administration)
- Standards in the Culture Industry
(Liu Huiping, Ministry of Culture, National Public Culture Development Center)
- A Modern Market System for Culture
(Bao Guoqiang, Central China Normal University)

2) General statistics of the work

In the past decade, the Chinese culture industry has grown rapidly and emerged as a pillar industry of the national economy. Its growth rate of 15% surpassed that of the national economy that grew at 9%. Even so, the proportion of the culture industry in GDP was low, at about 3%.¹¹ In 2014, the target growth rate for this industry has been set at more than 15% to reflect its growing role in the national economy.

2004

The whole added value of the Chinese culture industry was 344 billion yuan, accounting for 2.15% of GDP.

From 2008 to 2009

Despite the impact of the financial crisis, the Chinese culture industry showed an upward growth trend. In 2008, the total revenue of the Chinese cultural department art performance team was 8.03 billion yuan, an increase of 16% over 2007. Revenue from national radio, film, and television was 135.06 billion yuan, an increase of 18% over 2007.

¹¹Report on Development Work for Culture Industry by the State Council (2010)

In first half year of 2009, the growth of the Chinese culture industry was 17%, far beyond that of GDP and the tertiary industry. The yield of domestic feature films were 456 and the urban cinema box office revenue was 6.2 billion yuan, reflecting growth of more than 40%. Total output value of the press crossed 1 trillion yuan, with a growth of 20%. Of this, the contribution of daily newspapers was 44 billion copies and publishing scale was the highest globally for nine successive years; more than 275,000 (kinds of) books were published, with total sales of 145.6 billion yuan, placing China second in the world in terms of publication varieties and total sales; total output value of printing industry was 574.6 billion yuan, placing China third worldwide. In 2009, the number of Chinese overseas commercial performance troupes stood at about 426, and their 16,373 shows netted about 76.85 million yuan. Oversea sales revenue of domestic films was about \$400 million, while the 10,000 hours of TV programs export netted \$58.98 million.

Till the end of 2013

The culture industry's share of GDP was 3.48%.

- At the end of 2013, there were 293,000 national culture units with 2.1599 million employees.¹²
- The culture industry has emerged as a new economic growth sector. The operational revenue from 284 cultural industry-related parks, as designated by the Ministry of Culture in 2012, reached 439.628 billion yuan with total profit of 81.742 billion yuan. At the end of 2013, there were eight national-level cultural demonstration parks, six national-level cultural experiment parks and 268 national cultural demonstration bases.
- The number of animation companies jointly approved by Ministry of Culture, Ministry of Finance and State Administration of Taxation at the end of 2013 stood at 587, including 43 key animation companies.
- The medium- and long-term foreign currency credit and loan balance of culture industry stood at 157.4 billion yuan, an increase of 41.9 billion yuan, or 36.3% over the previous year; the bond balance issued by 185 cultural enterprises was 287.85 billion yuan; 77 cultural enterprises were listed in the Shanghai and Shenzhen stock exchanges; there were 57 private equities issued by cultural industry companies nationwide with funds collected for more than 135 billion yuan.¹³

2016

Cai Wu, Minister of Culture, estimates the culture and creative industry will account for 5% of GDP.

At present, there are nearly 7,000 privately operated performing arts troupes, more than 2,800

¹² *Statistical Analysis Report for Culture Development, 2013*

¹³ People's Bank of China

privately operated TV stations, nearly 400 privately-operated film companies, eight nationwide privately-operated publication chains, 110,000 privately-operated publication companies, over 40 Sino-foreign joint ventures or foreign-invested newspaper and magazine companies, more than 2,500 printing enterprises, over 50 periodical copyrights cooperation companies, and an annual average of more than (kinds of) 600 Sino-foreign cooperation books.

3) Development and characteristics of Chinese culture and creative industry

At present, Chinese cultural and creative industry can be divided into three layers:

- First layer, where tourism is the leading sector
- Second layer, where cultural industry takes the leading position: state-owned organizations with successful reforms
- Third layer: the innovative core with investment and financing and cross-border hi-tech cooperation with high-tech supports in the context of globalization. The Chinese culture industry is being increasingly globalized through modern investment and financing methods and the application of Angel Fund and venture capital is rapidly expanding.

The latest development trends are as follows:

- Policy support for the industry has increased and the cooperation between culture and science, finance, tourism, trade, consumption demand and smart city is deepening.
- Major culture projects being implemented, such as the Shenzhen ICCIE, Yiwu Cultural Exchange Fair, and other exhibitions.
- The construction of a law-enforcement team for the cultural market has been strengthened and the technical supervision and service platform construction of the cultural market nationwide have made prominent progress.
- Internet service enterprises have been rapidly transformed and upgraded.¹⁴

(1) The proportion of the culture and creative industry in GDP, as well as its absolute profit levels, are increasing rapidly in all large cities of the country. The development of this industry has certainly driven the development of the whole national economy and created more employment opportunities.

For example, the industrial sector of Beijing in 2012 was nearly 200 billion yuan, or 198.99 billion yuan to be exact, accounting for 12.2% of its GDP. The city's culture and creative industry is an important industry. The total revenue of the culture and creative industry at the district and county level and

¹⁴ Press conference of the State Council: Cai Wu, Minister of Ministry of Culture, outlines the state of reforms in 2013 and the key tasks for 2014 (Feb 24, 2014)

above was 810.8 billion yuan. Investment in the first three quarters of 2012 was 19.7 billion yuan, a growth of 36.1%.

In 2012, the Shenzhen culture and creative industry made rapid strides. The annual value added was 115 billion yuan, a year-on-year growth of 25%. Animation, cultural software, new media and cultural information service and other digital content grew nearly 30%.

(2) All ministries and cities have increased policy support and government subsidies to the culture and creative industry

The development of culture and creative industry cannot happen without funding and policy support. Compared with developed countries, China's culture and creative industry has still to take off. Owing to long gestation periods, complicated value assessments, and high risks, funds are a major bottleneck in the growth of this industry. This explains why all domestic cities have put in place preferential policies and financial support for the culture and creative industry.

For the past six years, financial subsidies to about 60 companies in A-share culture sector have grown rapidly. Subsidies to this sector soared to about 1.7 billion yuan in 2013, from about 300 million yuan in 2008, a more than 400% increase.¹⁵

(3) Frequent investment in the culture and creative industry

The high risks of operation of this industry is one of the main factors restricting its financing, as the product value is influenced by multiple factors and is highly unpredictable. However, 2012 saw robust financing in this industry. On April 27, 2012, after people.com.cn was listed in the Shanghai Stock Exchange, Xihuanet, Huasheng Online, CCTV and other 50 central and local news websites went public. The second half of 2012 saw a large number of cultural industrial funds emerged. The year 2012 also saw rapid combination of financial capital and cultural creative industry. Between January and November 2012, 33 companies engaged in culture were set up, covering media, the Internet and film, which together raised 72.652 billion yuan.¹⁶ At the same time, 154 companies saw 93 cases of equity investment of 9.867 billion yuan, with an average investment of 106.1016 million yuan for each case. We can say that China is actively promoting platform construction on matching capital.

(4) Increasing intellectual property protection

The core asset of the culture and creative industry is intellectual property and intellectual property that is not protected by law will hinder the development of the culture and creative industry. In recent years, thanks to the efforts of the Chinese Government, much progress has been made in intellectual property protection. The number of patents, trademarks, copyrights, integrated circuit designs, business secrets, etc. have increased dramatically. And although there is still work to be done in digital publishing, mobile multimedia, and related areas, intellectual property protection in the culture and creative industry has improved.

¹⁵People.com.cn Report <http://cul.jschina.com.cn/system/2014/09/01/021759002.shtml>

¹⁶Xinyuan Wenzhi Group *Report on Cultural Industry and Capital Monitoring*

(5) Increasing integration of culture and technology

Emerging culture resources such as mobile multimedia, experimental theater, and micro film are seeing rapid growth. By using the internet and e-business, rapid communication can help to establish brand and word-of-mouth effect. The integration of culture and technology will be the big trend of the culture and creative industry in the future.

Representative cases for cultural and creative industry from 2012 to 2014

The success stories of three China internet giants BAT (Baidu, Alibaba, Tencent)

Platform giants' increasing investment into games and films show that games and films are two obvious growth sectors in the culture industry. Mobile internet will trigger the next round of wrestling for content marketing platforms. It is as well an opportunity for the new round of content industry growth. China is currently promoting integration development of cultural industry and finance, technology and other related industries. Cultural activities that leverage mobile internet technology are likely to see the biggest expansion. The platform providers are expanding their businesses to the upstream field, on the way to all-chain development. Based on their big data analysis capacity, they can fully tap the customer values and enhance customer cohesion. The industrial layout brought by the above-mentioned three platform providers brings about the impact of new media technologies, which can greatly promote traditional cultural enterprises and projects in terms of investment and marketing.

1. Alibaba

China's biggest network company and the world's second largest, the Alibaba Group has established itself as a leader in e-commerce, online payment, B2B marketing and cloud computing business, wireless application, mobile phone operating system and IPTV, culture industry, and digital entertainment, among others.

Since 2013, it has successively purchased music website Xiami, mobile software Auto Navi Map with satellite positioning, a game platform, and ChinaVision Media Group and also bought a share in Youku Tudou Group, Sina microblog, UC, Yintai, Singapore Mail, Hengda Football, CITIC 21st Century, and Hengsheng Electronics.

On June 11, 2014, Alibaba Group purchased UC, which shocked the whole world. Given the estimated value of US\$3 billion of UC Company, this purchase marks a record for an internet merger in China.

2. Baidu

The world's largest Chinese search engine, Baidu's revenue comes mainly from internet advertisement. Baidu is in the front in terms of the video market. It is reported by "The Hollywood Reporter" that Li Yanhong, President of Baidu, plans to found Aquamen Entertainment in America. The company will invest 240 million yuan to shoot the animated movie *Wukong* based on Chinese folk tales.

Over the past two years, Baidu has developed and purchased over 40 kinds of mobile application software. On August 14, 2013, Baidu announced it had completed the purchase of 91 wireless ports for US\$1.85 billion. According to industry insiders, it shows that Baidu opened up a new prospect in mobile internet technology.

3. Tencent

The largest internet communication application software service provider in China, Tencent was one of the “Top 10 Leading Enterprises in Chinese Culture and Creative Industry in 2012”. On February 15, 2013, American business journal, Fast Company, published the list of “Top 50 Most Innovative Companies in the World in 2013”. Tencent was once again in it with Wechat, taking the 16th place.

In 2014, its profits are expected to exceed 10 billion yuan, of which games will account for 52%; advertisements, 7-8%; IM, internet surfing, and value-added services, 40%.

Wanda Cultural Industry Group: The first brand in Chinese cultural industry

On December 1, 2012, Beijing Wanda Cultural Industry Group was founded with a registered capital of 5 billion yuan and assets of 31 billion yuan, becoming the largest cultural industrial group in China and the first brand in the Chinese culture industry. On May 17, 2013, Cultural Trade Work Forum sponsored by the Publicity Department of the CPC Central Committee and Ministry of Commerce jointly announced the list of top 30 Chinese cultural industries and Wanda Cultural Industry Group topped it with its annual income of 20.8 billion yuan.

The Wanda Cultural Industry Group is into the following 10 industries: movie theater, film and television production, film and television industrial park, stage entertainment, film and technology and entertainment, theme park, chain entertainment, newspaper and media, calligraphy and painting collection, cultural tourism. These include 11 companies of China Wanda Cinema Line, American AMC Cinema Company, Wanda Movie and TV Media Company, Wanda Degong Stage Performance Company, Wanda Film Technology and Entertainment Company, large-scale Theme Park Company, Wanda Art Gallery, big star chain KTV and finance and economics weekly *Huaxia Times*, business monthly *Global Business Classics* and *Popular Film* magazines, and Wanda cultural tourism city.

On Sept 22, 2013, the Qingdao East Cinema, Film, Television Industrial Park, the largest film, television project invested by Wanda Group, had a grand launch ceremony. It has integrated numerous, first-line brand resources under Wanda and represents the milestone in Wanda’s strategy. The total investment of the project is 50 billion yuan, of which culture tourism accounts for more than 30 billion yuan. Wanda’s Qingdao East Cinema Project has plans for a culture park, convention center, automobile show, Wanda City, resort hotel, yacht exhibition center, coastal bar street and several functional zones, covering film and television production, culture tourism, exhibitions, fashion shows etc. The project got underway at the beginning of 2014 and is expected to be completed in 2017.

According to Roland Berger, a well-known global consulting agency, the annual revenue of Wanda Culture Industry Group in 2012 ranked 40th globally among culture enterprises; its revenue is expected

to reach 40 billion yuan and rank among the top 20 of world culture enterprises in 2016 and by 2020 the corresponding figures are expected to be 80 billion yuan and top 10 of world enterprises. By 2020, the contribution of Wanda's commercial real estate to revenue will fall to below 50%, in a reflection of the group's change in focus having been completed. Wan Jianlin, Chairman of the Board of Directors of the group has said it will develop the culture industry as a pillar industry while becoming a first-class transnational enterprise within 10 years.

China Media Capital (CMC)

In April, 2009, the CMC received approval from the National Development and Reform Commission (NDRC) for funds of 5 billion yuan, making this the first culture industry private equity fund approved by the NDRC.

The main initiators and shareholders of the company include Wenhui-xinmin United Press Group, Shanghai Oriental Huijin Cultural Industry Investment Co., Ltd held by Shanghai Media Group (SMG, formerly Shanghai News Media Group); CDB Capital Co., Ltd, a subsidiary of China Development Bank; SVW Group Capital Equity Investment Co., Ltd, subsidiary of SVW Public Utility (Group) Co., Ltd; and Shenzhen Tianzheng Investment Co., Ltd., a subsidiary of China Merchants and CBC Capital and other institutions.

The fund will mainly provide capital for growth, enterprise reconstruction, management buyout and other forms of market financing. The fund is positioned as the strategic investor to promote reform of the culture system and the media industry. It also aims to get involved in the international media market and explore and build a global media platform for China.

According to Li Ruigang, at present, there is a three-pronged approach to investment in ethnic Chinese culture – in the media and entertainment industry, which stresses on content; in internet and mobile technology, which stresses on platform; and in lifestyle, which stresses on middle class lifestyle. The focus will shift to cinema, education and mobile internet in the next phase.

The CMC does best in entertainment programs on television, with the investment in STAR being a case in point. In its very first year after getting investment, STAR TV turned losses into gains. Canxing Production, its subsidiary, is the strong black horse in TV entertainment. *China's Got Talent*, *Let's Shake it*, and *The Voice of China* are all successful Canxing productions, especially *The Voice of China*, whose full industrial chain has created the Chinese music industry and helped it find and cultivate new stars. It remains popular even after three seasons shown in 2014.

The other 14 projects invested by CMC include STAR, Oriental DreamWorks, TVB China, IMAX China, Caixin Media, Oriental Shopping, OurGame, SECOO, Guevara, Gravitation Film, SECA, IPCN Dream Center, and Yuehua Entertainment.

- It cooperated with American Dream Works and established Oriental DreamWorks in February 2012 in various fields such as animation technology, digital games, and theme parks;
- In August 2012, it cooperated with TVB to establish Shanghai TVBC to be responsible for all

the business of TVB in inland China; It invested in Caixin Media in December 2013;

- It founded Shanghai Dream Center in March 2014;
- It invested 80 million yuan in IMAX in April 2014, taking up a 20% share;
- SECOO is an enterprise providing a “one-stop” luxury service for Chinese high-end consumers. Investment in SECOO has met the demands of a rising middle class;
- It invested 300 million yuan in Yuehua Entertainment. The South Korea-style international company with fans born in the 1990s is “an institution representing the future of film and television”. As a rapidly growing entertainment company integrating film, music, and fan following, Yuehua Entertainment has a unique understanding of entertainment content and product creativity for the younger generation. CMC attaches great importance to the explosive power of this market and sees it as overturning the force of traditional industry;
- Fund money will also go into reproducing the old movie resources of the 70s and 80s owned by Fortune Star.

The largest privately owned film company in China - Huayi Brothers Media Group Corp.

Three traditional businesses (film, teleplay, and artist management business) have declined, and Internet and real-scene entertainment have become a new profit growth point.

2014 is the most bustling year for Chinese films in history with directorial debuts for Han Han, Guo Jingming and Deng Chao and the Chinese box office crossing 500 million yuan; China’s three internet giants, known collectively as BAT (short for Baidu, Alibaba, and Tencent) break into the silver screen; listing of A-shares transform the making of movies and television shows. It is also in 2014 that Huayi Brothers started expanding the Internet entertainment and real-scene entertainment business, trying to shift its major focus from traditional film and television business.

In June 2014, at 20th anniversary of Huayi Brothers, Wang Zhongjun changed nine business sectors to three sectors - video and television entertainment, real-scene entertainment, and Internet entertainment. He said: “The scale of Chinese film market has not grown to 30,000 million yuan but the income from mobile games has reached nearly 30 billion yuan in recent years. Even if the size of the Chinese film market grows to 30 billion yuan, half the profits will go to American films. Therefore, we must make the transition. Doing only films will not ensure sustainable development of the company.” Another reason for transition is the volatility of the film and television business. And of even greater significance in the transition of Huayi Brothers is IP (intellectual property). While the profitability of the film industry is not stable, games and theme parks can be spun off from the IP for a film.

In 2014, the semiannual report of Huayi Brothers showed that revenues from traditional businesses (film, teleplay, and artist management business) were reduced by about 69%, 30%, and 15% respectively. Net profit was more than 32 million yuan (deducting recurrent profit and loss) with

year-on-year decrease of 78%. In the first half of 2014, net profit increased to 417 million yuan on investment income of 490 million yuan, a year-on-year growth of 3.55%.

In May, Guangzhou Yinhan Technology Co., Ltd., a game company whose 50.88% shares was held by Huayi Brothers, teamed up with Huayi Brothers. From May 17 to June 30, the game company brought in game revenues of nearly 74.96 million yuan for Huayi Brothers, and the gross profit rate was 93.41%. In 2010, Huayi Brothers spent 148.5 million yuan to buy 22% stock rights in Ourpalm Co., Ltd. Ourpalm Co., Ltd. was listed in 2012, and this changed the market value of shares held by Huayi Brothers to 1.528 billion yuan. In 2013, share price of Ourpalm Co., Ltd. was increased by 397% and the wealth of Huayi Brothers increased many times over. In the first half of 2014, income of Huayi Brothers was 495 million yuan, and a major part came from the selling shares of Ourpalm Co., Ltd. On August 27, Huayi Brothers and Tencent teamed up to found the social platform “Film Star Alliance”. The platform was launched on December 17, 2013. At present, it has 90 million users, 126 co-stars, and 10 million daily active users. The platform facilitates online and offline interactions between stars and fans. It also has pay VIP membership.

Shenzhen Fantawild Holdings Co., Ltd.:

This company has received more than 4 billion from the government.¹⁷

Many state leaders such as Hu Jintao, Wu Bangguo and Wen Jiabao has been to the company for investigation. Its business can be divided into two categories: culture content products and services, and culture theme park. The former includes specialty films, animation, theme performing arts, film and television shows, and cultural derivatives. Its theme parks go under one of two brands - “Fantawild Adventure” and “Fantawild Dreamland”. Fantawild Culture has built many state-of-the-art theme parks as well as comprehensive centers for culture-related activities at Wuhu, Qingdao, Shenyang, Xiamen etc.; it has shared its expertise in theme parks with Iran and Ukraine. The series of animations for *Boonie Bears* made by Fantawild Culture have been shown on new media platforms and TV stations including CCTV and IQIYI, and its audience rating on CCTV is always the highest.

From 2011 to the first half year of 2014, the business income of Fantawild Culture was respectively 1.43 billion yuan, 1.9 billion yuan, 2.18 billion yuan, and 1.13 billion yuan, and net profit was 500 million yuan, 580 million yuan, 750 million yuan and 390 million yuan. The theme park is the main source of revenue for Fantawild Culture. Over the period considered in this report, the revenue from the culture theme park accounted for 93.93%, 92.56%, 87.96% and 69.3% of its main business income.

The dominant stockholder of Fantawild Culture is Fantawild Group which holds 67.64% the shares. Founded in 1981, Fantawild Group is a state-owned enterprise of the Guangdong Provincial Government. From 2011 to the first half year of 2014, Fantawild Culture received 2.88 billion yuan from the central and local governments at all levels. Fantawild Culture shot *Monkey King*, and in 2011, it received 17.8 million yuan in special subsidies, *Tianjiao Empire* and *Monkey King Biography* were also given 500,000 yuan in subsidies. In addition, over the period covered by this report, Fantawild

¹⁷Beijing News (<http://www.bjnews.com.cn/finance/2014/09/01/331965.html>)

Culture received assets subsidies from places such as Shenyang, Wuhu, and Qingdao for culture-related activities, which are exempt from tax. As of June 2014, it received 940 million yuan from the Zhengzhou culture industry fund. Its prospectus shows that government subsidies as of end June 2014 was 4.23 billion yuan.

These subsidies are reckoned in the profit and loss calculations and Fantawild Culture's profits stood at 72.9424 million yuan, 140 million yuan, 250 million yuan and 130 million yuan respectively from 2011 to the first half year of 2014, rising from 14% to 33%. The debt ratio over the same period was 82.78%, 77.35%, 73.39% and 72.37%, higher than the 50% which is the industry-wide average. In addition, current ratio and quick ratio of Fantawild Culture were both significantly lower than the industry average. In 2013, current ratio and quick ratio of Fantawild Culture were 0.22 and 0.13, lower than the average value of 1.85 and 1.41 of listed companies in the same industry. As of the end of June 2014, total current liability of Fantawild Culture was 3.64 billion. In the first half of 2014, cash flow from operational activities of Fantawild Culture was only 430 million yuan.

Some Chinese scholars oppose the current system of government subsidies on grounds of wastefulness and believe a better approach is to offer tax breaks.

4. "China's Top 30 Cultural Enterprises" in 2014

The *Guangming Daily* and *Economic Daily* have jointly issued the list of "China's Top 30 Cultural Enterprises".¹⁸ The parameters used include income, pre-tax profits, net assets, and total taxes, as also awards and export competitiveness. These 30 companies include not only culture and arts, radio, television, publishing and other traditional cultural enterprises, but also animation studios, theme parks, and other emerging format; similarly, they include not only China Publishing Group Corp., China Film Co., Ltd. and other old state-owned or state-controlled enterprises, but also Shenzhen Fantawild Holdings Co., Ltd., Beijing Wanda Cultural Industry Group Co., Ltd. and other private enterprises. The results show that China's culture industry has multiple categories and a diversified ownership pattern.

The "top 30 cultural enterprises" show four characteristics:

(1) Strong overall strength.

For the "top 30 cultural enterprises", sales revenue was 245.1 billion, net asset was 207.6 billion, and net profit was 31.6 billion, an increase of 20%, 16%, and 38% over the previous year. Net asset topped 200 billion, and net profit topped 30 billion.

(2) Dominance of restructured state-owned culture enterprises

Of the 30 enterprises, 21 are state-owned or state-controlled, accounting for 70% of the total, and their operational income and net assets account for about 80% of the total operation income, which shows that state-owned culture enterprises are a major driving force of the culture industry.

¹⁸ http://politics.gmw.cn/2014-05/15/content_11329498.htm

(3) Increase in the number of private culture enterprises

Of the 30 enterprises, nine are private enterprises, an increase of two over 2013. Private culture enterprises are gradually becoming an important force in promoting the development of the culture industry.

(4) Most of the selected enterprises were repeats from 2013 and ones with strong culture technological capabilities

Twenty-three of the selected enterprises, accounting for 76.7% of the total, also made it to the 2013 list; their main business income and net assets increase by 13% and 19% over 2013. Culture enterprises with strong technological capabilities had the highest profit rate, of more than 40%, reflecting the integration of culture and technology.

List and information:

Culture and art

- **Poly Culture Group Corp. Ltd.**

Poly Culture Group Corp. Ltd., part of the China Poly Group Corp., completed reform of its shareholding system in 2010, and listed on the main board of Hong Kong Stock Exchange in March 2014. At present, China Poly Group Corp. is engaged in performance and theater management, art auctions, and theater management, and comprises more than 50 wholly- or partially-owned enterprises. In 2013, Poly Theater Management Co., Ltd. began the takeover of more than seven domestic, first-class theaters in Shanxi, Yixing, Jiading, Weifang, Zhoushan, Weihai, Jiageng, and Xiamen. This will bring the number of theaters under Poly to 36, with a total asset value of 23 billion.

- **Songcheng Performance Development Co., Ltd.**

In 2013, Songcheng Performance Development Co., Ltd., resisting the pull of the tourism industry, focused its attention on theme parks and cultural shows. As of December 31, 2013, Songcheng Performance Development Co., Ltd. had received 8.27 million tourists and visitors to its shows, yielding revenues of more than 670 million yuan.

- **SIMEI**

SIMEI is a first-class advertising enterprise and is an industry leader in domestic advertising. Its scope of business includes consumer research, brand management, national media planning and agent service, advertising, entertainment, and comprehensive marketing communication services. Founded more than 10 years ago, SIMEI has nearly 400 employees. The company is committed to providing more cost-effective integrated marketing communications services to its customers.

- **China Arts and Entertainment Group**

China Arts and Entertainment Group's aim is to promote Chinese culture overseas. It hosts more than 5,500 performances and joint performances in 300 cities overseas, and is the leader in overseas performances. Direct-sale store theaters and franchised stores of China Arts and Entertainment Group hold 4,500 performances in 26 provinces and cities.

Radio, film and television

- **China Film Co., Ltd.**

China Film Co., Ltd. has emerged as an enterprise with the strongest comprehensive strength, most complete industrial chain, and most popular brand in the film industry, and is engaged in four major businesses of TV shows and movies production, film distribution, motion picture projection and film and television services, covering numerous sectors such as film production, making, distribution, marketing, theater chains, cinema equipment production and sales, performance management, and film derivatives. It has close cooperative relationships in more than 200 countries and hundreds of famous local movie companies.

- **Shanghai Film Group Co. Ltd. (SFG)**

After more than one year after being established, SFG's corporate profits stands at 169 million yuan, up 30.2% year on year. It is involved in developing popular, commercial, and art films, and actively promotes comprehensive development of film production. In 2013, SFG completed five feature films, one theatrical film, four seasons of animations with 49 episodes, and five seasons of teleplays with 169 episodes, translated 24 imported films, made teleplays of 360 episodes, and completed 16,400 minutes of TV science education films, documentary films, and column films.

- **China International Television Corp.**

As a large state-owned enterprise fully owned by CCTV, China International Television Corp. functions as a CCTV investment and management enterprise, developing new types of business and new media as well as diversified management systems. Annual average growth rate is nearly 20%, both total asset and annual sales volume are over 10 billion yuan, and group scale and strength are growing rapidly. It has 114 wholly-owned subsidiaries, holding companies, joint stock companies, and hosting companies, and 88 enterprises with consolidated financial statements. China International Television Corp. also has many overseas wholly-owned subsidiaries in the US, Japan, Africa, etc. with more than 17,000 employees and businesses covering nine sectors such as production and distribution, new media, advertising, technical services, market investigation, and tourism.

- **Jiangsu Broadcasting Cable Information Network Corp. Ltd.**

Jiangsu Broadcasting Cable Information Network Corp. Ltd. promotes integrated work by consolidation through registering companies, mergers and authorized management, guided by the principle "the

whole process, the whole network, and one network in one province". At present, it has signed agreements with 56 units from 10 cities.

- **Hunan TV & Broadcast Intermediary Co., Ltd.**

Founded 15 years ago, Hunan TV & Broadcast Intermediary Co., Ltd. has developed into a large comprehensive culture media company with national-level key laboratories and postdoctoral scientific research stations, and its business covers cable TV network, investment business, advertisement and video programming, and tourism, and its business though concentrated in Hunan, Beijing, Shanghai, Guagnzhou, and Shenzhen, is expanding nationally. It has more than 110 subsidiaries and holding companies and about 11,000 employees. As of December 31, 2013, total assets of the company stood at 16.7 billion yuan, and net assets at 9.9 million yuan.

- **Zhejiang Huace Film and Television Limited by Share Ltd.**

The company was established in 2005 and listed in 2010. Known as the "first shareholder in Chinese TV dramas", company has made thousands of dramas and with a market share of 18%, has become a leading enterprise in movie and television, occupying the No.1 spot in drama production, broadcast rate, and export rate. The company has a whole industrial chain centered on drama production and distribution and its scope of business involves film investment, theater development and operation, artist management, game development and new media; it is committed to creating an international comprehensive entertainment media group.

- **Beijing Beiguang Media Co., Ltd.**

Founded in July 2011, Beijing Beiguang Media Co. Ltd is a wholly owned company of Beijing People's Broadcasting Station, responsible for operational assets management, culture media industry operation and development, culture media industry investment and financing. Its scope of business covers network transmission, outdoor media and new media, film and TV production, and comprehensive culture-related services, and it has nearly 7,000 employees.

- **Beijing Enlight Media Co., Ltd.**

The largest private media entertainment group, Beijing Enlight Media Co. has a most complete industrial chain. Its main businesses cover six sectors related to video and television entertainment, such as TV productions, prestigious award ceremonies, film production and distribution, drama production and distribution, artist management, and media business. More than 20 countries, from Southeast Asia to North America, distribute Enlight TV programs, yielding annual overseas income of more than 35 million yuan.

Publication and distribution

- **Phoenix Publishing & Media, Inc.**

The economy scale that Phoenix Publishing & Media, Inc. enjoys has helped it retain its leading position in the national press and publications sector. Phoenix Publishing & Media, Inc. ranks 23 in the top 50 global publishing industries. The number of publishing companies under the “12th Five-Year Plan” has increased to 102. In 2013, Phoenix Publishing & Media, Inc. speeded up its “going global” and filed 150 copyrights in non-Chinese speaking countries.

- **Shandong Publishing Group Ltd.**
- **Hunan Publishing Investment Holding Group Company Ltd.**

With 35 subsidiaries, the China South Publishing & Media Group Co. Ltd. is a leader in the whole publishing industrial chain, with its line of digital books, news, customized products and major publishing projects. In 2013, China South Publishing & Media Group Co., Ltd. was included in the first batch of national digital publishing units.

- **China Publishing Group Corp.**

Centered on publishing, production, and sales, it is a large enterprise group with business diversification involving publishing and sales of different kinds of publications, import and export trade, information technology service, scientific and technological development, and financing. It has more than 10,000 publications every year, over 1,000 books copyright trade, and 200,000 various imported and exported publications. In 2013, China Publishing Group Corp. continued to rank first in China with a book retail market share of 7.04%.

- **Jiangxi Publishing Group**

In 2013, the Jiangxi Publishing Group brought out 10,083 books, videos and electronic publications; 27 books were selected to be included in the catalog of “China Book International”; five publishing companies were listed as “100-million- yuan” publishers.

- **Anhui Xinhua Distribution Group Holding Company Ltd.**

Founded in 2002, Anhui Xinhua Distribution Group Holding Company Ltd. raised 1.3 billion yuan from an A-share IPO in 2010. Its main businesses are publications distribution, education, logistics, audio-visual publishing, advertisement, hotel management, and trading; the group has expanded into emerging industries including digital distribution and equity investment. In 2013, the group’s operating income was 15.1 billion yuan, total profit, 660 million yuan, and total assets, 11.400 billion yuan. Its economies of scale ranked it second in the national publishing industry.

- **Zhejiang Publishing United Group**

Founded in 2000, Zhejiang Publishing United Group has 11 publishing units, and three wholly-owned subsidiaries - Zhejiang Xinhua Bookstore Group, Zhejiang Printing Group Co. Ltd., and Zhejiang Publishing Printing Materials Corporation. It employs nearly 9,000 people. In 2013, its business income exceeded 10 billion yuan. Zhejiang Publishing United Group published more than 8,300 books with total sales of more than 15.8 billion yuan, total assets of more than 13.9 billion, operating income of more than 11 billion, and total profits of more than 7.600 billion. It realized profits and taxes exceeding 100 million and was included in the first nationwide group of companies at the forefront of the digital transformation in publishing.

- **China Education Publishing & Media Group Ltd.**

Founded in 2010, its holding company includes China Education Publishing & Media Holdings Co. Ltd., People' Education Press, Higher Education Press, Language & Culture Press, China Educational Instrument & Equipment Corp., and China Education Publication Import & Export Corporation Ltd. A large state-owned enterprise, it mainly publishes and sells books, periodicals, audio-visual products, electronic publications, as well as engages in import and export of books, periodicals, and equipment. It is a leading enterprise of the national publishing industry in terms of its assets and income. In 2013, the group saw sales of 6.979 billion yuan and total profit of 1.178 billion yuan.

- **Anhui Publishing Group Co., Ltd.**

Founded in November 2005, it was the first restructured domestic large culture enterprise. In 2008, it strategically restructured Anhui Keda Innovation Co. Ltd and took the lead in going public as a whole nationwide, becoming the most potential listed company with the greatest investment value. It comprises 15 holding subsidiaries (including two overseas subsidiaries) and 80 member enterprises, and its business scope includes newspapers, culture tourism, real estate, and investment. In 2013, the group realized sales of 14.1 billion yuan and total profit of 650 million yuan; its total assets stood at 11.46 billion yuan and accounting net assets at 5.37 billion yuan.

- **Hebei Publishing Media Group Co., Ltd.**

Its main business includes books, periodicals, audio-visual products, digital, publishing, printing and distribution, and publications trading. It has 27 wholly-owned subsidiaries and employs more than 10,000 people.

Culture and technology

- **NetDragon Websoft Inc.**

This is a listed (Hongkong) private culture enterprise engaged in online gaming, mobile internet, cloud office and online education, and its market value is 9 billion yuan. NetDragon products cover 180 national game markets in 10 language areas including England, France, and Spain. It has become the

first national online gaming enterprise to successfully expand into the international market. In 2013, the company realized total online gaming business income of nearly 1 billion yuan, and its main product - The Realm of Magic - accounted for market shares of 11.3%; its emerging mobile game business broke through 30 million yuan; income from mobile internet application was 1.1 billion yuan; number of accumulated users was 180 million; the company ranked first in national mobile internet, and became the first independent third-party application distribution platform whose downloads exceeded 10 billion worldwide. In 2013, the company realized income of 2.19 billion, and profit of 1 billion.

- **ChangYou.com Limited.**

This company is engaged in the online game industry and has seen its profits grow by 20% since its establishment. The company was listed on the NASDAQ Global Select Market in April 2009. Current operating revenue of ChangYou.com is ranked first in the northern cities and third across China.

- **Perfect World (Beijing) Co., Ltd.**

Perfect World Co., Ltd. is a culture company whose businesses cover online games, literature, movies, and TV and animation. In 2013, the business income of the company exceeded 3 billion yuan, pre-tax profit was 50 million yuan, total tax (including tax deduction) was 700 million yuan, and total overseas income was nearly 1 billion yuan. As of the end of 2013, net asset of the company were nearly 4.5 billion yuan. The company has been ranked first for six years in China's online games in the overseas market, accounting for nearly 40% of the export market in online games. Its games are exported to more than 100 countries and regions.

- **Shenzhen Fantawild Holdings Co., Ltd.**

It has more than 30 subsidiaries, besides a business development center, animation studios, nine research institutes dealing with special-effects equipment and stage technology, and one trial production center. It owns 163 domestic and foreign patents, 250 trademarks, 226 copyrights, and 72 software product registrations. Fantawild has 11 theme parks in China and owns two such park brands - "Fantawild Adventure" and "Fantawild Dreamland". More than 20 cartoon works made by Fantawild are broadcast by 200 domestic television stations including CCTV, and the online click-through rate continues to rank first in China's animation click-through rate, viewing of exported original animation works exceeded 150,000 minutes, and its works have reached more than 100 countries and regions, including the US, Italy and Russia.

- **BesTV New Media Co., Ltd.**

BesTV New Media Co., Ltd., a subsidiary of Radio and Television Shanghai (RTS) and Shanghai Media Group (SMG), is China's first new media company. BesTV New Media owns 100 percent equity of BesTV NetTV Technology Development Co., Ltd, Shanghai Media & Entertainment Technology Group

and Shanghai Film, Radio & TV Production Co. Ltd. BesTV has also made investments in some network enterprises, such as Shanghai Information Investment Inc. and Funshion Online. Besides, the company has also established a joint venture with Lenovo and ZTE Corporation. All of these have led BesTV to build the largest new media industry cluster in China. BesTV has over 20 million IPTV users, 10 million Internet TV users, and over 10 million mobile TV users. With the Funshion investment in 2013, network video users have increased to over 100 million yuan, and BesTV has become globally the biggest new media platform of “unity of cell phone screen, TV screen, Pad screen, and computer screen”. At present, broadcast time of high-quality programs of BesTV exceeds 500,000 hours, ranking it first in the domestic network video media.

Others

- **Shenzhen Overseas Chinese Town Co. Ltd.**

Founded in September 1997, its main business is tourism, hotel development and management, and manufacture of electronic products. As at the end of 2013, it had serviced 250 million tourists and its offerings have been continuously rated as the “top eight global tourism scenic spots”. In 2013, the domestic and foreign market for culture products stood at 15 billion yuan.

- **Xi’an Qujiang Cultural Industry Investment (Group) Co., Ltd.**

Its main business is tourism, film and television, conventions and exhibitions, publishing, performance, cartoon, and financing.

In 2013, the group’s income was 9.66 billion yuan, net profit, 390 million yuan, and various taxes, 1.095 billion yuan; at the end of 2013, the total assets of group stood at 38.7 billion yuan, and net assets at 9.1 billion yuan. Over 4.5 million tourists visited the scenic spots of Qujiang in 2013, and comprehensive tourism income was nearly 3 billion yuan, an increase of 13.2%. The group has established an entertainment industry cluster of business and tourism revolving around Qin and Tang dynasties cultures, specialty catering, and high-end restaurants.

- **Beijing Wanda Cultural Industry Group Co., Ltd.**

As the largest culture enterprise group in China, its registered capital is 5 billion yuan. As of the end of 2013, the assets and income of Beijing Wanda Cultural Group stood at more than 40 billion yuan and 20 billion yuan respectively. Wanda is into cinema, film and television production, stage performances, theme parks, and travel. Wanda cinemas ranks first in Asia, while the AMC cinema company ranks second in the world, accounting for nearly 10% of world market share. In 2013, total assets and income of Wanda Cinema were 3.5 billion yuan and 4 billion yuan respectively; Wanda has 142 cinemas and 1,247 film screens; global box office earnings were 3.16 billion yuan with nearly 80 million audiences, representing 15% of the market share. Wanda Cinema was continuously ranked first for five years in the national cinemas. In addition, total asset and income for Wanda Media Co. Ltd., a

subsidiary of Beijing Wanda Cultural Industry Group Co. Ltd., was 388 million yuan and 154 million yuan respectively in 2013.

5. List of important stakeholders in Chinese “culture and creative industries”

Industry	Name	Website
Culture company	China Arts and Entertainment Group	www.caeg.cn/
	Wanda Group	www.wanda.cn/
	Poly Culture Group Corporation Limited	www.polyculture.com.cn/
	Beijing Gehua Cultural Development Group	www.gehua.com/
	Fantawild Holdings Inc.	www.fantawild.com/
	Beijing BeiAo Grand Cultural & Sports Events Co., Ltd.	www.beiao.com/
	Position	www.archiposition.com/
	Beijing Tu Maoqiu Culture	www.tomeetyou.net
	Shanghai Century Publishing Group	
	Shanghai Shanda Networking Development Co., Ltd.	ir1.snda.com/index.cfm
	Cloudary Corporation	www.sd-wx.com.cn
	China Heaven Creation International Performing Arts Co. Ltd.	www.heaven-creation.com/
	China Oriental Performing Arts Group	www.dfanyi.com/
Film and television	China Film Group Corporation	group.chinafilm.com/
	China International Television Corporation	www.cctv-gac.com/
	Bona Film Group Limited	ch.bonafilm.cn/
	Huayi Brothers Media Corporation	www.hbpictures.com/e_default.shtml
	Radio and Television Shanghai	www.smg.cn/
Foundation	Beijing Contemporary Art Foundation	www.bcaf.com.cn/
Performance	China Philharmonic Orchestra	www.chinaphilharmonic.org/01/index.shtml

	National Theatre of China	www.ntcc.com.cn/
	Beijing People’s Art Theatre	www.bjry.com/
	Shanghai Symphony Orchestra	www.sh-symphony.com/
	Yugongyishan Club	www.yugongyishan.com/
Media	Tencent	qq.com
	Sina Weibo	Weibo.com
	<i>The Outlook Magazine</i>	www.theoutlookmagazine.com/
	Nanfang Media Group	www.nfmedia.com/
Publication	China Publishing Group Corp.	www.cnpubg.com
Education	China Europe International Business School	www.ceibs.edu/

6. Representative communication and cooperation project between China and EU

The successes of the “China-France Culture Years” (2003-2005), “Italy Year” in 2006, “Spain Year” in 2007, “Greece Culture Year” in 2008, the “Europalia-China Arts Festival” held in Belgium in 2009, and the “EU-China Year of Intercultural Dialogue” in 2012 signal the bright prospects for cultural exchanges between China and Europe.

China and EU attach great importance to bilateral exchanges and cooperation and development of culture trading. In 2011, China exported core cultural products worth \$5.09 billion, accounting for 27.2% of total culture exports; China imported core cultural products worth \$230 million from EU, accounting for 8.3% of total cultural imports.

- **Film**

Co-production

In 2013, box office receipts in China reached a record 21.7 billion yuan and China became the world’s second-largest film market. Co-productions, with more than 30 countries, accounted for a tenth of all films in 2012, but accounted for a one-fourth share of the box office. At present, China is looking to cooperate with Brazil, the Netherlands, and India. The first film co-production between China and a foreign country was the children’s feature film *Kite* (produced by Beijing Film Studio and a French film studio). In 1984, China, the UK, and Italy co-produced the well-known film, *The Last Emperor*. In recent years, the market share of China-EU movies, among China co-productions, has not been significant. From 2001 to the middle of 2010, there were 130 China co-productions, of which only 29,

or 22%, were China-EU co-productions.

French President Nicolas Sarkozy visited China in April 2010, and Culture Minister Frederic Mitterrand signed the Film Co-production Agreement between China and France with Wang Taihua, Director of State Administration of Radio, Film, and Television. The agreement specified that co-productions approved by China and France could be considered as “local films” by the two countries. Among the productions that resulted from this agreement were *11 Flowers* (director: Wang Xiaoshuai), *The Truth* (director: Thomas Gillo), *The Nightingale* (director: Muyl), 3D animation - *The Prince and the 108 Demons* (director: Pascal Morelli), etc. At present, Jean-Jacques Annaud is cooperating with China to produce *Wolf Totem*.

The forum “Passage to Sino-European Film Cooperation”, sponsored by the State Administration of Radio, Film, and Television and Beijing Municipal Government and co-organized by China Film Co-production Corporation and European Producers Club, on April 25, 2011, was an important part of the first Beijing International Film Festival. It was also the fourth film co-production forum held by China Film Co-production Corporation and European Producers Club. It brought together Eric Garandeau, president of the French National Centre of Cinema and Moving Pictures, director Jean-Jacques Annaud, See-Yuen Ng, a top producer of Hong Kong, and Wang Zhongjun, Chairman of Huayi Brothers Media Corporation, and led to film cooperation growing from mere funding support to technical cooperation and market sharing.

The “China-Foreign Film Cooperation Forum” held by the Beijing International Film Festival in April 2014 saw the inking of agreements for *Outcast* (co-produced by China, France, and Canada), and *Warrior's Gate* (co-produced by China and France).

“Charming China: Big Screen Culture Art Festival”, “London Thames River Film & TV Festival”, and “England-China Film and Television Summit” -- China’s biggest cultural activities of the London Thames River Film and Television Festival, held in London in September, 2014 – showed Chinese films at open cinemas near London Tower Bridge, besides showcasing Chinese folk song and dances, acrobatics, artifact, and food.

- **Drama**

Sino-German drama exchanges? ¹⁹

Sino-German drama communication is steadily increasing - Lin Zhaohua and Meng Jinghui were invited to participate in the Lessing Drama Festival. *Lobbyist*, *Assassin*, and *Alive* were well received in Germany. The “Beijing Youth Theatre Festival” took part in the cultural activity held in Germany in 2012. German dramas are frequently invited to participate in “Lin Zhaohua Theatre invitation exhibition” and “Beijing Youth Theatre Festival”. Schaubühne Berlin succeeded in holding a

¹⁹Beijing Youth Daily http://epaper.ynet.com/html/2014-06/06/content_63427.htm?div=-1

performance of *Miss Julie* in Beijing and Tianjin, and Thalia Theater succeeded in hosting the performance of the classic drama, *Jedermann*. Deutsches Theater visited China and performed *Oedipus City* in September 2013. Luk Perceval, a famous Belgian director, participated in the “Lin Zhaohua Theatre invitation exhibition” in 2010 and 2011 with *Hamlet* and *The Man Outside*. *Poison*, with director Johan Simons, artistic director of Münchner Kammerspiele, also participated in the above festival.

Alive (National Theatre of China, director: Meng Jinghui) was staged at Deutsches Theater in February 2014 to much praise.²⁰ Ulrich Khuon, director of Deutsches Theater, said: “The theatre’s history is respected and true, and the theatre reflects China’s history of half a century by one person and the fate of one family. Although Germans are not familiar with the story in the play, they can understand it.” The approach of Meng Jinghui is not only funny and fantastic, but also penetrating and powerful. Before going to Berlin, the National Theatre of China was invited to participate in the Lessing Theater Festival at Hamburg, and performed twice at Thalia Theater, which was well received.

In recent years, Chinese and German theaters have seen more exchanges. In September 2013, *Oedipus City* was invited to be performed at the National Theatre of China. *Tschick* from Thalia Theater was the opening show of the Beijing Fringe Festival.

Cultural counselor Chen Ping of the Chinese Embassy in Germany said: “In view of theater exchanges and experiences of many years, Europe hopes to see true Chinese theater, not European theater performed by Chinese. However, unfortunately, noteworthy Chinese theater works are few. Cultural exchange depends on works, and work is the basis of communication.”

China-France Theatre Exchange²¹

The Avignon Summer Art Festival is France’s biggest and most influential theatre festival. The OFF Avignon Festival and the Beijing Fringe Festival began their cooperation in 2011. For three years, both sides participated in each other’s festivals; nearly 20 French works were performed on the Chinese stage, and young Chinese theater talents have gained experience in world-class theaters. In 2014, at the 50th Anniversary of the Establishment of China-France Diplomatic Relations, theater cooperation was pushed to reach a new high. The Beijing Fringe Festival brought to stage a pioneer theatre work by Meng Jinghui, *Rhinoceros in Love*, Shao Zehui theatre studio brought a dance work *Sleeping*, Theatre SanTuoQi brought *Hymne à la disparition* (<http://www.stardaily.com.cn/3.1/1407/18/452124.html>) made by Zhao Miao, and Shanghai Theatre Academy and Sichuan People’s Art Theatre also brought some works to stage. These works have different styles, and reflect modern Chinese theater development.

In particular, the OFF Avignon Festival and Beijing Fringe Festival have established a long-term strategic

²⁰ <http://www.culturalink.gov.cn/portal/pubinfo/104001/20140211/c390c8de90ad44e7b1e2e99c90248e87.html>

²¹ Beijing Youth Daily http://epaper.yynet.com/html/2014-06/06/content_63427.htm?div=-1

partnership and signed a cooperation agreement. Theatre SanTuoQi is a forerunner of China-France theatre exchange; in 2014, it formally signed a cooperation agreement with THEATRE DE L'ETINCELLE, and bought a three-year summer managerial right from THEATRE DE L'ETINCELLE. Theatre SanTuoQi was the first theater from China to go to a foreign country to manage a theater. The cooperation is based on trust cultivated over the course of many performances and cooperation. Theatre SanTuoQi has one window to present its shows in France. Zhao Miao, director of Theatre SanTuoQi, said that this is not only a theatre stage, but also a platform to introduce the various theatre forms of France and other countries and exchange with France and the world.

The two countries have a long history of theater exchange but there is room to do more in terms of creative ideas, performances, technical support, and especially in China-France folk theater.

- **Design**

International design exchange platforms in China, such as “Beijing Design Week”, “China Design Three-year Exhibition”, “Bi-City Biennale of Urbanism/Architecture”, “Design Shanghai” and OCT Art and Design Gallery, have been quite active with cooperation in exhibitions with the Netherlands, Germany, the UK, and France.

China design has also made an impact in Europe as can be seen from the V&A Design Museum’s “China modern design exhibition”; DMY International Design Festival - China Art Festival; Milan International Design’s three-year exhibition “China New Design” Theme Exhibition; and Twenty-First Century Current Museum of Contemporary Art’s “VERSO EST. Chinese Architectural Landscape”.

Exchanges in fashion design between China and Europe are especially noteworthy. In recent years, China’s new, young costume designers (Zhou Xiangyu, Ma Ke, Masha Ma, Wang Zhi, Liu Fang, Xie Feng, Liu Ling, Sun Dawei, Lawrence Xu, Yin Yiqing, Wang Haizhen, Liu Lu, He Ping, Wan Yifang, Huang Wei, Li Xiao, Zhang Huishan, and Gao Yang) have held shows at Paris Fashion Week, London Fashion Week, and other international platforms. Interest and support of the international fashion media for China’s new generation of designers is increasing.

Examples of China-Europe cooperation in design are as follows:

- **“China Design Museum (CDM)”**

(Hangzhou, cooperation with Germany and Portugal)

Modern Western Design System Focusing on the Bauhaus of German collector Torsten Broehan made an appearance at the China Academy of Art in February 2011. The China Design Museum hosted the inauguration of the academy’s Xiangshan campus in February 2014. The building was designed by Portuguese architect Alvaro Siza, winner of the 1992 Pritzker Architecture Prize. The new museum, built at a cost of 167 million yuan and covering an area of 16,800 square meters, will be put into use in 2015 and used for preservation, exhibition, and research of the “collection of Western modern design

focusing on the Bauhaus". This collection comprises 7,010 design works. CDM hopes to bring in more design works both from China and overseas to build up a modern design collection. Besides exhibitions, the museum will also hold a series of talks on design. The building is designed as an enclosed space with three sides and a courtyard in the center.

Design museum of China Merchants Group, UK's National Victoria and Albert Museum

(Shenzhen, cooperation between China and UK)

When British Prime Minister David Cameron visited China in 2013, he signed memorandums of understanding on cooperation with China Merchants Group. UK will support China Merchants Group to establish and operate a new design museum at Shenzhen. The project is the first project in Asia for UK's National Victoria and Albert Museum. Maria Miller, Culture Media and Sport Minister, witnessed the signing of the MoU. The museum, located at Shenzhen Sea World Culture Art Centre and close to the coastline with floor area of about 26,000 square meters, and total construction area of 45,000 square meters, is a building complex with many museums, high-end businesses, a small theater, and gallery. The building is designed by Fumihiko Maki, a famous Japanese master architect. The Sea World Culture Art Centre is expected to be ready for use in 2017.

● **Culture tourism**

Cooperation between Chinese private enterprises and Europe has been growing in the culture industry; for example, UK M&A plan of Wanda Group: Wanda Group invested £ 1.02 billion in UK, including buying 91.8% shares of Sunseeker with £ 320 million and building super five-star Wanda hotel in the urban core of London with £ 1.02 billion. Wang Jianlin, Chairman of the Dalian Wanda Group, said that M&A for Sunseeker Yachts is based on future development of Wanda cultural tourism industry. Founded in 1968, Sunseeker is a world luxury yacht brand with annual sales of about \$500 million and over 2,500 employees. Dubbed the Rolls-Royce of the seas, Sunseeker is a leader in luxury yacht building, and is associated with British royalty.

Another typical case is the change in focus of Zhongkun Group in European culture tourism (from Iceland to Norway). In 2011, it applied to purchase 300 square km in Iceland at a cost of \$8.9 million to develop tourism real estate. It was approved by the Beijing Daxing Commission of Commerce in October 2011. However, on November 23, 2011, the land acquisition, which covers 0.3% of Iceland's national territory, was refused by the interior minister. But in May 2012, the Iceland Government agreed to rent the land, and in September 2012, it was confirmed that Zhongkun Group would rent the 300 square km for 99 years at a cost of \$6 million. But Iceland later changed its mind and blocked the deal. Zhongkun Group Chairman, Huang Nubo, then donated 9.8 million yuan to the Kode Art Museum in Norway and signed an agreement that the museum would transfer its seven out of the 21 plinths of the old Summer Palace to Peking University for permanent exhibition. Huang Nubo also invested €80 million to build a holiday village and tourism real estate, with the villas to be sold by

international auction.

Representative forums of China-EU culture and creative industry:

Sino-EU High-Level Cultural Forum

The China-EU High-Level Cultural Forum was jointly launched by Jose Manuel Barroso, President of the European Commission and Wen Jiabao, then Chinese Premier in 2009. The first Forum was held at the EU headquarters in Brussels in 2010, followed by the second in National Museum of China in 2011, and the third on the occasion of the Closing of the 2012 China-EU Year of Intercultural Dialogue in Beijing.

The fourth Sino-EU Culture Summit, which is sponsored by Chinese Academy of World Politics and European Commission's Directorate General of Development, and undertaken by Institute of European Studies of CASS and European Academy of International Cross-Culture, was held in Great Hall of the People and Longtan Academy in Beijing from October 27-28, 2014, with more than 10 high-end dialogues and sub-forums on the theme of "Post-2015 Sustainable Development". More than 300 guests, including senior officials, scholars, artists, and entrepreneurs from both China and the EU, as well as the representatives from the United Nations, were present.

The forum was defined by the following three new features:

Firstly, several high-end dialogues will be held between policy makers of China and the EU, and some members of the EU delegation will be organized to visit some of the local governments and enterprises in China, to facilitate their comprehensive cooperation.

Secondly, a number of Sino-EU cooperation agreements on new type of sister towns will be signed, witnessed by Chinese and European leaders. These towns will help facilitate in-depth exchanges on policies on cultural exchanges. Political leaders from China and Europe and top scholars will be invited to tailor several sub-forums and special activities for local officials and entrepreneurs.

Thirdly, the forum will be promote Sino-EU cooperation in heritage protection and contemporary arts. A number of collaborative culture projects, such as the Institute of International Politics and Commerce in CASS, international cross-cultural development funds, and international cross-cultural museums would be launched.

2013 Sino-EU Humanity and Think Tank Summit - "Construction of a Diverse International Metropolis" Urbanisation Forum?

Sino-EU Humanity and Think Tank Summit - "Construction of Diverse International Metropolis" was held in Beijing in December, 2013. It focused on the "human-based cultural development of an

international metropolis" and "trends of China's urbanization," and brought together Chinese and European decision makers, scholars, and business elites, establishing the first high-end Sino-EU exchange and cooperation platform on urban development.

A total of 18 guests from universities, research institutes, international cultural event planning agencies, urban planning institutions, cultural centers, creative leagues, art festivals, and architectural firms were present at the summit, among whom seven were from China, and the rest from eight European countries - Germany, France, Italy, the Netherlands, Belgium, Luxembourg, Spain, and Denmark.

The summit focused on the fostering of characteristic urban culture, the promotion of humanistic ideas on urban development, and international cooperation and exchange in urban development by encouraging exchange, establishing platforms and inspiring ideas.

The significant cooperation projects between China and the EU in other fields are as follows:

Project	Year	European Institution	Chinese Institution	Remarks
Drama "Alive" (directed by Meng Jinghui)	2014	Deutsches Theater of Berlin, and Thalia Theater of Hamburg, Germany	National Theatre of China	
Youth Theatre Showcase	2011	Avignon Theater Festival, France	International Youth Theatre Festival, Beijing	
Drama <i>Assassin</i> (directed by Lin Zhaohua)	2012	Lessing Theatre Festival	Lin Zhaohua Studio	
<i>Pina Bausch</i> Premiere in China	2007	Wuppertal Theater, Goethe Institute	National Ballet of China	
China as the Guest of Honor: China New Design Exhibition- Revisit· Contrast	2012	International Design Festival, Berlin	Ullens Center for Contemporary Art (UCCA)	China-Germany Culture Year

Premiere in Germany: Yaksa, Suffocation, The Falling	2012	Vulcan Heavy Metal Rock Festival, Germany	Midi Modern Music Festival	China-Germany Culture Year
China Comic Con	2010	Switzerland "Cultural Scenery" Art Festival Foundation	Ministry of Culture	Switzerland "Cultural Scenery" Art Festival - China was the Guest of Honor
Beijing International Design Week	2009-2013	Guests of Honor: Italy Spain Britain	Ministry of Education, Ministry of Science and Technology, Ministry of Culture, Beijing Municipal Government, Beijing Gehua Cultural Development Group, Beijing Industrial Design Center	
Innovation Design Week 2012	2012	Helsinki 2012 World Design Capital	2012 Shanghai Design Week	EU-China Cultural Exchange Year
Sino-EU Humanity and Think Tank Summit: Construction of Diversified International Metropolis	2013	Eight European Institutions	Beijing Contemporary Art Foundation	Framework of Sino-EU Cultural Exchange
China-France Culture Summit	2014	Musée du Quai Branly, France	European Institute at	Framework of Sino-EU

			Chinese Academy of Social Sciences, Beijing Contemporary Art Foundation	Cultural Exchange, 50th Anniversary of the Establishment of Diplomatic Relations between China and France
Project "Cultural Management in China"	2009-2012	School of Culture and Media Management at Free University of Berlin	Central Academy of Fine Arts, National Professional Committee of Gallery, China Art Gallery	
China as Guest of Honor	2009	Frankfurt Book Fair	Press and Publication Administration	

7. Comprehensive analysis

The culture and creative industry across EU countries is an economic industry driven by content innovation. China's culture and creative Industry is at an early stage of its development, and lacks international brands of core competitiveness. China and Europe are in different development stages, face different targets and cultural consumption demands and have different development systems. This presents a challenge to the promotion of trade in culture and the deepening of collaborative culture content.

China and the EU have reached consensus on the following:

- 1) The culture and creative industry contributes greatly to GDP growth and as such this industry has enormous growth potential.
- 2) Other than the direct contribution to GDP, the cultural and creative industry also serves as an engine of innovation for other industries and even the whole society, besides also contributing significantly to content-oriented industries, such as tourism, information communication and technology, etc.

- 3) Both EU countries and China are providing substantial support to the culture and creative industry, through preferential policies, financial support as well as more access to private capital.
- 4) The culture and creative industry plays a significant role in revitalizing cities and rebuilding the service function of the urban spatial structure, improving urban images, and accelerating the integration of regional cities with the world city network.
- 5) Both sides are committed to increase cooperation between the financial/banking sector and the culture and creative industry.

Some of the challenges for the development of this sector are outlined below.

- 1) The Sino-EU dialogue on culture is the cornerstone for the joint development of the culture and creative industry. Both China and the EU face constraints on economic growth resulting from the diversity of local cultures. This makes it imperative for both sides to give play to cultural diversity while integrating the strengths of their cultures against the backdrop of globalization.
- 2) Both sides are committed to constructing a platform to support the culture and creative industries of both sides, especially promoting the interactions among cultural and creative SMEs and encouraging the cross-licensing of intellectual properties, facilitating productive cooperation and international distribution, enhancing the understanding of and respect for intellectual property, establishing a platform for information exchange and experience sharing, and providing a healthy environment for promoting industry trade.
- 3) China and the EU recognize that in addition to improving economic performance, the creative economy also provides significant non-monetary value for the human-centered, comprehensive, and sustainable development, turning culture into a driver and enabler of the economic, social, and environmental development processes. Culture should be at the forefront of mainstream local economic and social development planning, even in the face of other priorities.
- 4) Both sides must demonstrate opportunities through the drawing up of a resource map of the local creative economy. Rigorous data collection is crucial to policies aimed at developing the creative economy. It is important to survey the relationships between the official and unofficial departments that have significant impact on culture policy development; analyze the key success factors for creating a new path for the local creative economy development, as well as invest in creative, innovative, and sustainable enterprise development throughout the value chain; and invest in local capacity building, empowering entrepreneurs, government officials, and private enterprises.
- 5) It is also important to deepen South-South cooperation in the context of globalization,

promote fruitful mutual learning, and understand international development policies.

8. Experts' proposals for future Sino-EU cooperation

China and the EU are also confronted with a number of challenges such as enhancing mutual understanding of their cultures, establishing an open market, understanding the role of non-governmental institutions, facilitating the creativity flows throughout the world, protecting intellectual property rights, etc.

- 1) Need for long-term planning and arrangement in Sino-EU cultural exchange and cooperation
Jointly establish the Sino-EU Culture Exchange Committee, Sino-EU Cultural Exchange Special Fund, and the Annual Cultural Exchange General Assembly based mainly on NGOs. Develop non-governmental exchanges in the formal cultural exchange programs between countries, match governmental and non-governmental resources, support the promotion and study of non-governmental cultural organizations, as well as solve the problem of lack of funds, the biggest bottleneck facing non-profit NGOs in the Sino-EU cultural exchange.
- 2) Both the Chinese and European governments must strengthen the cooperation platform
Strengthen exchanges with museums and performing arts and cultural institutions, as well as cooperation with the appropriate national institutions and creative platforms. The government should support NGOs so they can interact with the EU at both the governmental and non-governmental levels. Efforts should also be made for long-term and stable cooperation on large cultural institutions and major art festivals on both sides.
- 3) Establish the "Sino-EU Cultural and Creative Business School"
Hasten the setting up of the Sino-EU Cultural and Creative Business School on the lines of the China Europe International Business School in Shanghai. Increase the number of courses and majors related to the culture and creative industry, strengthen exchanges between students and scholars from China and the EU, as well as pay special attention to youth exchanges. China's culture industry has been confronted with the challenge posed by the absence of professionals. Versatile employees who are able, for example, to integrate the fine arts with finance or IT, are key to making culture an industry.
- 4) Encourage cultural exchanges between medium and small characteristic cities of China and the EU
Put emphasis on the culture industry in China's second- and third-tier cities through policy support. Draw up a "Chinese Urban Humanity Map" to exploit the unique cultural value of such cities. Involve second- and third-tier cities in government-led international cultural cooperation projects, as well as raise awareness about them in the smaller countries of the EU.
- 5) Promote EU-China prospective comparative study of think tanks

- 6) Focus on the joint development of Sino-EU cultural data
Pay attention to the influence of online big data to Sino-EU creative industry and share industry data and strengthen internet communication and collaboration.

IV. TRENDS AND BLIND SPOTS IN THE EU-CHINA CULTURAL AND CREATIVE LANDSCAPE

Qualitative analysis

Katja Hellkötter

Léa Ayoub

A few distinguishing parameters in the three main fields

THE FIELDS: CULTURAL & CREATIVE INDUSTRIES

A FEW DISTINGUISHING CHARACTERISTICS DEFINING THE FIELD

EUROPE	CHINA
<ul style="list-style-type: none"> ▪ EU-wide most referred DEFINITION by KEA (2006) distinguishing (1) CULTURAL INDUSTRIES as (a) Non-industrial sectors generating non-reproducible goods aimed at being consumed on the spot; (b) Industrial sectors producing goods aimed at mass reproduction and (2) the CREATIVE INDUSTRIES where CULTURE BECOMES A CREATIVE INPUT in the production of non-cultural goods. ▪ Decade long socio-political development: TRADITIONAL INTELLECTUAL INCLINATION in the 60ies/70ies: "marriage" of culture, creativity and industry, connection of arts and the market judged upon negatively. Shift in the 80ies (new lifestyle, de-industrialisation), commercialization that paved the way for CCI with the UK as frontrunner. DESPITE the increasing MARKETIZATION of culture, there is still a strict SEPARATION OF PROFIT AND NOT-FOR-PROFIT cultural sectors in most European countries. Background marks collective consciousness/debate till today. ▪ SMALL AND MEDIUM SIZED: Image of CCI influenced by the conception of start-ups as YOUNG, multidisciplinary and creative entrepreneurs with little money, but many ideas. Role of the state: ENABLING CREATIVES. ▪ NOTION OF CREATIVITY AND THE CULTURAL ENTREPRENEUR: Dual nature uniting two differing states of mind: a "mad", associative, imaginative, mistake-friendly, rule-disobeying way of thinking AND a purposeful / strategic, action and goal oriented thinking (tension of European / Western thought). ▪ CREATIVE EUROPE 2020 strategy: Europe is realizing more and more the potential of its CREATIVE ECONOMY as a major driving engine not only for European cohesion, but also for job creation and economic growth. 	<ul style="list-style-type: none"> ▪ State DEFINES into 3 levels (onion-model): (1) "core level": news, publishing, copyright, radio, film, television, cultural arts. (2) "peripheral level": Internet-based information sector, tourism, entertainment-oriented cultural and recreational services, advertising, exhibition, business agent-oriented cultural services. (3) "related level": cultural goods, equipment, related cultural production and sales activities. ▪ CCIs AS A MACRO-ECONOMIC POLICY TOOL subject to government leadership: Development of CCI driven by need of structural economic reform, CCI adapted from the West starting in 2000 with diverse political statements embedded into soft power strategies (2006: Hu Jintao announced soft-power approach). ▪ Conducive to the CLEAR BUSINESS POSITIONING is a NURTURING GROUND marked with less tension (vs. Europe) between traditional/high and mass/entertainment cultures, the arts and business. ▪ CCI development mechanism gone through 3 PHASES (Marina Guo): (1) 2004-2008: Creative cluster development with focus on the built environment (2) 2006-2010: Additional level of creative talent development, (3) current phase: linking CCI with SOCIAL INNOVATION and involvement of "GRASSROOTS CREATIVITY" However, the adequate policy frameworks is yet to be shaped. ▪ CCI so far dominated by BIG PLAYERS, private and semi-government ones (e.g. Wanda group, Gehua Group etc.), profession of "cultural entrepreneur" vs. "big" cultural business just about to emerge. ▪ TRADITION AND PRAGMATISM: traditionally, wise person was NOT TO CREATE THE NEW, but transfer heritage. SHIFT NOW: FROM 'MADE IN CHINA' TO 'CREATED IN CHINA'. Benefits of creativity to society more noted, but social attitudes remain divided. Pragmatism becomes the dominant philosophy of Chinese people.

THE FIELDS: CULTURAL & CREATIVE INDUSTRIES

A FEW GROWTH FIGURES DEFINING THE FIELD

EUROPE	CHINA
<ul style="list-style-type: none">▪ In 2012, CCIs accounted for 3.3% of the GDP.▪ CCIs HAVE SHOWN RESILIENCE TO THE ECONOMIC CRISIS of the past 5 years and have continued to grow while other economic sectors have been consistently declining.▪ In 2010, CCIs EMPLOYED 6.7 MILLION PEOPLE, i.e. 3% of total active workforce.▪ For example, in 2012 the FASHION AND LUXURY INDUSTRIES EMPLOYED RESPECTIVELY 5 AND 1 MILLION PEOPLE. The workforce in the luxury industry is expected to reach 2 million by 2020.▪ The music, film and video, TV and radio and publishing are the MOST VIBRANT CULTURAL INDUSTRIES IN EUROPE TODAY. Advertising is also a major creative industry. The luxury industry as well as games and new media are the sectors with the most potential for growth.▪ With a budget of almost €1.5 billion over the next seven years (2014-2020), the CREATIVE EUROPE programme will benefit European culture, cinema, television, music, literature, performing arts, heritage and related areas.	<ul style="list-style-type: none">▪ In 2012, CCIs accounted for 2.5% of China's GDP, AN INCREASE BY 16.5 % COMPARED TO 2011, or 6.8% points higher than the GDP growth rate in the same period.▪ In 2006, 11.32 MILLION WERE EMPLOYED IN THE CCIs i.e. 1.48% of total employed population.▪ 12th Five Year Plan promoted CCIs AS AN ECONOMIC PRIORITY: culture to be a pillar of the economy and increase its share of the GDP from 2.5% to 5-6% by 2015.▪ China has been increasing the budget of the Ministry of Culture by 23% EVERY YEAR SINCE 2007.▪ The export volume of China's cultural products totaled 21.73 billion US dollars in 2012, ranking it in TOP POSITION.▪ In 2011, China became the BIGGEST EXPORTER OF NEW MEDIA with €2.65 billion of exports.▪ For example, WECHAT, a mobile app created in China, IS BECOMING THE MOST WIDELY USED ONLINE DIRECT CHAT PLATFORM. It counts today 300 millions users, more than 70 million of whom are outside Mainland China.▪ THE 2013 BUDGET ALLOCATED 49.4 BILLION RMB TO CULTURE, SPORTS, AND MEDIA.

THE FIELDS: CULTURAL HERITAGE

A FEW DISTINGUISHING CHARACTERISTICS DEFINING THE FIELD

EUROPE	CHINA
<ul style="list-style-type: none"> Understanding of HERITAGE LINKED TO the concept of ORIGINALITY and AUTHENTICITY, an ideal in European culture emerged in the 18th century (by Romanticism): "Originality is the aspect of created or invented works by as being new or novel, and thus CAN BE DISTINGUISHED FROM REPRODUCTIONS (...). The term "originality" is often applied as a compliment to the creativity of artists, writers, and thinkers. The concept of originality is culturally contingent. According to this understanding (physical) HERITAGE protection MEANS PROTECTING THE ORIGINAL." Concept evolved from physical towards intangible heritage, stress on 'VALUES' EMBODIED and on CULTURAL MEMORY. Definition by Council of Europe: "Cultural heritage: a group of resources inherited from the past which people identify, independently of ownership, as reflection of their constantly EVOLVING VALUES, knowledge traditions (...)." EU-related POLITICS: NEVER BEFORE has Cultural Heritage been dealt with SO PROMINENTLY in an EU-treaty: "The Union shall respect its rich cultural and linguistic diversity, shall ensure that Europe's cultural heritage is safeguarded and enhanced" (Lisbon Treaty, 2007). Current EUROPE 2020 STRATEGY: clear stress on cultural heritage in at least 4 flagship projects: innovation union, digital agenda, industrial policy for the globalisation era, agenda for new skills / jobs. 	<ul style="list-style-type: none"> Traditional NOTION: other than in Europe, heritage protection in China CAN BE UNDERSTOOD AS REPRODUCTION of the original. According to CONFUCIAN THOUGHT, different values attributed to material and immaterial culture: traditionally, REMEMBERING the past goes THROUGH THE WRITTEN WORD (literature) not through buildings. Material culture was about legitimizing power. With power shifts buildings needed to be destroyed. Definition now by Chinese State Council in line with UNESCO's definition: "Cultural Heritage includes tangible cultural heritage and intangible cultural heritage." National HERITAGE POLITICS: BIG SHIFTS over the last 25 years. In 2006 inauguration of "Cultural Heritage Day", marking a different approach of 20 years heritage politics (vs. 1966: campaign of the "Four Olds"). By now: 31 WORLD CULTURAL HERITAGE SITES and 4 Cultural Landscape sites, thousands other national sites declared "key cultural relics promotion units" (recognised for tourism). CULTURAL TRADITION AND HERITAGE used increasingly AS POLICY TOOL for national identity and cohesion (same as in the EU). But it comes along with some contradictions (national /ethnic images merged into one identity). Official support around the elements most aligned with CCP priorities.

THE FIELDS: CULTURAL HERITAGE

A FEW FIGURES DEFINING THE FIELD

EUROPE	CHINA
<ul style="list-style-type: none"> With a budget of almost €1.5 billion over the next seven years (2014-2020), the CREATIVE EUROPE programme includes heritage and related areas. 	<ul style="list-style-type: none"> The 2013 budget allocated 49.4 billion RMB to culture, sports, and media and included heritage. In 2012, 6.124 billion RMB, up 40% from 2011, were allocated TO STRENGTHEN PROTECTION of key national cultural artifacts, major cultural and historical sites, cultural resources related to the early history of the CPC, and intangible cultural heritage.

THE FIELDS: CONTEMPORARY ART

A FEW DISTINGUISHING CHARACTERISTICS DEFINING THE FIELD

EUROPE	CHINA
<ul style="list-style-type: none"> Contemporary art in Europe has NO ULTIMATE DEFINITION. Its context has its own tradition, which is connected deeply with its rich art history. The definition of art has become an object of investigation for many contemporary artists. FREE EXPRESSION (content-wise and format-wise) is protected by law. Beyond painting, once at the center stage of art, all kinds of expressions, installations, videos, performances, sound art, light art, social sculptures etc. have developed their own system in the framework of contemporary art. Art was recognized and supported by the royal court and aristocrats in European history as a tradition. Over the years, the supporters changed to companies, private collectors, associations of art lovers, museums, etc. This SUPPORT SYSTEM is vital for the artists and art history. (In China there is no such system till now.) The museums in Europe have established a good information /art pieces EXCHANGE SYSTEM, which enables SHARED EXHIBITIONS between different museums in different EU countries. Contemporary artists in Europe often practice TRANSNATIONALLY, considering themselves as “world citizens”. Big cities in Europe (Paris, Berlin, London) become a shortcut for artists who want to join the “world club”, which includes more and more Chinese artists. The CUTS IN BUDGETS in the cultural sector in the recent years has affected contemporary art dependent on the public sector. Museums rely more and more on private collectors. Fundraising becomes a central issue for public institutions in contemporary art. 	<ul style="list-style-type: none"> Contemporary art in the Chinese context is a rather NEW PHENOMENON dating from the mid 80ies. Due to its radical positions, the scene was forced to go UNDERGROUND in the 90ies. This history has become a legend. The TENSION between contemporary art and POLITICAL ISSUES remains highly sensitive until today. WESTERN COLLECTORS AND SUPPORTERS played an important role during this difficult phase. Foreign embassies and cultural institutes provided a kind of “protected” space for exhibitions. There is therefore an existing capital of trust and relationships, often friendships, in Europe-China contemporary art exchange relations. The ART MARKET HAS BOOMED in the last 10 years, with a huge impact on contemporary art in China. Big players like Sotheby’s successfully launched joint ventures. Now more Chinese national collectors emerge, but often lack skills such as archiving. The fundamental difference in this context is that artists in China have NOT GONE THROUGH THE SAME PROCESS OF SECULARISATION than their colleagues in the West. The lack of systematic academic reflection in the art field causes difficulties in cultural dialogues. City governments now realize the MEDIA EFFECT of contemporary art. They support big events like BIENNALES and FAIRS, but there are very few concrete policies to support individual artists. Trends: YOUNG EMERGING artists are more active than their now often blasé elders. They SEEK TRANSNATIONAL RESOURCES, are driven by entrepreneurship, intellectual inquiry or increasingly often also by social missions. This requires a new set of skills to be developed.

THE FIELDS: CONTEMPORARY ART

A FEW FIGURES DEFINING THE FIELD

EUROPE	CHINA
<ul style="list-style-type: none"> The 2013 SHARE OF EUROPE IN CONTEMPORARY ART’S GLOBAL TURNOVER was 25.2% (approx. €231 million) - a drop of 1.49% from 2012. In 2013 amongst the 10 most performing auction houses worldwide, 1 WAS EUROPEAN. In 2013, the FOUR TOP RANKING EUROPEAN COUNTRIES in terms of shares in the global turnover in contemporary art were: the UK, France, Germany and Sweden. 	<ul style="list-style-type: none"> The 2013 SHARE OF CHINA IN CONTEMPORARY ART’S GLOBAL TURNOVER was 33.7% (approx. €311 million) – a drop of 5.9% from 2012. In 2013 amongst the 10 most performing auction houses worldwide, 5 WERE CHINESE (4 from Mainland China and 1 from Hong Kong). FOUR CHINESE CITIES CLASSIFIED IN THE TOP TEN SALES results in 2013: Beijing, Hong Kong, Shanghai and Nanjing.

Matrix and legend of the landscape

MATRIX AND LEGEND OF THE 'LANDSCAPE'

Below is a schematic presentation of the 'landscape' model, that we have developed and chosen to use for structuring our analysis. In the remainder of this document, we will present our findings using this matrix.



THE MACRO CLIMATE: PERCEPTIONS AND INTERESTS SHIFTING

- OBSERVATIONS**
- Cultural diplomacy between China and Europe experiences two opposing trends: on one hand, with the economic crisis, **THE EU EMPHASIZES ON ECONOMIC COOPERATION** rather than cultural cooperation, whereas **CHINA INVESTS INCREASINGLY IN CULTURE**.
 - This increased investment comes as China sees the potential of **SOFT POWER** to support its ambition of a 'peaceful rise' on the global stage and in parallel to increased assertion of its culture and identity.
 - This is reflected in a dual development with the government encouraging a **GO ABROAD STRATEGY** from big corporations, including in the cultural sphere, while at the same time there is also a **STRONG ATTITUDE OF SELF ABSORPTION** by its own national issues and concerns and domestic market potential.
 - At the same time, in Europe, there is as much fascination as **FEAR** towards China. This is partly due to a lack of information and understanding, to media perceptions, as well the effects of the crisis.
- EXAMPLES**
- The expansion of **CONFUCIUS INSTITUTES** in Europe (e.g. 13 in Germany alone) and around the world.
 - After **ACQUIRING THE US CINEMA CHAIN AMD**, the Chinese **WANDA GROUP** expressed interest in buying the UK cinema chain Odeon. Although the deal fell through, this example demonstrates the **NEW INTEREST AND OPPORTUNITIES OFFERED BY CHINESE INVESTORS FOR INVESTMENT FOR CREATIVE INDUSTRIES IN EUROPE**.
 - **CHINESE PUBLISHING GROUPS** actively participated **AT THE LONDON AND FRANKFURT BOOK FAIRS**. With China as a "Guest Country" of the 2012 London book fair, more than 180 Chinese publishers attended with a slogan **"NEW PERSPECTIVES, NEW CONCEPTS."** The Feng Huang Publishing Group also opened a branch in London.
 - The new **CHINA THINK TANK "MERICS" in BERLIN** by the **MERCATOR FOUNDATION** responds to the need for more factual information and analysis on China for the both, the European public and government / industry leadership.
- SUGGESTIONS**
- Individual advisory to **CHINESE COMPANIES INTERESTED IN INVESTING IN CCIS IN EUROPE (well moderated)**
 - **INCLUDE CHINA TOPICS** into educational programs in Europe, as part of the curriculum or as options, in the form of high school exchanges (e.g. *Connecting Classrooms* programs by the British Council).
 - **INVESTIGATE THE OPPORTUNITY FOR AN EU-CHINA THINK TANK** with branches in the EU and China as a way to institutionalize knowledge generated in diverse bi-lateral roundtables and conferences

THE ROADS AND PATHWAYS: FROM CULTURAL DIPLOMACY TO PEOPLE RELATIONS

OBSERVATIONS

- **FLOWS OF EXCHANGE BETWEEN CHINA AND EUROPE HAVE INCREASED** and will continue to do so through **A WIDE VARIETY OF ACTORS AND A DIVERSIFICATION OF INTERESTS**. Prior to the economic opening of China in the late 1980s, there was a more equal interest from Europeans towards China, focused on its language and culture. The spectrum of interests is much wider today and attracting as much entrepreneurs as artists. Relations, including cultural ones, are **NO LONGER THE MONOPOLY OF THE GOVERNMENTS AND OF THEIR CULTURAL ORGANIZATIONS**.
- ‘Diplomacy is more and more enmeshed with society’ (Jan Melissen). Cultural relations between Europe and China are **INCREASINGLY RELATIONS BETWEEN BOTH CIVIL SOCIETIES AND AT THE INITIATION OF INDIVIDUALS**.
- Furthermore, globalization has created transnational spaces challenging national boundaries in European and Chinese global cities in particular, where a **HYBRIDIZATION OF CULTURE AND CREATION IS TAKING PLACE**.
- At the policy level, both the EU and China have recognized this trend by initiating the **“PEOPLE-TO-PEOPLE DIALOGUE”**. However, the **IMPLEMENTATION MECHANISMS STILL HAVE TO BE FURTHER DEFINED**.

EXAMPLES

- The **CLINGENDAEL HAGUE CONFERENCE** on **CULTURE AND UNDERSTANDING IN CHINA-EUROPE RELATIONS** gathered participants from The Clingendael Institute (The Netherlands), the Charhar Institute (China) and the IFA - Institut für Auslandsbeziehungen (Germany), with the support of the Robert Bosch Foundation. The Conference highlighted the **SHIFT FROM ‘CULTURAL RELATIONS TO RELATIONS OF MUTUAL UNDERSTANDING’** and led to a ten-point consensus to reinforce Europe-China relationships in a broad and balanced way.

SUGGESTIONS

- Creating longer-term personalized dialogue and co-working formats that enable **TANDEM, TEAMS** or group work instead of large forum formats, where individuals meet. Promote personnel exchange through more 1:1 dialogue programs.
- Support **JOB PLACEMENTS AND INTERNSHIP PROGRAMS** on a larger scale.
- Launch **EU-CHINA MOBILITY FUND** (e.g. on the model of the EU-CHINA Young Business Professional Exchange Program that existed in the past.)
- Translate high-school **STUDENT EXCHANGE PROGRAM MECHANISMS ALSO FOR CULTURAL RELATIONS** (including guest family programs) with co-funding from China.

THE PLAYERS:

THE CULTURAL ENTREPRENEURS AND THE YOUNG

-
- OBSERVATIONS**
 - The European cultural sphere is largely made of comparatively **SMALL PLAYERS**, individuals, freelancers, cultural entrepreneurs and relatively small arts organizations and companies. In 2004, “[t]he share of independents is more than twice as in total employment (28.8% against 14.1%)” in Europe (KEA 2006 p.6).
 - In China, state-owned cultural groups such as Ge Hua or Beiao remain important but **PRIVATISATION HAS DRAMATICALLY ALTERED THE LANDSCAPE**. SMEs already constitute a critical mass within the cultural and creative landscape. Besides the SMEs, the profession of **“CULTURAL ENTREPRENEUR” (WENHUA CHUANGYIREN, ALSO REFERRED TO AS “GRASSROOTS CREATIVITY”)** **BECOMES MORE AND MORE A CAREER OPTION**, often for individuals who have studied abroad and are driven by the desire to express themselves. This phenomenon also reflects the evolution from creative clusters policy to people-driven creativity, requiring as much built infrastructure as social innovation. However, the adequate policy support framework needs to be developed.
 - Such an entrepreneurial spirit also drives the **CHANGE FROM ‘MADE IN CHINA’ TO ‘CREATED IN CHINA’**. The smallest structures are the most creative and innovative. Innovation is also coming from “unusual suspects” such as social entrepreneurs who link culture and socially driven purposes.
 - Furthermore, a huge generation shift is taking place, the **YOUNG GRADUATES AND YOUNG PROFESSIONALS** born in the 80ies (below 35 years) are now the interesting counterparts for European partners.
 - EXAMPLES**
 - **EARS – EUROPE-ASIA ROUNDTABLE SESSIONS** – (supported by the city of Helsinki, Finnish Government, and Chinese private sponsors) is a new **PLATFORM TARGETING IN PARTICULAR INDEPENDENT CULTURAL AND CREATIVE ENTREPRENEURS** and focusing on creative industry collaboration and the introduction of latest trends and developments between Europe and Asia. EARS’ mission is to help **INFORMAL NETWORKING AND PROVIDE AN ALTERNATIVE TO GOVERNMENT-LED EVENTS**.
 - SUGGESTIONS**
 - Shift perception of cultural exchange **FROM SOFT DIPLOMACY TO A STRATEGIC FOCUS OF BUSINESS COOPERATION IN THE CREATIVE ECONOMY** (stronger cultural business cooperation will lead to more co-creation of content (e.g. films) and hence a better appreciation of each other’s cultures.)
 - Initiate an EU-China dialogue on **GOOD GOVERNANCE AND POLICY FRAMEWORKS** (finance, social security, tax incentives etc.) to enable creative and cultural entrepreneurs.
 - Create **STRATEGICALLY MODERATED PLATFORMS** for sharing experiences and inspiring business models of cooperation of SMEs and individuals.
 - Create a **CHINA-EUROPE ERASMUS FOR YOUNG CREATIVE AND CULTURAL ENTREPRENEURS NETWORK** (enable mobility).

THE SOIL:

SEARCH FOR IDENTITY, VALUES AND MEANING

OBSERVATIONS

- Several factors in China led to a situation of more and more people now **QUESTIONING MEANING**: an overemphasis of economic values, a disconnect from tradition, rapid urbanization that only takes GDP per square metre into account and often comes along with loss of heritage, more social inequality, environmental issues etc.
- **A REDEFINITION OF THE ROLE OF THE ARTIST** in China is taking place, as artists see themselves more as actors in the society than just artists, with an increased understanding of their potential for impact.
- There is a growing **INTEREST IN PHILOSOPHY** and **INTELLECTUAL DISCUSSIONS** within Chinese artist circles, particularly amongst those having studied abroad. Search for frameworks and analytical tools to understand and **REFLECT THE WORLD BETTER**.
- In Europe-China cooperation, there is a **NEED TO RE-INVESTIGATE VALUES AND THEIR UNIVERSALITY**. The EU-cultural cooperation in general is shifting towards a **COOPERATION OF MUTUAL UNDERSTANDING** of respective values and of going beyond culture as an export item or a tool for soft power diplomacy.

EXAMPLES

- “HUGO BOSS ASIA ART - Award for Emerging Chinese Artists 2013” (Rockbund Art Museum, October 2013) highlighted the **INTELLECTUAL AND SOCIAL POTENTIAL OF A NEW GENERATION OF CHINESE ARTISTS**, e.g. such as Li Liao and others.
- Works of British-German Tino Sehgal, an artist who represents what is currently the trend in contemporary art globally, translate issues of global concern such as sustainability into forms of art by working with the notion of immateriality. He has been exhibited in China (2013) and resonates within and beyond the art community.

SUGGESTIONS

- Start a **SINO-EUROPEAN RESEARCH PROJECT** amongst the academics, arts practitioners and across disciplines **RE-INVESTIGATING CULTURAL VALUES AND THEIR UNIVERSALITY** with a group of intellectuals, artists and thinkers across disciplines (e.g. Cultural Value Project by the Arts and Humanities Research Council (AHRC) in the UK).
- Integrate and require **“REFLECTION-IN-ACTION”** time within (EU-funded) projects as a monitoring and evaluation mechanism, instead of post-evaluation only.

THE TOPOGRAPHY: URBANISATION AND DIGITALISATION

OBSERVATIONS

- A huge potential is related to the **ROLE OF CULTURE IN CHINA'S URBANISATION PROCESS**. European cities can be a good example and offer best practices on how heritage, arts and culture can be integrated into the modern cityscape and how it can shape urban identities and thereby boost tourism and city revenues. **OPPORTUNITIES** include Western China and 2nd and 3rd tier cities.
- However there is a huge **TENSION** in China between **PROGRESS AND CONSERVATION**. Lack of investment, well trained professionals, supporting policies, and most of all, the lack of social consensus, are the main obstacles in creating a cultural heritage sensitive urbanization process.
- Many cities across China aspire to become '**CREATIVE CITIES**' and often have adopted strategies or branding activities to legitimise this title. However, too few have coordinated approaches to policy and investment, actions are rarely evidence-based, and **THE GAP BETWEEN RHETORIC AND PERFORMANCE IS WIDE**. This over-supply of under-performing creative cities and empty **CULTURAL INFRASTRUCTURE** (often empty shells, lacking content concepts and curation agenda) provide an opportunity.
- **DIGITALISATION AND SOCIAL MEDIA** in China are giving access to a vast amount of information and creating new ways of communicating and doing marketing. Internet usage has expanded more quickly in China than anywhere.

EXAMPLES

- **KOKAI STUDIO** is originally an Italian firm now based in Shanghai. It specialises in the restoration and re-use of historic buildings. Their work include 796 Huaihai Road, which was awarded the **UNESCO AWARD FOR HERITAGE CONSERVATION IN ASIA PACIFIC** in Shanghai and the Xi Shui Dong Factory, the largest silk factory in Wuxi.
- **IMAGE ET PATRIMOINE** is a research program based at the "Ecole Nationale Supérieure d'Architecture de Montpellier" in France. It collaborates, amongst others, with Tongji University's College of Architecture and Urban Planning (CAUP) in Shanghai.
- Italy and China through **EDUCATION COOPERATION** between the Superior Institution for Conservation and Restoration under the Ministry of Cultural Heritage and the Institute of African and Oriental Studies of Italy and the Chinese Academy of Cultural Heritage (CACH) successfully launched two training programs in 2004 and 2007.

SUGGESTIONS

- Include in the EU-China Urbanization partnership **PROJECTS ON HERITAGE CONSERVATION**. Next to eco-cities and low carbon city development, heritage pilot projects should be fostered.
- Establish an **EU-CHINA CREATIVE CITIES INTELLIGENCE NETWORK** to map creative economy knowledge, access shared models, adopt common methodologies, and co-design benchmarking tools and best practices.
- Create an **EU-CHINA LEARNING NETWORK ON MUSEUM MANAGEMENT, CULTURAL PROGRAMMING AND CURATORIAL WORK**.
- Support more joint EU-China heritage **STUDY PROGRAMS** (e.g. Master degrees) integrated with existing architectural faculties.
- **ACTIVELY DEVELOP A STRATEGY TO USE SOCIAL MEDIA**, particularly within government and institutional networks, in order to engage more with audiences.

THE RESOURCES: BUILDING CAPACITY, CULTURAL MANAGEMENT, LEADERSHIP AND SKILLS

OBSERVATIONS

- A bottleneck identified in the Sino-European collaboration is the **LACK OF AVAILABLE EXPERTISE** of a broad base of people understanding both Chinese and European cultures, which affects the quality and depth of collaboration.
- More professionals are needed with **THE RIGHT ARTS AND CULTURAL KNOWLEDGE AND CULTURAL SKILLS**, combining three things: 1/ **BUSINESS MANAGEMENT SKILLS** (entrepreneurial skills for arts managers) 2/ **TECHNICAL SKILLS** (archiving, exhibition mounting, digital) 3/ **SOFT SKILLS** (creative thinking leadership skills...)
- A general root cause of the lack of creative thinkers is the state of the education system in China, with learning cultures still focusing more on traditional formats of learning by imitating and copying rather than fostering individual, creative thinking.
- In the education sector, **INTERNATIONAL EDUCATION IS INCREASINGLY BEING OFFERED IN CHINA** (e.g. Nottingham University, New York University, etc.) through foreign universities and European education players setting up campuses or programs in response to high demand. However in the cultural sector, there is a lack of offer particularly targeted at developing the appropriate creative education.

EXAMPLES

- The British Council had been the frontrunner in offering cultural and arts management programs in China (e.g. the 6-week **CHINA-UK ARTS CONNECTIONS-THROUGH-CULTURE PROFESSIONAL PROGRAM**).
- **HU TAN** is a cultural management learning program by Mercator Foundation, Goethe Institute and Gehua Foundation (since 2013). It focuses on bringing tandems of young professionals together, the format combines internships, context learning sessions, field-investigations as well as concrete support for joint project (business) development.
- The **BERLIN SCHOOL OF CREATIVE LEADERSHIP** (Steinbeiss University) runs an executive EMBA for creative industry professionals and is delivering one of its modules in Shanghai with Shanghai Theatre Academy's Creative School.

SUGGESTIONS

- Evaluate an **INSTITUTIONALIZATION** of cultural management capacity building between EU and China with, for instance, the possibility to set up a **CHINA EUROPE CULTURAL LEADERSHIP CENTER OR ACADEMY** (e.g. the experience of CEIBS – China Europe International Business School – or via links to existing or new learning institutions).
- **CO-CREATE CREATIVE LEARNING** short-term programs (summer campuses) for both Chinese and Europeans, with a focus on **DIGITAL, NEW BUSINESS AND INVESTMENT MODELS, AUDIENCE DEVELOPMENT**, etc.

THE FIELDS: DIVERSITY AND CROSS-FERTILISATION

OBSERVATIONS

- The creative energy in China fuelled by **GLOBALISATION** has increased exchange and freedom and has expanded the possibilities of various forms of experimentation. However – despite the transversal nature of culture – the creative and cultural stakeholders have remained much within the boundaries of their field, i.e. primarily art related topics, **NOT SEEKING INTERFACES** with other sectors (e.g. education), **NOR INVESTIGATING TOO MUCH THEIR ROLE IN GENERAL IN SOCIETY** or their potential to respond towards GLOBAL ISSUES such as urbanization or sustainability. The **POTENTIAL AND TRANSVERSAL ROLE OF CULTURE IS JUST STARTING TO BE RECOGNISED**. The recent UNESCO meeting (May 2013) in Hangzhou addressed the role of culture in the post-2015 development goals where creative industries play an important role.
- At the government level, the status of culture and CCIs is being brought forward as a **NEW PILLAR OF EU-CHINA RELATIONS** (People to People Declaration, February 2012 and EU-China Joint Declaration, November 2012). The two parties should now adapt their cooperation policies on culture and creative industries to reflect the UNESCO Hangzhou Declaration and further integrate culture into all other policy sector dialogues.
- The diversity of Europe in China is still limited by the the economic strength of a few European countries (the big 5 taking a dominant role). Likewise, the diversity of China does not come across in the EU due to political sensibility, namely due to the policy of **DATONG XIAOYI** (the big whole and small differences) and a political agenda which is not conducive to a really diversified image of China in Europe – in spite of the fact that China has signed the 2005 Cultural Diversity Convention.

EXAMPLES

- More and more (European) cultural entrepreneurs in China are **PIONEERING IN ARTS-BASED APPROACHES TO SOCIAL CHANGE**, e.g. Caroline Watson, who has founded the organization HUA DAN, a NGO dedicated to using the power of participation in theatre workshops as a tool for **INDIVIDUAL AND COMMUNITY TRANSFORMATION**.
- New cross-sector collaboration platforms are emerging, such as **GONGYI XINTIANDI**, China's first social innovation incubator opened in November 2013, located in an outstanding heritage place (former orphanage from the 20ies), also inviting and encouraging Shanghai's creative scene to engage in a social purpose.
- The **INSTITUTE OF HARMONY CULTURE** is a Chinese organization, presided by Danish social entrepreneur Nicolai Peitersen, working on establishing a social responsibility fund which would invest in "harmonious" solutions in sectors such as agriculture/food, health, elderly care, and culture and creative industry. The Institute facilitates research with partners and inform investment decisions.

SUGGESTIONS

- **LINK CULTURE AND CREATIVITY SYSTEMATICALLY WITH VARIOUS EU-CHINA SECTORIAL POLICY AND PRACTICE DIALOGUES** (environment, information/media, science/higher/basic education, development cooperation, sustainable urbanisation, trade).
- To investigate the potential of "CULTURAL INNOVATION" through a "Cross Sector EU-CHINA Collaborative Forum".
- Communicate and **MAP DIVERSITY** of Europe and China via means of a **CREATIVE CITY MAPPING** (see also suggestions for follow-up).
- **CROSS-CULTURAL EDUCATION CREDIT FOR CULTURAL UNDERSTANDING** in EU-China higher education and exchange programs.
- Move together with China **TO PUSH FORWARD THE GLOBAL AGENDA 21 WITH CULTURE AS A GOAL**.

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THE MAN MADE STRUCTURES: THE ART OF CONVERSATION, OF CO-CREATION AND THE PROCESS

OBSERVATIONS

- With increased globalization Sino-Foreign cultural exchange in general – at least in the urban centers – has moved **FROM “LEARNING FROM EACH OTHER” TOWARDS “LEARNING WITH EACH OTHER” AND BEYOND TOWARDS “WORKING AND CREATING WITH EACH OTHER”**. In line with that, the narrative of the image of the “cultural bridge” is being replaced with that of the “shared creative space”. The new key-word is **“CO-CREATION”**.
- Naturally the question arises “How exactly does co-creation work?” A blind spot seems to lie in looking at conversation and interaction more as an art than as “business as usual”. Why not, when exchanging on creativity, also apply creative exchange methodologies? The obvious often seems far. Many cultural dialogue forums between China and Europe are rather conventional.
- For a long time there was the belief that, due to different cultures of dialogue in China, innovative dialogue formats such as World Café are difficult to apply. However, not only does it seem the **CHINESE LIKING FOR PLAYFULNESS CAN BE VERY CONDUCTIVE TO INTERACTIVE FORMATS**, also more people in the cultural spheres in China have a desire for deeper interactions.
- More capacity for co-creation support - such as professional facilitation - needs to be developed. A discipline in this context which still often overlooked is that of **“ORGANIZATIONAL DEVELOPMENT AND LEARNING”** offering a set of social methodologies for social interaction. Theories such as “Theory U” (Otto Scharmer/MIT) provide **FRAMEWORKS AND TOOLS AIMING EXPLICITLY AT TRANSFORMING THE QUALITY OF CONVERSATIONS TOWARDS DEEPER LEVELS OF LISTENING AND CO-CREATING**. This also includes – beyond intellectual, mind-based communication – a dimension of **OPEN-HEART-BASED** communication skills, clearly also an underestimated blind spot with particular potential for EU-China mutual understanding.
- An exploration of more of these social tools for the building of EU-China co-creative communities should also include the investigation of more digital exchanges. Given the distance between EU and China, this could be more often a good tool to follow up on physical exchanges and projects. However as much as social media hold a potential, **THERE IS ALSO A TREND OF OVERSATURATION WITH AND DISTANCING FROM THE DIGITAL** and virtual and a **RETURN TO REAL, FACE TO FACE INTERACTION**.

SUGGESTIONS EXAMPLES

- The **HPI SCHOOL OF DESIGN THINKING** in Potsdam, Germany with the Communication University of China (CUC) in Beijing created the **CUC DESIGN THINKING PROGRAM** which provides students the right intellectual environment to work in pluri-disciplinary teams in researching the interface of their differing opinions and perspectives to reach innovative products and solutions.
- **VISION DAY** – A Cross sectorial idea incubation workshop, that facilitates joint project design for a long-term initiative on **SOCIAL INNOVATION** in Shanghai, anchored in Gongyi Xintiandi, China’s first social innovation incubator, designed and facilitated by **CONSTELLATIONS**, with 100 participants from creative, social and business and grassroots fields.
- The **SINO-FINNISH CENTER AT TONGJI UNIVERSITY** in cooperation with Aalto University in Finland uses an innovative learning methods through design and collaborative design-based work. Unlike many academic institutions, it considers cooperation with businesses an essential element of its philosophy. It mentors and supports students and researchers to **FIND, INCUBATE AND REALISE** their projects.
- Offer **FACILITATED SPACES FOR THE GENERATION AND INCUBATION OF JOINT IDEAS**: from socialization, real mutual understanding to co-creation. Also offer spaces for free exchange such as “EU-CHINA Living Rooms” in selected cities.
- Designing experiential learning and creating programs for young potentials under the motto: **LEARNING THROUGH CREATING**.
- Launch a bigger train-the-facilitator programs **“LEARNING THE ART OF THE PROCESS AND CO-CREATION”**.

Strategic Policy Recommendations

Develop a Sustainable and Long-term Knowledge Creation and Mapping Process

- Develop on ongoing creative economy mapping platform at the level of cities (easy maintenance networking platform (on- and offline, edited, moderated))

INFORMATION

THE LANDSCAPE TOOLS POLICY

CAPACITY & TALENT BLDG

Cultural Skills, - Business and Leadership Competencies

- Academy for Cultural Business & Entrepreneurship ("A cultural CEIBS"?)
- Cultural Skills programmes in specific areas
- Cultural Campus program: complementary, modular continuous learning for students + non culture sector professionals
- Facilitator Training Programs (capacity for the "Art of Co-Creation")

Focus EU-CHINA dialogue more clearly on Europe's USPs: creative economy and heritage

- Policy Dialogue on "Policy Frameworks for the Cultural Sector and for Creative Entrepreneurship"
- Establish a cross-sector policy dialogue forum on "cultural innovation" (linking technological, cultural and social innovation potential)

POLICY TOOLS

RECOMMENDATIONS OVERVIEW

PROJECT INCUBATION

Idea and Project Incubation Support

- Idea and Project Incubation Labs: facilitated workshops for cultural entrepreneurs and cultural professionals (workshops)

Set-up mechanism to transfer People-to-People Dialogue into Praxis

- Mobility Fund (job placements, travel support, residencies etc.)
- ERASMUS for Young Cultural Entrepreneurs/ Professionals
- Investigate opportunity for preferential VISAS for creative entrepreneurs / artists

PEOPLE MOBILITY

FINANCING

Seek more reciprocity in funding and tap into private money for cultural purposes

- Target Chinese large cultural firms (private and public) and CCIs as investors / sponsors
- Set-up Europe-China Cultural Entrepreneurship Fund (seed money for start-ups)

THE LANDSCAPE TOOLS

INFORMATION

EUROPE-CHINA CREATIVE CITIES INTELLIGENCE MAPPING AND NETWORK

- **WHAT:** Continuous mapping of cultural cooperation and creative economy development and cooperation between Europe and China.
- **HOW:** Easy maintenance platform (e.g. blog), on- and offline, edited and moderated, bilingual with a team of minimum 2, ideally 4 moderators/editors/researchers. Do the mapping on the level of cities to tap into co-funding from partner cities, set each time a feasible scope and geographical area of mapping e.g. limited to two cities, one in China, one in Europe. Combining the trend towards city diplomacy as well as creative economy as a driver for cities/regions and the interest of cities to be promoted. Structure the overall mapping project into steps/phases moving forward by adding more and more city profiles at each step. This would allow for a gradual and continuous development model in a consistent framework depending on funding from various sources available. It would furthermore be a way to also communicate/showcase the diversity of Europe and of China.

POLICY TOOLS

POLICY DIALOGUE ON "LEGAL FRAMEWORKS AND POLICIES FOR CREATIVE ECONOMY AND CULTURAL ENTREPRENEURSHIP"

- **WHAT:** A dialogue forum/conference where European and Chinese stakeholders (policy makers, government decision makers and civil society) exchange and consult on legal frameworks, policy tools and support mechanisms and incentives for fostering a people oriented creative economy development including social innovation beyond infrastructure building.
- **HOW:** Conference organized at the level of cities. Best practice could be drawn from other areas of (legal) policy dialogues.

A CROSS-SECTOR POLICY DIALOGUE ON "CULTURAL INNOVATION"

- **WHAT:** Linking technological, cultural and social innovation potential; establish one EU-China policy dialogue forum combining the existing sector dialogues with "cultural innovation" as a key topic.
- **HOW:** Start on an experimentation with one forum, eventually systematically have cross-sector policy dialogue forums yearly.

PEOPLE MOBILITY

EU-CHINA MOBILITY FUND FOR CREATIVES

- **WHAT:** Programs and support money for longer term dialogue and exchange formats targeted at individual people enabling tandem and team work between European and Chinese young creative professionals and mutual understanding in general. Translating the EU-China "People-to-People Declaration" into action.
- **HOW:** Funds could offer programs in the format of job placement programs, travel support schemes, residencies, but also by starting with more student exchange programs (high school and university) applying the model of host family or ERASMUS for culture.

THE LANDSCAPE TOOLS cont'd

CAPACITY AND TALENT BUILDING

AN ACADEMY FOR CULTURAL BUSINESS AND ENTREPRENEURSHIP

- **WHAT:** Establish an institutional pillar in the landscape of EU-China cultural cooperation in the form of an educational institution that would serve as a center point/nucleus for knowledge creation, cooperation and capacity building. That would leverage EU-China cultural and creative cooperation substantially.
- **HOW:** Model to be developed, could be either a Joint School such as the China-Europe Business School, or affiliated to it.

CULTURAL SKILLS TRAINING PROGRAMS

- **WHAT:** Short term programs in specific areas, such as curatorial skills, museum management, exhibition making, other arts and crafts related skills.
- **HOW:** Could be in the format of summer schools, for example in cooperation with 2nd or 3rd tier cities in China that might be won as co-sponsors.

CULTURAL CAMPUS: COMPLEMENTARY PROGRAMS FOR NON-CULTURAL SECTOR STUDENTS/PROFESSIONALS

- **WHAT:** Short term modular programs offering context knowledge for understanding Europe and China with a focus on culture and society.
- **HOW:** In the format of summer campuses/schools, combined with study excursions.

TRAINING PROGRAM FOR CO-CREATION FACILITATORS

- **WHAT:** Training facilitators on the "Art of Co-Creation" with a context-sensitive understanding of the creative sectors of China and Europe, and skills such as cultural business modelling and project development.
- **HOW:** Trainings, eventually in cooperation with an existing facilitation organisation.

MASTERS DEGREE PROGRAMS "CULTURAL HERITAGE PROTECTION" IN A NUMBER OF CHINESE UNIVERSITIES

- **WHAT:** Building up and institutionalising capacity for heritage protection and heritage sensitive city planning.
- **HOW:** Partnerships with selected Chinese universities, co-funding from the EU and/or from European national academic exchange organisations.

THE LANDSCAPE TOOLS cont'd

PROJECT
INCUBATION

FINANCING

IDEA INCUBATION LABS: PROJECT DEVELOPMENT SUPPORT AND PARTNERSHIP BUILDING FOR CULTURAL ENTREPRENEURS AND FOR CULTURAL PROFESSIONALS IN INSTITUTIONS

- **WHAT:** Offering professional project development support for translating cooperation ideas into action, for stretching good ideas into great ideas to make them implementable, also offering concrete networks and support in partnership building .
- **HOW:** Idea Lab (creative workshop format applying a variety of methodologies) of 3-4 days modules (over week-ends) to enable professionals. These could be combined into longer term learning programs consisting of several Idea Labs that are complemented with individual coaching and mentoring in-between.

A CULTURAL ENTREPRENEUR FUND TO SUPPORT START-UPS

- **WHAT:** In general seek more reciprocity in funding and tap into private money for cultural purposes, also target Chinese large cultural firms (private and public) as investors/sponsors, combine public-private partnership models.
- **HOW:** Public money could be made available for a feasibility study/preparation of a privately sponsored Europe-China Cultural Fund.

The recommendations and landscape tools above were generated based on our observations of the EU-China cultural and creative cooperation landscape. These include the design and establishment of projects and activities in the 6 main areas.

Please note that the above recommendations represent the authors' views and ideas and were generated at the Stakeholders' Meeting on October 22, 2013 in Beijing and through individual stakeholder interviews conducted for this project. They would need to be further discussed and developed.