

Benny CHIA



Andrew
SENIOR



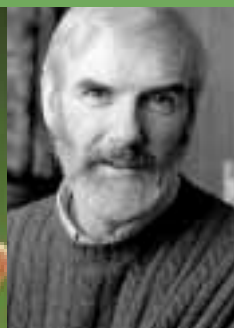
Tobias
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Desmond
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Jonathan
SPENCE



Patrick HO



DEVELOPING THE CREATIVE INDUSTRIES ▪ CLOSING CEREMONY

PAST TRADITIONS, CURRENT CULTURAL INDUSTRIES,
FUTURE CREATIVITY

DATE: NOVEMBER 12, 2005

VENUE: DRAMA THEATRE, HONG KONG ACADEMY FOR PERFORMING ARTS

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Founder and Director, Hong Kong Fringe Club

SPEAKERS: Andrew SENIOR
Head of Creative Industries, British Council, United Kingdom

Tobias NIELSEN
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Closing Remarks: Patrick HO
Secretary for Home Affairs,
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From Cultural to Creative Industries

Creativity is about people who do not believe that it has to be done in the way that it has always been done. Perhaps creativity is the modernising force within culture. Cultural industries are what they are, but creative industries are what they will be.

Andrew SENIOR

Head of Creative Industries, British Council, United Kingdom

MR BENNY CHIA:

Welcome, everybody, to the session in this year's ACC Forum, Brand Asia. I hope you have enjoyed listening to the other talks.

I am Benny Chia, moderator for this session. I work at the Fringe Club. For those of you who have not visited it, the Fringe Club is a contemporary art space converted from cold storage warehouse built in 1890, and when I first started the Fringe Club many years ago, I was quite ignorant. I knew nothing about branding. I did not even know the word "fringe" often used together with the word "lunatic". By the time I found out, it was already too late to change. So I made up a Chinese name for it, "Ngai Shui Wui", which is much nicer.

] After self-introduction, the moderator explained the programmes and its procedures. ^

Without much adieu, may I introduce our first speaker, Mr Andrew Senior, Head of Creative Industries, British Council in the United Kingdom. Andrew practised eight years as a commercial lawyer, then he had what might be called a calling. Not to serve God in this case, but something that has always fascinated him: the performing arts. He gave up presumably a lucrative job to start a freelance business as a theatre producer. By 1999, he joined the British Council, presumably back to a life of receiving monthly pay cheques. There he has found his vocation by developing the Council's work with the creative industries. Andrew has since then been spreading the message far and wide at conferences in Europe and Asia. Today, his topic is "From culture to creative industries".

MR ANDREW SENIOR:

Good afternoon, ladies and gentlemen. Can I begin by saying what a great pleasure it is to be back in Hong Kong and how honoured I'm to be invited to participate in what is obviously becoming such an important forum for Asia.

I'm going to begin with an admission, like so many things, much of the arguments that I'm about to present is about semantics, and perhaps that's actually rather a very good place to start because, of course, so much culture is tied up in the use of language. Language is an identifier. It indicates our difference and our ability to assimilate. Most of you in this room speak Cantonese, a mystery to me, but I feel comforted by the fact that it's also a mystery to many people in China. In fact, in a way, it sets you apart from the rest of China. It contributes, with food, to the distinctive nature of this part of China.

Most of you also speak English. Perhaps because of the British legacy here, perhaps because of the now global nature of my native tongue, which is a mixture of both American and British legacies. Speaking English increasingly identifies an educated class around the world; it is the language of business and diplomacy. It is the "lingua franca" of our global village.

For a moment, I'll ask you now to pity the Englishman whose language is no longer his own; no longer that badge of difference. In many ways, perhaps we've been the victims of our own success. What irony?

Several days ago, the other Englishman here, Simon Anholt, was talking about national brands; those shared values, aspirations and external manifestations that identify our countries in the rest of the world.

What is culture?

I'm going to test you all a little later, not quite with questions of provenance, but with some recent examples of what might be termed "UK creativity". Before I do that, and I think that this is important if you want to understand some of the things that I'm going to say about cultural diversity –it's important to recognise the impact of English-speaking America and how that has had an impact on us in the UK, in terms of our understanding of identity.

Most non-UK nationals, when presented with a series of cultural images, default to a belief that most English speaking content originates in the US. Research for the

Much culture is tied up in the use of language. Language is an identifier. It indicates our difference and our ability to assimilate.

British Council about five years ago, in 20 different countries including Hong Kong, suggested that most people thought that Elton John, the Spice Girls and Anthony Hopkins were American. The only cultural icon that the majority of people recognised as British was Princess Diana.

And if this cultural confusion is difficult for the UK, how much more difficult is it for Australia, Ireland and Canada? Isn't Nicole Kidman American? Surely Colin Farrell must be. Of course, Donald Sutherland is. The truth is that, in a way, they are. Living and working in another country changes your cultural identity; it broadens your experience.

Of course, since we undertook that research Sir Anthony Hopkins has become an American citizen and, amusingly for many, Madonna comes to sound more British with every additional day that she calls London her home. So culture, cultural identity and cultural diversity are difficult issues, but let's start with the question: what is culture?

I want to begin to ask this question in my own context as an Englishman. For me, English culture is certainly rooted in the English language and a set of values and morals. It is about the plays and Shakespeare and Harold Pinter, the poetry of Blake and Simon Armitage, the literature of Jane Austen and PD James, the visual language of Tracey Emin, Vivienne Westwood and Terence Conran. It is definitely the BBC, particularly Radio 4, and today, Little Britain. It is almost about sport, lawn tennis and rugby, and it is about food, Yorkshire pudding, and of course, nowadays, curry. This is my personal understanding of my culture. Other Englishman would recognise many of the things that I have mentioned, but would not be how they would characterise their culture. So here is my first observation.

Culture is at once both personal and communal. I may loathe football, but I readily accept that if we went to any pub in London tonight, or in Leeds or in Liverpool, and asked a random sample of men and women to name three things that they see as being part of their culture, the most common response you would get is football.

Culture is complicated. As I said, it is personal and communal, it is art and sport, it is food and drink, it is high and low. In most places, culture seems to have significant roots in religious beliefs, how we both metaphorically and physically raise our voices to the glory of God.

What isn't culture?

In some places, that dominant influence remains, and in other places like the US, it seems to be increasing. In fact, we might more readily ask: what isn't culture? I think there's one universal truth about culture, and that is that everywhere, it's changing. Culture to be culture has to be alive and vibrant, in a constant state of flux. When it ceases to be that, it becomes our heritage. There is a difference.

Perhaps heritage is the skin that we shed on our journey through life. Culture is the living and breathing skin that we wear today, and arguably, the pace of change is ever greater than before, because of the ease with which we have access to other information and experience, and this can be frightening for many people. I'm going to return this theme towards the end of my comments.

So cultural diversity –because that is what I'm talking about – is one of the greatest issues facing the world. Being British, I'm not going to argue this from the perspective of protectionism and quotas. I want to ensure cultural diversity because without it, you lose with your USP, your uniqueness. But we also have to recognise that to be culture, culture has to change.

Heritage and tradition may be markers for who we are as a people and where we have come from, and these things have to be respected, but they are not necessarily the touchstones that people sometimes want to make them. Change is difficult and frightening but in some measure, it is inevitable. Without it, we can't advance. Modernity is not necessarily an evil.

Not so long ago in China, the binding of women's feet was described as a cultural matter, a tradition. I don't believe that anybody here today would argue that in that cultural battle, modernity was not the rightful winner. So "culture" is a complicated term.

I mentioned the work of Harold Pinter before and, much as I admire his work, I don't believe that he is the natural inheritor of Shakespeare's genius. I think that honour probably more readily falls to the script writers of our great TV and radio soap operas, who create complicated, human, bawdy stories, which are popular whilst at the same time challenging, often sewing the seeds for change within our society, much as Shakespeare himself did.

What is creativity?

So why the shift to creativity, and what is it? Arguably, creativity is no easier to define. Surely, everybody is creative in one way or another. Well, I think that that is true, but when you begin to look at this from the perspective of economic return, you begin to realise that not everyone has the potential to turn their creativity into a way of making a living. I also think that creativity is better understood as an individual skill or talent, unlike culture, which is more readily understood in terms of a community.

Essentially, creativity is also about the new; something that has been recently created. It is about innovation, and about the way in which we reach beyond the current constructs of culture. Surely, our cultures are all borne of that individual creativity and innovation.

The moment when the game of rugby was invented, was when a schoolboy broke the rules of soccer and picked up the ball and ran with it. Creativity is about people who do not believe that it has to be done in the way that it has always been done. Perhaps creativity is the modernising force within culture. And this idea of creativity somehow has a greater resonance for us in the UK. Cultural industries are what they are, but creative industries are what they will be.

So perhaps I should take a moment now to talk about how we define the creative industries.

From Cultural to Creative Industries

Creative Industries – definition

“Those industries that have their origin in individual creativity, skill and talent and that have a potential for wealth and job creation through the generation and exploitation of intellectual property rights”

This is the definition created by the then Secretary of State for culture, Chris Smith, and the Creative Industries Task Force that he established in 1997. The task force was important because it was a mixture of creative people, creative entrepreneurs, academics, civil servants and politicians. It was looking for a way to describe what everybody around the table believed was actually a really important part of the UK economy, but a part for which the data and statistics were remarkably limited.

In the definition, you will see that I have highlighted the term “intellectual property

rights", and this is really at the heart of the definition they created.

I want to come back to the question of the definition in a moment, but now, I want to concentrate on the chain of activity that followed the agreement of this definition, because arguably, this is the most important part of the creative industries' story to date.

From the definition, they went on to describe which sectors were part of the creative industries. From the sectors, they set about mapping the creative industries, going out into the field and beginning a process of data collection, crucially economic data, about contribution to GVA, employment, tax yields, growth patterns. What began to emerge was the beginnings of a picture about how the sector works, not in cultural terms or social terms, but in economic terms. And of course, as we all know, it is always about the bottom line; make a political decision and you have to understand the economic consequences.

Now the first mapping document was not that sophisticated but it caused a real stir, because for the first time, there was evidence, hard facts, of the sector's economic contribution. The facts painted the picture that the task force had expected. The sector was growing faster than any other, contributing significantly to GDP and a important source of employment. It was also apparent that it was a sector that required a trained workforce. People began to think that this was actually a very important part of the knowledge economy. And the economic data led to political action. Suddenly creative businesses were welcomed into the business advice centres; they were the new trend. What could we do to help them grow?

Of course, nobody took a moment to think about whether the old tools –tools fashioned to support the growth of manufacturing and then service industries – actually were ready to support the creative sector. Hardly a suit in sight, and certainly not a tie. How could they possibly be taken seriously? More concerned with creativity than profit; not a business at all then really.

What of the progress?

Then there was the reaction of the sector itself. In some circles, specifically in the arts, there was a culture of subsidy, and many people resisted what they saw as a threat to the status quo of State funding. In other parts of the sector, where government had never poked its nose before, there was a similar scepticism, but this time, about the ability of government to deliver anything useful. They never had to

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so why would they start now? It was the beginning of a very difficult journey, But the dye was cast; Pandora's box had been opened.

I want to pause for a moment to talk about creative individuals and creative businesses. Let's be absolutely clear; they are different from our normal understanding of business because they are creative. We had to recognise that our one size didn't fit this all. At the same time, our creative class had to finally confess that, yes, their reputation, recognition of their creativity, the esteem of their peers, was a driving force. But actually, everybody expected to be paid. The lucre was not that filthy.

I am pleased to say that today, the imagined threat of the creative industries to the integrity of creative practice has not emerged. Funding for the arts remains strong, the parameters for grant-giving have changed. Other parts of the creative sector get the opportunity to apply to schemes originally designed for artists. New initiatives, like the National Endowment for Science, Technology and the Arts (NESTA), have been developed to support creative talent and take risks in investment. There is a far better understanding of what the sector needs to grow and a better sense of where scarce tax pennies need to be spent.

And what of the progress? Well, here are the headlines. The creative industries are still the fastest growing sector of the UK's economy. A health 8% of GVA, with average growth of 6%, which is significantly higher than the average growth within our economy, and new skilled jobs are being created. Last year, 1.8 million people's livelihoods stemmed from the creative industries, 1 million of them directly, and the number of creative businesses is growing.

So it is a continuing success story. In fact, in London's economy, the creative sector is now second only in importance to financial services. Imagine that conversation ten years ago; people would have laughed. The understanding, and of course, the economic data simply was not there. Of course, all of this is in its infancy. There is still much debate over the definition that was honed back in 1997. I, for one, do not believe that IPR is the driving force for economic return for most creative businesses. Instead, they rely upon their reputation, that old-fashioned notion of goodwill.

Only businesses of a certain size will prioritise the registration of their IPR, it is a question of costs, and the costs get even greater if you have to defend or prose-

cute a law case, and the probability of success diminishes if that litigation is with a big global corporation, arguably, today, the principal beneficiaries of intellectual property rights protection.

I want to come back to this theme in a moment because it is a very important factor in our understanding of what this concept of the creative industries is actually about. But before that, a momentary return to definitions.

Reconsider IPR!

There are lots of definitions; cultural industries, creative industries, content industries, experience industries, entertainment industries, copyright industries, and within each definition, there are arguments. Definitions are important, but there is a danger that we spend so much time defining that we never really come to understand before the opportunity has passed us by. In my view, there are other, far more vital arguments than definition.

In the UK, the creative industries definition has served us well because it gave us the ability to present an economic argument. The economic argument, after years of repeating the same lines about social impact, cultural impact, educational impact –all incredibly important, but none with the power of the economic argument. Every government is concerned about jobs and the standard of living. If it does not do that, it does not get elected.

I mentioned the bigger arguments and there are two or three that I would like to focus on now for a few moments. The first is around intellectual property rights. I want to say here and now, absolutely unequivocally, that I believe in intellectual property rights, but I think that in some ways, we have managed to bastardise the concept, and whilst that might have worked well in the 20th century, I think it will serve us ill in the 21st.

The origins of copyright lie in 18th century England, in the 1709 Statute of Queen Anne. This new legislation came about because of an argument between Scottish publishers and the English owners of the right to publish the great canons of knowledge and literature. The English owners had a monopoly and they charged accordingly. The Scottish publishers decided to challenge that monopoly by publishing at a lower price.

The statute that emerged from the legal dispute that followed was based on three principles:

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(1) the then novel concept that every author had the right to be both recognised and paid for the fruits of his labour. The description of the Act, up there right on the top line, if you read it, is "An act for the encouragement of learning". If you remember one thing about what I have to say today, please remember that.

Of course in the 20th century, the period of copyright protection has continued to be extended, and this has little to do with either recognition or remuneration for the author or any sense of the encouragement of learning. It is because some copyright is just so valuable. As Pushpendra Rai highlighted yesterday, by 2020, valuable to the extent of US\$6 trillion.

But of course, most copyright does not have enduring value. The shelf life of most creative products is remarkably short. Of course, some things go out of fashion and then, 10, 20, 30 years later, emerge again, interestingly often through advertising. But I think the copyright system today is creating an environment that is increasingly prescriptive. I think that most people would agree that the period of protection is too long.

Yesterday, Anne Choi described the exploits of "Big Crook" here in Hong Kong. He got a prison sentence for his activities, and quite rightly so. But I have to say that I would question the benefit of that, if he had been circulating, say, the earliest film incarnation of Mickey Mouse or one of the great English classics "Brief Encounter". Both are still protected, but probably rarely seen here in Hong Kong. Is this not where the issue of enlightenment arises today? Is that not what the internet was originally all about?

Today, there are still some pretty impoverished regions in the world. The light has to shine there. If it does not, another industrial revolution will pass them by. So I think we need to think again about how IPR works if we want to enfranchise through education, and education will grow markets, perhaps making US\$6 trillion seem like small change. I guess the question is: whose small change?

Stimulate the local creativity!

For me, the second big issue is that of cultural diversity. As much by this, I mean the need for culture to have the appropriate space in which it can be both respected and developed. I do not believe that the creative industries agenda is a threat to this. Cultural experiences shape the minds of creative thinkers; they seed the next wave of creativity. The in fact is that some elements of culture are already

globalised. Mozart, Beethoven and Shakespeare were perhaps the forerunners of Tom Cruise, Ms Kitty and the Lord of the Rings. Some of this is more digestible than others; it is for you to loathe or love.

I actually think that the greatest danger here is the limits of information. In this global creative market, certain things are universalised: Friends, Gucci, Lara Croft. But there is so much more going on. We have to find ways to ensure that local production is stimulated, that local talent emerges, that the best finds its way to the global market.

So for me, the greatest defence against the threat to cultural diversity lies in the development of a strong, local independent sector, within the creative economy. It is this part of the sector that will take risks with the new talent. It is this part of the sector that will see the market for local content. It is this part of the sector that will be the bridge to global and other non-global local markets. These businesses still seek to make a profit, but how they make their profit will be more in tune with the local marketplace.

Find the commercial brains!

And in a way, this leads me to my third big issue. Now I promised you a test, so let's have a show of hands on these.

(The speaker showed several images on the projector. He asked the audience to make a guess who they are and what is all about. ^

Okay, these three people are Duncan Kenworthy, Dave Sproxton and Liz Calder. They are the commercial brains, and a Funeral with a deep understanding of the creative instinct, behind *"Four Weddings and a Funeral"*, *"Notting Hill"*, *"Wallace & Gromit and Harry Potter"*, to name but a few I have no doubt about this, but without them, the others – the people who created this work – would still probably be relatively unknown. Because it is these people who in actual fact took the risk of backing those ideas, backing that creativity. They saw the potential and they took it to market. To make the creative economy work, we need more of them.

The glamour of creativity is the singer, the actor, the writer; the creative talent. But creative talent alone does not make the creative economy successful. Creative entrepreneurs are essential, and yet, our understanding of what makes a good creative entrepreneur is negligible.

Today, there are still some pretty impoverished regions in the world. The light has to shine there. If it does not, another industrial revolution will pass them by.

Education is crucial to the creative economy

Ask: Looking at your presentation, it looks like the UK's developments in creative industries is quite successful and here we are in Hong Kong waiting for things to happen, but we are still waiting; so what sort of advice would you give the Hong Kong Government in terms of getting things up and running; get things going, stop talking?

MR ANDREW SENIOR: I will start by saying that I think you need to keep talking as much as anything else because, as I said in the presentation, I think there are a lot of issues around the development of the creative economy which require debate and require discussion, not just within Hong Kong but actually in a far broader regional and global framework because a lot of issues that will effect the issue of the creative economy here in Hong Kong are not domestic issues, they are actually international issues, which are to do with the ownership of chains of distribution, the way in which the intellectual property system works and to look at the way in which, in actual fact, Hong Kong and China and other parts of the region need to be able to develop the sector in an appropriate way for this part of the world.

I think the UK experience has been a success but I think we have to look at, in a sense, where the roots of that success come from. I think one of the key things which underpins the UK's success in terms of the creative sector is that we have a tradition going back for over a hundred years in terms of colleges which have provided vocational education around things like fashion and design. So in actual fact, you have a body of education and experience which has been developing and churning out creative talent with the appropriate experience for the industries for rather a long time and there is a significant skill around that nature of education in the UK. The creative talent is here and it is actually the way in which you go about investing in its development.

So one of the things I would say is that there is a real need to invest in education. And a lot of those legacies are the things which will give you a competitive advantage at the moment and they are very much to do with the way in which the education system is structured, the opportunities that are there to develop an education system, and a realisation that actually education flourishes when there is an opportunity for free debate and freedom of expression. That is actually essential in terms of the development of the creative economy.

These three elements, together with the process of mapping, are the backbone of the programme that my team in the British Council delivers. We have the first awards program for the young creative entrepreneurs. We have a program based on mapping and issues around infrastructure. In this region, we have been running it in the Philippines for the past couple of years.

We run seminars that bring together leaders of the creative sector with politicians, bankers, lawyers and academics, in which we create a space where they can debate the key issues that will affect the development of the creative economy, globally and locally, in the next 25 years.

Currently, our program runs in 48 countries, several of them in this region, and our work is underpinned by a new website, "creativeconomy.org.uk", that will go live in March 2006. The website will provide the reference point for these debates and programmes, as well as providing wider information about the issues that affect the development of the creative economy.

Breed the new industrial revolution!

Well, as I end, I want to look back to the period around the "*Statute of Anne*".

Manchester in the 17th century was here that the industrial revolution began. Manchester was the first industrial city and mills were at the heart of that revolution. The first industrialised machine was the Spinning Jenny. It revolutionised the weaving process, making Manchester the capital of the world's cotton cloth manufacture industry for the next 200 years. The Luddites believed that the Spinning Jenny was evil because it deprived people of their livelihoods. Their reaction was not to embrace this change, but to smash up the machines. Fortunately they did not succeed.

One hundred years on, 1829, this is Stephenson's Rocket, the first steam engine, and again we are in Manchester. Railways revolutionised communication in the 19th century, bringing places closer together. But they had another impact, they changed our understanding of time. Before it did not matter if in Bristol they said it was 3 in the afternoon, when at the same time, in Birmingham, they said it was 2:45, and in Ipswich, they were saying it was 3.15. The time it took to travel between those places meant that this was irrelevant. But rail travel suddenly meant that it was not.

The industrial revolution brought about huge change, not just changing the ways in which people acted, but changing their perception of everything around them.

Let us move forward to 1948, we are still in Manchester. Tim Berners-Lee, the inventor of the internet, worked on the development of the small-scale experimental machine. The first computer.

The computer and the internet are technological gateways to a new age, but of course, to give them life, the technology needs content, and for content, we need creators. As I said at the beginning, not everybody can be creative, but I have no doubt that every society, every culture, has creative people within it. I believe that

I believe that we are on the verge of a new industrial revolution, one that will disorientate people. This requires us to be better prepared than we were before.

we are on the verge of a new industrial revolution, one that will disorientate people as much as the arrival of the Spinning Jenny or the Stephenson's Rocket. This new industrial revolution, the shift to our better exploitation of the most original natural resource, human creativity, requires us to learn the lessons of the past, to be better prepared than we were before.

Three centuries ago, the industrial revolution was the beginning of a process that has brought economic prosperity to many, but of course, not all. It has served to improve standards of living and create the wealth that has funded rapid expansion in the development of education and health services. But what does this new industrial revolution mean? How can we ensure that the benefits are more evenly spread than before? It is the challenge for us all.

Asia might not be self-excluded

I promised that I would end by making some comments about Asia and its creative economy. I am not going to name names, but I think that you can join the dots. What I say now, as with all my comments today, is a very personal perspective.

Two immediate givens; Asia has the most extraordinary cultural history and treasures. It also has some of the world's most entrepreneurial people, and that is an incredibly good starting point. But as you will guess from what I have said today, I do not think that this is necessarily enough to succeed in building a strong, sustainable and competitive creative economy.

I think there is an issue about being at ease with modernity, about the harmony that you create between modernity and tradition; the balance between culture and creativity. This forum and events like it have a really important part to play in that dialogue.



We also have to look at the rule of law. This is about freedom of expression and IPR. There may be issues in terms of the IPR regime and I think Asia has to be taking part in the debate about these issues, but I

Publishers as creative entrepreneurs

Ask: I want to ask you, in your country, in the publishing industry for the publishers, what is their role in the creative industry? Can you tell me according to your own experience?

MR ANDREW SENIOR: I think publishers are essential if you are going to have a vibrant sector which is around reading and literature, around academic publications and the like. They are actually essential in terms of the way that part of the market works. In the UK certainly, I think it is evident from the conversations that were taking place on the stage before lunch, there is a role of publishers as creative entrepreneurs in terms of how they go about developing local talent, about how they go about investing in local talent.

Bloomsbury is a relatively small publishing house in the UK, or it was when Liz decided she was going to invest in JK Rowling. JK Rowling, before that, had a limited amount of investment in her, which came as a grant from the Arts Council in Scotland. But what happened was that Liz saw opportunity, she felt the work was good, she understood where JK Rowling was coming from and she invested time and resources in helping her to develop Harry Potter. The result is evident around the world.

That is what I was talking about in terms of –if you are going to have a economy that works you cannot just have creative talent. You have to have those people who understand how the marketplace works and where the opportunities are. They are absolutely essential because creative people are creative people, they are not entrepreneurs.

do not for one moment believe that piracy can be tolerated. If you do, you are allowing value to seep from your own economy, and some of that value could be invested in education.

To my mind, education is the key to more creative creative talent. Education is the key to more successful creative entrepreneurs. We have to see that education goes from the cradle to the grave, and I also think that education plays a very important part in developing the tastes and understanding of creative consumers. Get them when they are young, not for the purpose of propaganda, but to stimulate the mind.

My final thought is about diversity and tolerance. Asia has to be confident, but that confidence cannot be about exclusion. It has to be about engagement and a recognition that difference – different experiences, different roots, different paths, different dreams, charge creativity. Dare to be different. Asia's potential in the creative economy is immense. The only real barriers to success are those that you create for yourselves. Thank you.



Regarding Creativity by the Solar System Model

People with energy, creativity, knowledge are the common core which forms a basis for creative industries and triggers all consequences. Like sun, it creates the conditions that allow a whole system to thrive. I refer to.

Tobias NIELSEN
CEO, QNB Volante Research

MR BENNY CHIA:

The next speaker, Mr Tobias Nielsen, is from Sweden. He is Scandinavia's leading expert on cultural economics and creative industries and author of the book *"Understanding the Experience Industry"*, a Swedish perspective on creativity.

Hong Kong has long been exposed to the concept of creative industries from a British perspective. Now, we have a chance to listen to two Tobias calls imaginatively "the solar system model". I am not sure if this has been inspired by the rather unequal distribution of night and day in Sweden.

MR TOBIAS NIELSEN:

Distinguished and honourable guests, I am very happy to be invited to this exciting forum and I am impressed by the ambitions to position Asia and the work made so far in order to support the creative industries.

Today, I would like to introduce a model that has facilitated the work of the creative industries in Scandinavia, mostly on the urban or regional level. The model has helped people to better follow the discussions on what the creative industries can contribute. The model which is called the solar system model is developed by the company I work for, QNB Volante Research, which is based in Sweden, northern Europe. We are a research-based consulting firm that proceeds strategic advice and financial data for organisations and companies. For instance, at this very moment, we work both with venture capital firms and governmental agencies. Usually our status relies on a very quantitative approach but today I will skip most of the diagrams and financial data.

The solar system model has been around for two years now. It has gone from

being a tool for explaining the different values of the creative industries, to a template of quite elaborate studies with about 20 indicators. I will not go into the technical side of the methodology here but rather give you an overview of the model.

I would say it has been useful because there is a multitude of perspectives discussing the creative industries and I would argue that the effects cannot only be measured in terms of sales. Aspects like image creating, regional development and the creation of a creative climate are also important to look at. Consequently, the model captures these different perspectives and we can see that we are talking about six values here.

First value:sales enables image, attracts added value

Sales enables imagination, attracts added value and intrinsic value. Actually, we talk about experience industries and not creative industries. Why I am using the "creative industries" term here is not to make things even more difficult than it has to be. But just to highlight why "experience" is a good word in this context. It is actually the importance of focus of the consumer and not the producer which has often been the case, talking about the arts. Following what Adam Smith said centuries ago, that consumption is the soul end and purpose of all production. So we have here a demand-oriented approach, a connecting link between man's inner world and the outer world of economic activity; the link between consumption and production.

Before I continue to go through the model, I would like you to see if you recognise this man.

] figure showed on the projector and the speaker wants the audience to make a guess ^

Okay. If I tell you that this is a person upon whose songs the musical "*Mamma Mia!*" is built, or have you heard about Abba? He was the driving engine behind that pop group. I will use him Benny Anderson and Abba as example during my presentation here.

I said six values, different perspectives will be itemised. We can see that these six effects or values stem from the creative industries and I will start with sales, the most obvious type of value. We have heard from different people here that the sales of the creative industries have exploded during the last decades. We also

In general, two factors have contributed greatly to the increased sales of the creative industries: technological breakthroughs, digitalisation and globalisation.

heard from Andrew when he talked about London that the creative industries have become quickly one of the most important economic sectors. Regarding Abba, over two million copies of their music have been sold, 20 million people have seen the hit musical *"Mamma Mia!"*.

In general, three factors have contributed greatly to the increased sales of the creative industries: technological breakthroughs, digitalisation and globalisation. And where will this lead us looking forward? Just to give us some food for thought, we conducted a study this summer bringing together hundreds of reports from financial analysts in Europe and America. This gives you the broad picture in which it is obvious that electronic entertainment is a fast-growing sector and I will be able to elaborate on a lot of this. But it is obvious that experience – before you had to wait for the circus to come to your town. Now you have experiences in your pocket, you can pull them to you instead of having them pushed to you and we talk about a very flexible and digital situation here. Comparing regions in the world; the western dominance in the media and entertainment market is to be expected to last over the following years, but note that it is only in the Asia Pacific market where you will see double-digit growth every year during this period.

Second value: the creative industries create the conditions that allow other businesses to thrive

The second value: the creative industries create the conditions that allow other business to thrive, this includes other manufacturing and distribution companies and other types of supporting businesses. For example, how good is an MP3 player without music? And more examples: more than 50% of the film industry revenues come from merchandising, less than 4 % come from ticket sales in the movie theatres. And the business core of the majority of the largest entertainment and media companies is distribution, not production. So the value-increasing potential of creativity is enormous. Starting with one idea or story, a multitude of additional sources of revenue or spin-offs can be created on the back of it.

This clearly indicates the creativity and the power of content facilitate a multitude of opportunity for supporting business but the relationship between creative industries and these supporting businesses are often close and co-dependent as with technology manufacturers. In the video games business, these are the players now that are driving the industry.

Third value: creating publicity and creating shared frames of reference

The effects of the first and second values are easy to put into figures. But we should always recognise other effects when evaluating and planning policy making, talking about the creative industries. One of these values is to imagine creation which will be the next value in the solar system model to discuss.

In fact, I would say that creative industries are a major contributor to the process of image creation. Internally, the creative industries help the process of creating an identity by creating shared frames of reference by generating self-esteem and pride, and externally, it is all about marketing, brand building and PR. One of the creative industry's values is the ability to create publicity.

In terms of branding, the creative industries act as a spotlight, even in cases where it would not have been the original intention. Abba, for instance, did not start out with the objective to promote Sweden but since the band's breakthrough in the mid-1970s, millions of people have heard Abba's music. So this benefits Sweden as the band is associated with the country and the Swedish Government has clearly recognised the importance of the creative industries as a PR tool. The argument is that this kind of branding is assumed to strengthen the possibilities for attracting investors and boosting sales across all industries.

Like the head of the Swedish Institute used to say, you often only get five minutes to pitch your idea to potential investors abroad, then you do not want to need four of those to explain where you are from. Furthermore, the creative industries facilitate the process of shaping an identity. What we do and talk about in a country is quite much what defines a national identity and national culture. This is also one of the reasons why culture and content has become such a sensitive object in trade negotiations. The forces are always strong since there is big money at stake.

One example, Jack Valenti, the former president of the Motion Picture Association of America complained in one of the negotiations. This has nothing to do with culture unless European soap operas and game shows are the equivalent of Moliere. This is all about the hard business of money. But as you may believe, the Canadians or French do not exactly agree.

However, you cannot be good at everything and furthermore, the creative industries cannot and will never be able to be the saving grace of all nations, cities and countries.

Fourth value: attracts, like a magnet

The fourth value, which is described here as: attracts. The creative industries can serve as a magnet, first in terms of tourism, secondly attracting investments and people. Regarding tourism, it does not grow in a vacuum, there is always something that attracts a visitor. A bustling creative life is one example; attractions come in many forms. The effects of a city or nation can be counting on revenues with supporting businesses, such as hotels, restaurants and transportation. This picture is from the biggest rock festival in Sweden and it demonstrates that except listening to artists you have to do something and what do you do is you often consume or you have to consume, at least, something in order to eat. In a study I carried out a couple of years ago, I noticed that during these four days, the rock festival kept going, about 8 million euros were generated in sales for the municipality.

Referring to Abba, I will not say that the fame of the pop group attracts visitors to Sweden even if it might happen, but rather emphasises the creative life that formed the basis of the pop group is now taking other forms and therefore making Stockholm and other cities interesting to visit and live in. Furthermore, an example of how these values are interrelated, namely how image also attracts opportunity, it attracts visitors and inward investment.

Fifth value: create added value, increase sales of experiences

Next value: added value. The creative industries create added value for other businesses in other industries, increasing sales of experiences and creative content, indicates that consumers are spending more and more money and time on entertainment and the stimulation of their senses. But another side of the coin is that sales of other products boost with the help of experiences and creativity. This is why product design and supplementary services, for example, are playing an important role here. Creativity is more defined as contributing input here, in a business that traditionally has not been so dependent on it but now sees an opportunity to exploit it and add value to their own products.

For instance, we can talk about what made you choose that mobile phone model? Did you like the colour? Did it fit nicely in your hand? Surely it was not about that you were able to make phone calls on it. So the argument here is that if a product expresses a promise of an experience, then added value is created in that product and if a product does not have this added value, it will be subject to downward price pressure. So the opportunity for the creative industries in this context is to be an integrated part of this production process in a capacity as tool or catalyst, gen-

erally speaking, and not solely being exploited without little or zero return.

Sixth value: intrinsic value, to balance between culture and commerce

Regarding exploitation as the balance between culture and commerce, Abba has shown it is possible to turn down most comeback offers; the most famous bid was US\$100 million at a millennium party. It is easy for them because they do well anyway. I will take that to the next value, namely intrinsic value.

I will ask the next question: is it not good to see a smile like this? Does the world have to always be utility aspect? Is there not an intrinsic value in aesthetics, art, culture and beauty? At least to many of the producers of creative products think so and we have to acknowledge that. Abba turning down the comeback offer is just one example.

Is it not so that many of the creative industries' products make us feel good? We should not forget this either. People have always wanted to enjoy themselves. Now they can to a big extent and this development can also lead to the creation of more user-friendly products. Of course, a more optimistic outlook, but maybe technological development will be more guided by aesthetic considerations and achieve a better understanding of the way people think. Function follows form and not vice versa.

Three business models: scalable, live and value enhancers

Putting this together, the solar system model shows that the creative industries have the potential to offer several values, not only the direct effects measured in sales. However, you cannot be good at everything and furthermore, the creative industries cannot and will never be able to save the grace of all nations, cities and countries. Also, if everyone tries to achieve the same goal in the same way, only a few will succeed of course. Initiatives must therefore be based on individual pre-conditions. Hence in Asia, all cities supporting the creative industries should conduct an analysis of all these values, balance them and ask the question: what values are most interesting for us and how can we focus?

I would highlight two more components in this framework that would hopefully structure the analysis. First, the creative industries made up by different business models. Generally speaking, we can specify three, namely scalable, live and value enhancers.

1. Scalable businesses are where the financial markets are focusing on since they are always looking for growth, scale is required and therefore this is where we find the creative industries' contribution to the Fortune 500 list. Here we have the media-dependent businesses such as television, the recording industry, publishing and the other side of it is other scalable products such as designer items, luxury goods etc.

2. However, if the financial markets prefer the scalable business, live industries are definitely interested for a city or a nation from another perspective, because this kind of business is interesting due to the indirect effects they generate. A person who goes to a concert typically spends less than half of the total cost of going out on the ticket. The rest goes to other things such as transportation, hotel and dinner, as we talked about previously. These are revenue streams that go to the city and not to the symphony orchestra or rock band, whatever the concert is about.

Remember when we talk about "attracts", these are activities that both are a magnet for visitors and creates a good life for the inhabitants. The activities are basically what make up a fun nightlife for example, a vivid cultural city, district and so on. Just one note about these activities, they can of course also be conceptualised and be scalable. Businesses like McDonald's and Starbucks are two obvious examples here.

3. Value enhancing sectors might also be seen as part of the creative industries and these are sectors whose input is sold to other industries and in one input is industrial design. Very important to the economy in general but often less important in direct contribution hence, they should be recognised for their contribution to the economy as a whole and not assessed by the relatively less jobs they are generating.

Two arguments: support creative foundation, manage creative function

As for the question how to support the creative industries, the six key values which I mentioned are based on the process of creativity. They have a common core which can be likened to the sun and that also explains the term "solar system model". What do I mean by the sun here? The sun corresponds to people that create the conditions that allow a whole system to thrive. I refer to people with energy, creativity, knowledge, often working in small to medium enterprises which forms a basis for creative industries. And referring to Abba and Benny Anderson, I

would put him here in the creativity, corresponding to the sun and generating all the other effects.

Two points regarding this core; the sun in the solar system model. First, according to this argument, there is a need to support this creative foundation. Comprehensive policies should therefore support a prosperous sun, meaning providing education, financing and other kinds of support for the critical resources, the valuable creative people.

So in order to safeguard creativity, this includes measures such as freedom of speech, permits for exhibitions and venues, there are hence industry side arguments for cultural education, policy interventions such as subsidies, activities in youth centres, clubs, associations, resource facilities and venues. One can see that these activities very much constitute the R&D in this sector. So investing in the culture side of the creative industries is in other words an important precondition for the industrial side. I will not elaborate on this more now but we can also talk very much about how to go from the creativity to actually how the creativity will be valued in terms of generating these whole effects because we often see a gap here – or maybe a gap among the creative people. It often lacks business education, that the policy framework does not recognise these independent workers often freelancers, and so on.

Second, regarding this core; there is also a need to manage this creative function. Brands may change if the culture capital is not well taken care of. Last weekend I visited Nashville, Tennessee, USA. The city is called "the music city" since it is regarded as the world capital of country music. This country music has become



The value-increasing potential of creativity is enormous. Starting with one idea or story, a multitude of additional sources of revenue or spin-offs can be created on the back of it.

Publishing has the value of image-creating

Ask: What is the role of the publisher in the creative industry? Can you tell me your own experience?

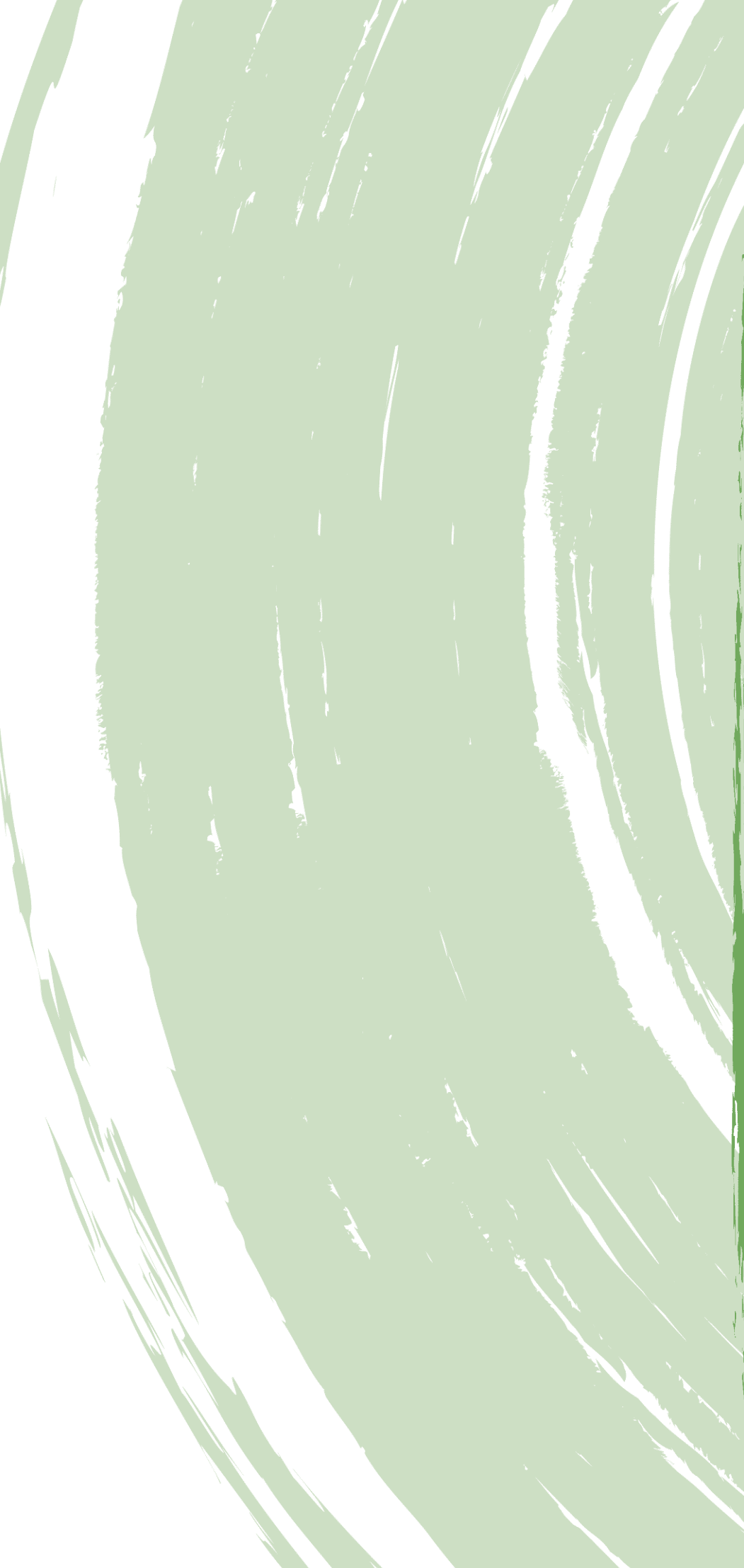
MR TOBIAS NIELSEN: Obviously, publishing is an industry. You just have to look at *"The Da Vinci Code"* success and so on. But there are other very important values which a publishing industry can contribute. First, we have the image-creating side of it, in terms of identity, who are we, the heritage we carry with us and so on and also externally, what image do we project ourselves and our environment here to the external world. That might also lead to attracting visitors and tourists, inward investment in general.

an enormous industry in the city. Walking around the streets of downtown Nashville is like being a giant theme park. And typically, located next to the famous Grand Ole Opry, the epicentre of country music during several decades in the 20th century. There is now a shopping mall and an enormous yet tacky hotel. I would say it is so close to Las Vegas you can go without actually being there. It is obvious how these activities exploit the Opry and Nashville brand.

For instance, you may see a guitar symbol in Opryland Hotel. And it is also the logotype of Opry Mills Shopping Mall. So how far can they really go here? The question is if Nashville will not continue to be the capital of country music in the world, if big artists like Sheryl Crowe would not move there, the current beneficial link for the shopping mall and hotel would lose its significance. So my important point here is that the bars, the venues, the country artists, the producers, they are all a necessary condition for the rest of Nashville to drive. They are part of the sun which generates all the different values.

In concluding this presentation, I would come back to this solar system model and emphasise that the values that I have elaborated on all stem from this source. So, last words, these people who contribute creativity, imagination and knowledge to a society and create the conditions for the different effects and values of the creative industries should therefore be supported and recognised.

Thank you very much for listening.





Thinking Creativity Index in a Creative Society

Creativity Index is a policy tool for assessing contribution of creativity to competitiveness, illustrating in what ways societal transformation has taken place and explaining how creativity's positive effects on society can be sustained.

Dr Desmond HUI

Director of the Center for Cultural Policy Research, The University of Hong Kong

MR BENNY CHIA:

Dr Desmond Hui is no stranger to Hong Kong's arts audience. He is the Director of the Centre for Cultural Policy Research at the University of Hong Kong. He is also adviser to the UNESCO in cultural industries in Asia and the Pacific among many, many other distinguished achievements. In the year 2004, he was commissioned by the Hong Kong Government to devise a framework for Creativity Index. He has just completed that and today he will explain what this creativity device is, how and where we can apply it.

DR DESMOND HUI:

It is indeed my honour to present our work on the Creativity Index to you. I said "our" work because it is the outcome of collaboration of many parties and individuals. Some of them are also here in this room, and I would like to acknowledge their contribution before I talk about it.

This is a project initiated by the Home Affairs Bureau under the leadership of Dr Patrick Ho. Our centre at HKU was commissioned after a proposal called "Carry Out this Study" since September 2004 and apart from myself as the project director, we have Dr Ng Chun-hung and Patrick Mok as team members. The HAB team consisted of Mr Fong Ngai, Dr Chin Wan-kan and Christina Yuen. We have been assisted by Mr Colin Kwok, Ms Jenny Lee, Ms Sylvia Wong and Mr Au-Yeung Shing; with professional consultation from Mr Yip Hap Kwong from Policy 21 of HKU, who carried out the World Value Survey of conducting 1,200 samples of 300 questions of survey; Dr John Bacon-Shone of the Social Sciences Research Centre of HKU on the statistical analysis of our project; Professor Ronald Inglehart

from the University of Michigan on the techniques of the World Value Survey, as well as provision of data from other countries for comparison; Mr John Kreidler, who some of you may remember was invited also to the ACCF last year, from Cultural Initiatives Silicon Valley, for doing the same regarding methods and data on the creative community index study which we also borrowed in our work; and finally, Mr Richard Engelhardt from UNESCO Bangkok as our honorary adviser, who will follow up our work to develop this into a research plan for Asia Pacific.

Before I go straight to the topic, perhaps it is useful to give you some context within which this work came about. We were commissioned in 2002 by the Central Policy Unit of the Hong Kong SAR Government to carry out the first study on creative industries and the report. A baseline study on Hong Kong's creative industries was released in September 2003. Let me just briefly mention, recapitulate a few important points discovered in our study.

3.8 % of GDP

We identified, similarly to the UK model, of 11 sectors of what we call creative industries, which includes advertising, architecture, art, design and so on, and then we used the method, also borrowed from the UK pioneering study on mapping the sector, of what we call the standard industry classification codes and with the help of colleagues from the Census and Statistics Department, we managed to calculate the value added of these sectors which came to about 3.8 % of the whole GDP for 2001.

One thing I would like to alert you to is this diagram, which we had the fortune of conducting this study, unlike most other advanced western countries who did the study when their economy was in general growing, we were studying actually the period in Hong Kong where the economy was actually going down. So we had the fortune of discovering what creative industries actually perform, not only in good times but also in bad times, and there you have this figure.

The red line shows you the overall change of GDP and the blue line shows you the creative industries sector. So you can see that actually when the economy is dipping down, the creative industries actually dip down

When the economy is dipping down, the creative industries actually dip down even more. But when the creative industries starts picking up, the creative sectors actually pick up even faster.





even more. But when the creative industries starts picking up, the creative sectors actually pick up even faster. So do not always put your attention actually only to the growth sector but notice that it has a downside. So if we were the policy makers, we would ensure to minimise this area if we know the trends and to maximise this area when we know it is on the up-climb. So this is a more updated tracking of the trends We have additional data from 2002 and 2003 and this is actually showing also the same volatile pattern of the creative sector in terms of employment. You can notice actually the overall path of the industry is in addition and this dotted line, which is actually for the creative industries.

Work force – male, young and highly educated

You notice that this line end of 2003. We do not have newer data but it is very apparent and obvious that this line actually is going up faster than the overall economy. So it is important if we know that the creative industries as a whole is on the up line, then perhaps we should try to formulate policies to help it grow even faster and to maximise from this increase, from the overall growth of the economy.

We have some characteristics of the creative workforce from our study. About 60,000 core workers engaged in what we call the creative production and these people, generally, were male dominated, with 68 %, which is more than the 56 % of the overall workforce. They are very young, half of them actually fall within the age of 25 to 34; very highly educated with 65 % tertiary degrees. At this point it is worth noting, unlike other countries that tell us that the creative industries are entrepreneurial, in Hong Kong, it is not, and 94 % of these people are employees, which means that if creative industries actually is a kind of catalyst for entrepreneurship, it means in Hong Kong we have the potential that a lot of these people could actually go out and start their own business. The last point is that their income is relatively better than the average.

From that study, we were commissioned a year ago to carry out a study on Hong Kong's creative industries. This is a project in Guangzhou and if you think that we have debates about West Kowloon, this is a project of even more significant dimension in terms of how private sector are involved in developing cultural industries. It is called the "Creative Valley", the name of the project is called "cong guk".

It is actually pioneered by a business which started with agriculture and they have a lot of land actually. So this project actually is about 17 hectares. It is only about half the size of West Kowloon, but the plot ratio is 2.3, so it makes the whole

development area about 70 % of West Kowloon. You see what they are doing, they are putting this whole land in the use of developing culture and creative industries and I was invited by the Government to meet these developers and to give them some kind of advice on the project.

Then early this year we also had the good fortune to be commissioned by the Chaoyang district of the Government of the City of Beijing, to help them study the strategies and planning of cultural and creative industries as a kind of growth engine for the economy. I would like to show you the one project arising from this study, which is an area called the Great Circle, "Da Wan". This is Chaoyang district in relation to the old city wall of Beijing and the Forbidden City is somewhere here. So you can imagine, this is the biggest, richest, fastest growing district in Beijing because this is where – when you come from the airport, you must go through this district. This area is the Olympic Village for 2008.

It is a site of almost 600 hectares, so you can imagine, you can put 15 West Kowloon cultural districts there. They are planning to turn this "Great Circle" district into a cultural industry district and they undertook already analysis of the site. Then they already started one or two projects like this one. The film museum in Chaoyang was started in 2001 and by now it should be almost finished.

3TS – talent, technology and tolerance

So this is a context – When we are talking about creative industries, when we are talking about what is happening in our neighbour, PRD, Beijing and the region, and of course the experience that is shared with our foreign speakers; that is all happening around us.

Then we are now beginning to look at how to promote it, how to develop it. But if you look at this diagram, creative industries are only the downstream of what we call the creative acts and the action. Then to measure creative industries or to map the creative industries only tells us part of the story. Perhaps the more important thing to do is to see what contributes to all these, from the creative acts to the industries and then upstream to the origin of creative industries themselves.

This was the intention. The Home Affairs Bureau commissioned us in September 2004 to carry out this study on Creativity Index. If you remember last year around this same time, we produced the interim report.

Then to measure creative industries or to map the creative industries only tells us part of the story. Perhaps the more important thing to do is to see what contributes to all these, from the creative acts to the industries and then upstream to the origin of creative industries themselves.



Creativity Index is a policy tool for assessing contribution of creativity to competitiveness, illustrating in what ways societal transformation has taken place and explaining how creativity's positive effects on society can be sustained. When we started our study, we looked at existing similar studies on competitiveness, such as the World Economic Forum, the Growth Competitiveness Index, the Heritage Foundation Index on Economic Freedom, for which Hong Kong has been

ranked consecutively as the freest, and the IMD World Competitiveness Index produced by Zurich.

We also looked at two studies, the first one is the Creative Community Index produced by the Cultural Initiatives of Silicon Valley, in which we borrowed the idea of cultural participation in our model, and also the famous Richard Florida study on Europe in the Creative Age. Florida is now known as someone to promote this idea of a creative class, in which he says that talent, technology and tolerance are the three most important aspects that contribute to economic growth of a region and therefore, he formulated this framework for measuring.

He had nine indicators, three of each of these 3Ts; talent, technology and tolerance, and based on these indicators, he measured 15 European countries against the United States. These are actually the results in terms of the Talent Index, of which the United States is on top in terms of talent, in terms of creative class, capital and scientific talents. But when they put the tolerance and technology index all together, the 3Ts together, they discovered USA is not doing very well. It is doing great in the first two, talent and technology but very badly in tolerance, ranked only about 13th among the 15 countries. So it came only 2nd in the overall comparison to Sweden. And indeed, most of the Scandinavia countries doing quite well in this comparison. Of course, it will also track the leaders, the losing ground, laggards and the up-and-coming. So that is how they create some stir among the Europeans.

We tried to adopt his model and to try to find out our data from Hong Kong to see how we do according to this framework and apart from the tolerance index for

Leisure and entertainment not included

Ask: I would like to ask Dr Hui, you said in the past few years when our economy was poor, the Creativity Index was also going down. But I have seen a phenomenon, that is when Hong Kong was at its worst economically, more people went dancing because they were bored, they did not know what to do. A lot of the community dance groups appeared. So have you added this to your index?

DR DESMOND HUI: For the definition of "creative industry", there must be an element of intellectual property and if it is intellectual property then we will incorporate it into our study. For dance halls and other leisure activities, we did not include them in our study. I know that on the mainland, cultural industry does include dancing and singing and karaoke, but in our study, concerning creative industry, we have given it a definition. We did not include them in our study.

which we did not have the data then, we discovered that in talent Hong Kong is not too bad, we are 9 out of 16; then in technology, we are not so good, 13 out of 16, but not the bottom anyway.

5CS - human capital, cultural capital, social capital, cultural and structural or institutional capital

So we cannot really compare the overall creativity. But there are also reasons that we cannot simply adopt Florida's model to compare Hong Kong. Because his model in a way is biased, biased in the conception of a framework which measures only economic output but also in favouring the model in terms of countries that develop very high-levelled skills in R&D research and also the economy is made up mainly of giant multinational corporations. These conditions are not simply applicable in Asia because Asian economies, they do not have a similar kind of structure. We depend more on the FDI, foreign direct investment, our economic development thrives on service economy as well high tech economy and we have a lot more SMEs rather than multinational corporations.

Also, creativity, we think we should not just measure economic returns but also measure other conditions that would favour the prospering of creativity like institutional infrastructural conditions and also social and cultural values. Therefore, our objective is to assess the creative vitality for sustainable growth in the creative sector and for overall policy making reference, decision making in investment, travelling and residence and also lastly, as a kind of benchmarking for international comparison.



So we came up with an alternate model called 5Cs versus the 3Ts. What are the 5Cs? It is the heart of the outcomes of creativity, it measures what was actually put out and created. Contributing to this output are the four capitals capital, cultural

and structural or institutional capital.

What are the outcomes of creativity at the heart? They are economic contribution, inventive activity of the economic sector and then non-economic output. Under the outcomes we have all together 17 indicators belonging to these three main groups. So for example, in economic contribution, we measured GDP and we measure the contribution of the creative industries. For outcomes, we also measure circulation of papers, books and periodicals published, number of films produced, number of lyrics written, buildings designed, et cetera, and we collect all this hard data with the help of the statistics office and then we came out with all this data.

So this is what we produced as a graph, showing the changes. You notice that they are all showing very good steady growth, particularly economic component. But you notice that in the other output which includes film, the drop in 2003 was largely the result that there was a sharp drop of film production for that year that contributed to that drop. So the overall output curve is satisfactory.

Now we look at structural and institutional capital. We mentioned these eight conditions from which we collect data accordingly, and therefore, we have altogether 23 indicators. Then we discovered that they are on the whole also improving from 1999 to 2004. For three of the indicators like the independent legal system, the perception is it is rather stagnant, together with corruption – perception, which is this line and also freedom of expression is, in a way, almost stagnating or tending to decline. But then it is all balanced by the other three; financial infrastructure, infrastructural conditions of ICT; and the robustness of the entrepreneurship. So in the end, we have also a positive growth.

We look at human capital with R&D, population of knowledged workers and the transience or mobility of the population and similarly, with 11 indicators, we came up with a data curve like that. I think the human capital for Hong Kong actually

looks very good. All the three curves are rising and in particular, the R&D expenditure is on the increase. It is quite impressive, the growth.

So this is the overall growth. For social capital, it is tricky because we measured these items which are values, trust, reciprocity, sense of efficacy, co-operation, diversity, inclusiveness, human rights, foreign immigrants, modern values, self-expression, social participation and all that. And to do that, we used the World Value Survey devised by Michigan and these are the indicators actually contributed by this survey which we conducted for 2004 and 2005. But then the other data are historical so we assume that people's values do not change so drastically in five to six years and therefore we apply the same data to come up with the same result and there we can see that for one index which shows historical data, it is also growing. And indeed, this social capital measuring corporate and individual donations –and there was a sharp increase from 2003 to 2004.

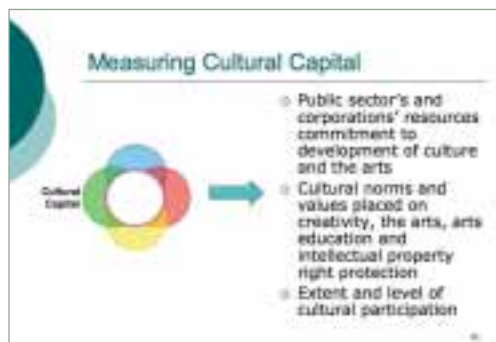
The moment to motivate the development of the creative industry

Ask:In your report, you said that Hong Kong had a lot of talents in the creative industry, but how can Hong Kong's creative industry be not doing particularly well? So, in your study, what is lacking in the creative industry and can the government identify the deficiency from your report so that remedies can be made?

DR DESMOND HUI: Our index measures talent, but talent is not only the talents within creative industry. We talk about talent in many categories. Talents are – we just say that talents are very important to motivate the development of the creative industry. So when we are talking about how many people have postgraduate degrees, undergraduate degrees or secondary school education, so when we are talking about creative industry, the percentage of people having the degree would be quite a lot more than other countries. But it does not mean that the more degree holders we have, the more prosperous the creative industry would become. It is not a necessary outcome.

We need to see the comprehensive and social environment to see whether society would have such ideas and also to see whether the Government is supportive. Of course we see that in recent years, every Government policy's address to this creative industry's development and yet when we need to sit down together to finalise the policy, we find that a lot of elements have been considered, so at the end of the day, the development was not being implemented.

We hope that in one or two years we will see some of the more concrete measures to help us to develop the creative industry. In fact it is the best time, the best moment to motivate the development of the creative industry. I hope that the Government will grasp this momentum and to create these relevant measures to help us to support this development.



Human Development Index (UNDP)

Country	HDI
1. Norway	0.954
2. Australia	0.940
3. Netherlands	0.937
4. Belgium	0.934
5. Luxembourg	0.933
6. Canada	0.929
7. New Zealand	0.928
8. Sweden	0.927
9. Japan	0.926
10. Iceland	0.925
11. Denmark	0.924
12. Switzerland	0.923
13. Austria	0.922
14. Germany	0.921
15. Finland	0.920
16. Slovenia	0.919
17. South Korea	0.918
18. France	0.917
19. Norway	0.916
20. Australia	0.915
21. Netherlands	0.914
22. Belgium	0.913
23. Luxembourg	0.912
24. Canada	0.911
25. New Zealand	0.910
26. Sweden	0.909
27. Japan	0.908
28. Iceland	0.907
29. Denmark	0.906
30. Switzerland	0.905

Lastly, cultural capital. We measured the public sector's commitment in resources, cultural norms and values and also lastly, cultural participation. Similarly, we conducted a survey which was modelled from Cultural Initiatives Silicon Valley in the creative community index and we came out with a result which shows two sub-indices are also increasing. So in the end, we have an index and an overall ranking of these five component

indices and as a precursor to show the overall status and underlying features of creativity in our community, which demonstrate our relative strength and the socioeconomic and cultural conditions for growing creativity and this is a database which we could develop further for the creative society.

Of course we would like to have other Asian cities to participant in this study and then we will also compile the index regularly for our self-assessment and then finally we hope it can be developed with UNESCO.

Somehow, in parallel with the human development index, HDI, pioneered by UNDP, measures life expectancy, educational attainment and adjusted real income, three indicators. Then what is human development? Human development is about more than the rise and fall of national incomes, it is about creating an environment in which people can develop their full potential and lead productive creative lives in accordance with their needs and interests. This is the data which I showed you, this is actually data from 2002 and indeed, if you look at the first 30 on the list, Hong Kong ranks quite high. Actually Hong Kong is 23, the second Asian city in the first 30. Second only to Japan. Japan is No. 9. Then this also shows the trends – how Hong Kong performed over the years from 1975 to 2002. Then just recently, they released the 2004 figures and Hong Kong has gone up one place from 23 to 22 and then Chaoyang, originally 94, this year has moved up to 85. So it is a drastic improvement in terms of human development.

UNESCO actually held an international symposium in India with over 50 committees from 20-some countries. The outcome of this meeting was the Jodhpur initiatives which call for an action plan for countries in Asia Pacific to develop cultural industries as a means for both human and economic development, especially in social inclusion and poverty reduction. Part of this action plan is a ten-year research plan which includes four components of data collection and the fourth component is actually a project on the Creativity Index. Just less than 24 hours ago, I received notice from UNESCO Bangkok that UNDP in Bhutan has given the green light with some funding to proceed with this project.

] The moderator shows some photos of Patrick Ho and him when they attended the conference in India. ^

Measure culture with Chinese value

Ask: Culture cannot be calculated but then it can be quantified. We are at the moment to follow the western framework that we could quantify every value. But what about these people, such as those people we see in Beijing? They are practising calligraphy to draw on the floor outside the museum and they people are singing to each other, or writing poetry. They could have a lasting effect for our community. How should we measure their effect? What method of calculation should we adopt? If we are using your framework, in the western framework, do you have a kind of framework that can measure all of these cultural and civil artwork and artistic effect?

DR DESMOND HUI: I think your question is great and of course our Creativity Index, we would not be using all hard data. Part of it, we were talking about the social value and then to calculate those, we did not use hard data. How did we quantify those things, the value? We would use the research on the sense of value. We ask you how important you think this is, you give me an answer. Based on that answer we compare the other people's answers so that we would create this quantifying percentage and to therefore generate some data to illustrate our index.

But if you say to me I cannot quantify anything, how can I put these information into the framework of our data? Because of course, you are talking about the calligraphy on the floor outside of the museum, but that is a kind of output. But then these are the things we cannot capture. If the rain washed it out there is no more. So therefore Chinese people – we can only measure it by the sense of value inbred in Chinese people and then how they see things and then using that kind of answer to make a value on these – the value of these cultural things in civil society. But then as to how to quantify other things, we can still be thinking.



The Historic Writing Will Change the Past

The idea of history has always fascinated me. "How can we encapsulate whole cultures and whole societies?", if I have made some remark like that, let alone the fact that you are an Englishman studying Chinese. In that case, there would be almost no culture at all. Anyone has the right to study anything.

Prof Jonathan SPENCE
Sterling Professor of History, Yale University

MR BENNY CHIA:

The speaker I introduce to you is a scholar in Chinese history. Professor Jonathan Spence is the Sterling Professor of History at Yale University. Normally, if your subject is Chinese history at Yale, the class may consist of 40 to 50 students. But Professor Spence's lecture can draw 500 to 600 ones.

He has written and published more than 12 titles, not including those he collaborated with others. His books, like most history books, do not gather dust on the book shelves. They are widely read. I have also read somewhere that he writes like an angel. He himself says he writes history because he does not have the courage to write fiction. You may know Professor Spence was born and educated in England, however we wish that if he had been born and grown up as a Chinese. And this is my introduction.

(Spence was grateful for the introduction. He explained that although the topic was narrowed to his own works but the Q&A still open somehow.)

PROFESSOR JONATHAN SPENCE:

In that light, I would like to say that my study of China came when I moved to America as a graduate student long ago, in 1959 and the only able to I was payable to do Chinese history was that Yale had and still has, in many ways, a very flexible system of course selection. If it had been made too hard for me, I would never have changed subjects, I would never have opened a Chinese book and would never have known anything about Chinese history.

My reason for switching was that Yale University, where he got a graduate fellowship back in 1959, let me to choose what I wanted to study. I often tell people the only decision I made about this was to feel that I should in fact use the time at Yale to do something I had never done before. I was tempted, humans being what they are, to redo things I had done before so I could have a lazier time. For some reason I banished that thought and looked at a number of subjects I knew nothing about. In fact, I tried to make a list of subjects I knew nothing about. But on it was the idea of China.

Because of knowing nothing

Why had I never been taught anything about it? Why did I know nothing about it except for having glimpsed a few examples in a particularly beautiful small museum in London of Sung dynasty porcelain. And I still remember the shock of that when I was about 20, of seeing this absolutely amazing art in the Sir Percival David museum, some of you may know it, a tiny museum in London, and one or two other very vague memories of China; some of which were not encouraging, one of them was the still very lively memories in 1959 of the Korean War and the tensions and terrible fighting between United Nations forces and Chinese forces in the name of Korea.

So I have dark images, I have those artistic images and I had a work image, I think observed during the very early part of World War II when I was a young child when I was living in Berkshire in England. My father was in the Army and in fact had been caught at Dunkirk but was lucky enough to get out alive eventually. But in those early newsreels in cinemas and on the BBC, as it was still broadcast during the war, I remember being told about the Chinese road to Burma, the famous Burma Road to Kunming, from Kunming down into Lashio. I thought how extraordinary, all these different things are going on at once; this amazing courage and tenacity, this amazing aesthetic brilliance, and yet this ferocious warfare. There are obviously many, many things intersecting here and I think I will try and studying them.

I could not have done that except for an extraordinary coincidence that the teachers with whom I most wanted to work just happened to have come to Yale just as the time I did. So I would like to pay homage to my teachers Arthur and Mary Wright who let me choose the subject of China, let me concentrate on it and when I had fallen completely in love with the subject, persuaded me to try doing some Chinese language courses, a process on which I am still embarked. I have great

Why am I here you may ask. I suppose, because I love Chinese history.



respect for westerners who can become truly bilingual in Chinese. It takes a lot of hard work. I know it takes just as much to be bilingual in English but you seem to do it much better, so I am always impressed by that. If I had another life to lead I would start learning Chinese at six, but I did not, so there we are.

Why am I here you may ask. I suppose, because I love Chinese history. I spent my life on it after that period of decision making in 1959 and I ended up writing quite a lot about China. In fact, pretty much everything I wrote was about China. The reasons for that are not entirely clear to me, and I think particularly for students here, I should point out that in my own thinking and in my own heart, so to speak, I never had a sense of the exact priorities that my writing would take and I did not really plan any particular sequence in how I should study China. I think my motive, the only central motive was that I felt somewhere intuitively, that somewhere in 1959 and 1960, that there was an astonishing story here, such an old-fashioned word, "story", in this culture and I wanted to share it with the West.

Labour of synergy

The point here being that to be here now when my books are suddenly coming out in Chinese, in Taiwan and in the mainland and I hope circulating here in both simplified and complex characters, this to me is a complete bewilderment and an absolute delight. I just love looking at myself in Chinese, and saying things like, "Did I really say that?" as I look at these long elegant sentences. I salute the often unknown translators who work so hard to try to make sense out of it.

I brewed a little about the creativity of the cultural labour that I heard about today when I think about the joint enterprise that we and the translators are involved with, which is that I spent or spend two years laboriously translating from Chinese into English. It is then given to a translator who spends two years translating it back into Chinese. I find this a very elegant example of what I think business people call synergy. This could be a self-replicating process until the end of time. If we did it four or five times more we could have the wonderful equivalent of that children's game when we try and see what relationship is left between the original text and the version we now have.

It is all the more fun when it is translated into other another language. One thing that is keeping me going now, watching the mail daily is that the news of the *Death of Woman Wang* is being translated into Turkish. For some reason, I am delighted with that and I hope it will be enough to get me to try to understand

First time to struggle with another historian

Ask: Could you share with us what you are working on now? Where are you going next with the history of China and the future of China?

PROFESSOR JONATHAN SPENCE: Have found I have gone back to the period where I started as a graduate student, which is this period from the Ming to the Qing. That period in 1644, when the last government of the Ming fell – the Ming emperor committed suicide, literally and symbolically – outside the Forbidden City, just on the edge of the Forbidden City, and first of all, the peasant rebels of Li Zhe Chung and then the Manchu forces working with Chinese collaborators, seized the city and established a new dynasty. I had seen this from the point of view of the victors.

From most of the indices the historians use, or feel they have a handle on, the Ming had been a pretty terrible dynasty. China had lost territory, it had completely succumbed to the threat from the Mongol peoples in central Asia, much more than for hundreds of years before. It was having terrible trouble on the coast with piracy, which they blamed on the Japanese, called Wokou piracy, but it was mainly Chinese driven to desperation by the situation in China. What was it like? What did you think you had lost? If you regretted the fall of the Ming, was your regret something we might call personal, was it a sense of personal loss, or was it somehow national? Or can we even call this ethnic or racist in some way? Was it the loss for something truly Chinese that had succumb to something pretty much Manchu, or partly Manchu and semi-Chinese – because there is a huge amount of argument about exactly what this conquest dynasty was and how important were the Chinese as advisers to the Manchus anyway, in which case it is more like a civil war than a foreign conquest.

But what was it that had gone? Was it somehow a state of mind that people wanted to preserve? A state of being victimised? Some of us like this or want it or feed on it. Was it a sense of loss that people wanted to keep alive?

That was really the question I was asking over the last three or four years, and the man I am trying to answer it through is somebody – the people interested here in literature might know his name, called Zhang Dai, who was an essayist and a stylist who wrote very little until the conquest of the Ming, and once the Ming had fallen, he began to write like mad and he wrote only about the Ming. So in this case, sort of creative energy was unblocked by the loss of what you had most loved and somehow he was released.

He had lost his property, some of his family, he had lost his library, which was huge. He slowly began to put things together again and he became a writer. He became a writer at 47, when he lost everything. So he was a 47 year-old and he is constantly saying, "I am about to die, I feel so awful" – he lived to be 80-plus comfortably. That is what I want to do, I want to study someone who recaptures the past through the power of their memory because he had a key moment.

So most of his works were not published at the time, but they were stored either in the family or by other friendly people Xiao Xing or nearby and were slowly made available. Now there is much genuine scholarly fascination in the mainland of collecting what we can find for Zhang Dai. So I am struggling with this. It is the first time I have had to struggle with another historian and I find it exhausting.

I have worked with the destitute and emperors and huge cultural surveys, but this man is subtle and difficult and writes beautiful classical Chinese which takes me hours to try to understand. He has a huge vocabulary – I had never studied anybody with a vocabulary like this. Of course, he had failed the exams which made his vocabulary even larger – it was kind of bittersweet sense here. So that is where I am trying to go and it will not be like anything I have done before but I have to finish it. I am going to try this spring and I do not have a title for it, so I cannot give it to you. But that is the answer.

enough Turkish to read myself, because there is something wonderful about seeing yourself translated.

It is a wonderful enterprise for the author, I do not know if the translators have been saluted in this conference but they absolutely should be numbered among creative people.

Let us see, I was asked to talk about the way I work as a historian. I thought about that a lot when I was asked to do that, before coming here, and I would like to thank all those who brought me here and salute the astonishing industry that led us to exchange something like 75 e-mails to get me from Connecticut to here on the right day.

I am not sure if it is a new side of the creativity but the people who create the paper for those e-mails should get some kind of a salute. I was wondering, if we salute the publishers, we salute the bookmakers, do we actually salute the binders and the jacket designers and so on?

Publishing is indeed a marvellous industry and one of the avocations I have most enjoyed at Yale is being on the board of the Yale University Press. University presses are magnificent institutions. They show you a good deal, I think, about the complexities of publishing and the extraordinary problems of being financially viable as a publishing house. It is very difficult. I am not a good economist but just to read the balance sheets as an amateur before meetings and so on and try to work out how the process of scholarly publication is able to continue and how even learned presses, as they are called, they have to try to balance some kind of measure of trade books with the technical monograph references.

In the future, it is going to be very difficult and remain very difficult and I think get harder to publish really beautifully produced scholarly books with all the apparatus of scholarship in place. There is already rumblings and in fact some examples of publishing monographs of great importance to the field, to a limited field. They are putting, for instance, the pressure of the publisher, putting all the footnotes online in some way or having them electronically stored. On the theory that only 2% of the readers are going to want check the notes, you might as well find the notes somewhere else. I find that a terrifyingly awful idea but it is sort of faintly around out there, so if any of you can stop it, please try.

A personage and a society

What have I been doing since those graduate student days in 1959? I seem to have spent a lot of the time writing. I love writing and I love stories and the idea of history has always fascinated me. How can we recapture elements of the past by working from fragments? Often tiny fragments about lives, if we work out how we would do as we look at ourselves at any precise moment, the whole venture seems sure completely futile. I do not feel it is, I just said it seems futile. We know so little about ourselves, we know so much less about each other, even about our families, loved ones, we only have glimmers and flashes.

"How can we encapsulate whole cultures and whole societies?", people have added to me, if I have made some remark like that, let alone the fact that you are an Englishman studying Chinese. Is that not a double strike against you? I said in that case, there would be almost no culture at all in the planet but the most limited definitions of a sub-unit of national sub-culture and you would have, obviously, the gender edition, no man could write about no man, no woman could write about a man, you would have no Englishman writing about France, no Chinese historian writing about Japan; we would fragment ourselves to increasingly isolated and much shallower positions of knowledge. So I accept the fact that anyone has the right to study anything.

I think that is one of the point of moderately free societies, that you can back off and do what you want. You may not get paid for it, that is different, that is partly up to you and partly up to the amazing management skills and marketing skills and savvy that can lead, as we heard today, to a book with many complex problems to it, to sell 23 million copies, I think was the amount we were told.

I hasten to add I have never sold 23 million copies of anything. But I did come up with a range of books interpretively which I thought I would reflect on with you. I will tell you in advance what the story is so you know where I am going. It seems to me that those books I have written usually – it is about 12 I guess – have fallen into really 5 or 6 different categories and that is what I want to share with you today.

One is the power of the state; one is idea of the destitute, those who are outside the privileged world, of however the state defines itself. And "the role of cultural interchange" – in this case, interchange between China and some other cultural force; then the idea of dissent against state orthodoxy, that would be the fourth of

Dark period has evaporated

Ask: The history that you study is China from its rise of power to its decline. What reasons do you think China was sort of lagging behind the modern world?

PROFESSOR JONATHAN SPENCE: The statement being that I have really been looking at China from a period of success to a period of decline, and what place – what will it take to place it in the modern world? Would that be a fair summary of the question? I had been thinking really this leads to a different kind of a set of problems and these questions are so hard to answer briefly.

But I did not mean this to be a sense of –I never meant to write a history of descent into chaos, "descent" into chaos. I think the Manchu conquerors period is deeply interesting because the dynasty was so powerful, but it took over such a rich and complicated culture anyway.

There was of course decay from within, in some ways in China, partly through the ruling family of the Isinjaro and the leaders of the court, partly through the rather ineffective way they pursued constitutional government and partly because of the extremely strong warfare unleashed against the Chinese, by a whole sequence, the British and then the French and then the Germans and the Russians, and finally, the Japanese. All of these whittled away –it was extraordinary that China survived.

So some of the major constitutional thinkers spend a lot of their time looking at the history of Poland and the history Italy, and I remember my interest in this and when I first saw it and thought, "Why would that be?" It is because Poland has to be studied because that was an example of complete extinction of a country with all its political sophistication, so under the demand of certain great powers. 19th century Italian history had to be studied because it showed you the possibility of coming together after fragmentation. So the combination of Garibaldi and Cavour and Matsini in Italy was something that gave great hope to theorists of China.

If a fragmented group of Italian city states could somehow come into what seemed like a major, re-emerging country by the 1920, or even earlier, you could learn from the past in different ways. So the Chinese were studying ways not to be defeated, not to be victimised and they were trying to modernise their own armies. Just at this period, you then got renewed assaults from Japan, both commercial and military, and of course this absolutely murderous civil war between the communists and the nationalist Kuo Ming Tang, which took huge amounts of national energy and caused an incalculable amount of deaths –all the deaths we cannot count, all the refugees in the burned-out cities and the destroyed villages and the blowing of the Yangtze River dykes and heaven knows that that caused this chaos.

I think perhaps when I started teaching, it was more fashionable to see the Communist regime as successful. So there was a tension here between seeing –we were slowly given bits of information about the great leap forward, but it was hard to understand what had been happening. By the 1960s, one realised that the Cultural Revolution was telling yet another story. It did not seem to fit with those earlier stories, but it did seem that somehow Mao was holding China outside other patterns of global development and was having increasing tension with the Soviet Union and was trying to reach for some way of isolating China and letting it develop a new series of values and structures, and so on. Now most of that has evaporated, and I think in the historical profession too, and this is seen as an extremely dark period that was made much worse by Mao's wilfulness and arbitrariness and perhaps by the failure of those around him in close political leadership positions, to really kind of try to check the more excessive modes of his behaviour. There was a violent disjunctive period. But now, Mao died after all in 1976 – we are just about 30 years away from that event – and watching China now emerge into all kinds of areas of global economies. People were saying today "global creativity" and so on. One feels full of hope here.

these categories; and then what I call the grand panorama, attempts to make a much broader canvass; and then finally, maybe just in a minute or two, if we have time at the end, what I am trying to do now, which is taking me a long time.

Let us start with the power of the state. I felt from very early on in studying Chinese history that there was something remarkable about the Chinese State traditionally. I should say I define myself in a rather limited way for those of you who are true Chinese historians, because



I do not really start my knowledge of Chinese history or interest in it until the year 1600, which is of course is the very end of the Ming dynasty. I tried to take it pretty much up to the present, and that present has changed, of course since 1959, very considerably.

But when I started learns Chinese and studying Chinese history, the present was the great leap forward of Chairman Mao; that is where we were then. And the really very limited and circumscribed regime of the fugitive Kuo Min Tang in Taiwan and Hong Kong status is very much a part of the colonial British Empire, the demise of which had not been thoroughly understood at that time.

So power – I have been thinking about it in different contexts but China had its own limited definitions perhaps. So I was drawn to thinking about power in China as actually being a question of individuals, and I know this is not necessarily fashionable, I have been told I write too much history based on individuals for which I have to say, yes, I do. Whether it is too much or not, I do not know. But I see history as spinning out from individual psyches, individual people and then lodging itself in some sort of broader framework.

From this idea, it seems to me that if we can take or find sources about somebody in a given period of time in China and really get as close as we can to what they were writing or thinking through the records they have left, or what their friends say about them, or their enemies say about them, or what autopsies say about them, or what forensic science says about them, we can begin, through that personage, even with a shadow or a glimpse, to get into the society from which they emerged. For some reason, for me, that has been the world of Chinese culture.

Three Qing emperors

The individuals who drew me to them were the early Qing rulers and that phrase would mean the Qing dynasty that lasted from 1644 down to 1912, with a couple

of failed restoration attempts afterwards. Particularly those early rulers fascinated me. One was Kangxi. Kangxi who ruled from 1661 to a 1721, a remarkable 61-year reign, and though he was only a child at the beginning of that reign, wow, what children can do sometimes. Kangxi had fought a completely kind of successful palace coupe against a set of extremely tough enemies by the time he was 15. He had six kids by the time he was 15, and so on.

What interests me, I tried to read more and more about Kangxi, was that he did something that seemed to me very rare among rulers and yet here was this Manchu conqueror of the Ming state, himself only newly learning Chinese – Kangxi did not know Chinese until he began studying with tutors when he was about 8 or 9. But here was a man who, when he grew to maturity, and maturity was very fast – I said in one of my books emperors of China had to grow up fast if they were to grow up at all. That is one of my more favourite sentences. You really had to move fast to adjust to the battle of life. There were plenty of people out there who wanted to kill you and they were intelligent and well armed and so on.

So an individual ruler like Kangxi, in such a power system, had an astonishing power to see their wishes executed. He could formulate a strategic decision and call upon remarkable resources to execute that decision. I think Kangxi, as I began to read more about him and study him more carefully, does show a problem or truth about human history, which is that individual lives matter immensely in history and if Kangxi had died at 16, I think we could well argue that the history of China would have been immensely different.

But individuals matter, the power of the state matters, children matter and grandchildren matter. So Kangxi, followed by the Yongzheng Emperor, who lived a much shorter time but was a more complex person in some ways, reigned from 1722 to 1735 then Yongzheng's son, Qianlong, who reigned from 1736 right up to 1799, an astonishing period of time in which just three men ruled China for 138 years. In that process of time, China doubled its size from what it had been during the Ming and became very much similar geographically to what it is now with some major exceptions.

It was an astonishing time of growth through what was still nevertheless a conquest alien dynasty. And much of the most vibrant discussion now, in Chinese studies, is going in to try to look at what was Chinese and what was Manchu about these great and powerful rulers: why did they change China the way they

did; what were they trying to do in the long run; which parts of their legacy have endured? As a gloss to this rubric of power of the state – I should say very early on that this, to me, is maybe as close I have come to a sort of historical idea that has some importance – I realised that this power of the individual, as I saw it, was based on information flow – this was long before the computer age – but it was obvious that these emperors triumphed because they controlled and could access the flow of information in an incredibly impressive way.

I will not elaborate on all that now except to say that these emperors developed something that historians call the "secret memorial system" or in Chinese, "zhu pi yu ze", when the emperor is writing in red ink personally on the documents from his outside bureaucracy. They made this a secret system which brought multiple flows of information about the same issue to the emperor himself. And they also made a decision which is far from our current thinking, but it was very strongly held then, which is that the most secret information and the most effective knowledge is knowledge that is not filed and not shared.

Only emperor can access

Access to information, in other words, is a privileged position and if only the emperor has access to all the multiple blips of information coming in then only the emperor at least can claim he has the skill and knowledge necessary to making huge decisions. So information flow, information control, watching how the information came into the palace, who processed it, how did it reach the emperor's hands.

And I still remember when I did research, one of my most exciting moment was when I did my graduate work in Taiwan in 1962~63– because I could not get into China then, on the mainland, in the flows of the revolution – but trying to work out why Kangxi had a particularly close relationship with one of his junior ministers, I was shown by the staff in the Palace Museum in Taiwan – these materials were still in crates, that had been brought during the Civil War ten years before by the Kuo Min Tang to Taiwan –one of the staff said, "Would you like to see the memorials by this official", I said, "Of course I would", and I had seen the transcriptions of some of them. He said, "Here they are", and I was laughing because I didn't see them. he said, "Here they are". The Kangxi had some of his officials write on bits of paper so small that they fit in the palm of his hand and they were folded like a concertina so you could just flick inside the palm of your hand.

No man could write about no man, no woman could write about a man, you would have no Englishman writing about France, no Chinese historian writing about Japan; we would fragment ourselves to increasingly isolated and much shallower positions of knowledge.



That has always affected the way I have think about private communication flow; that is the most private form of communication, it is so tiny, the evidence is so tiny, you hold it in your own hand. That was not the rule but it was an exception you could make, saying please send me a small memorial. Nobody could possibly look over your shoulder from the imperial household or a passing eunuch, or another bureaucrat, it was yours, it was your information.

These early emperors did not file their secrets, they tried to keep them in their heads and they sent the originals back to the sender, something that makes bureaucrats tremble, but they did it, they had faith enough in their own brains. They of course then fell prey to illness and one of the most poignant things that to me was so exciting after studying idea, information flow processing and secrecy, was that Kangxi, when he got into his mid-60s, in an edict to his most senior official, said: "the trouble is now as I get older" –I translated this in my second book – "as I grow querulous and forgetful" – and I thought what an amazing definition of growing older, "querulous", you get angry, you get upset by small things, and forgetful, I said sure we all get forgetful and then I thought, no, but we do not all have secret information flows in which we try to carry the whole country in our heads; tax date, personnel data, irrigation data, banditry data. If we get forgetful as emperor and have such a system, it is a huge human burden.

Reconsider the destitute

Another would be the destitute. I never thought – again I did not say it is now time to write a book about the destitute, I did not think of it like that. had been writing about the Emperor Kangxi for the second time in two very different kinds of book and I thought vaguely to myself, I wonder what the opposite was like of being Kangxi, of controlling as much as possible one person could ever do, this immense area of China? The population was at least already 160 million now as demographers have shown us. What would be the complete opposite? And I thought it would be –well, the emperor is so powerful, there has to be somebody who is pretty weak, it has to be somebody who presumably lives in the countryside, it probably has to be some poor male peasant who has no resources; and I was sharing this idea with a group of friends and one of the scholars there said "no, a poor woman". And I thought, "poor woman?" and this friend said "well, if you want the opposite of the emperor maybe you should look at the destitution of a woman." I thought how are we going to do that in the Kangxi reign.

Then by real chance – except there is no chance – just the fact that a certain book

was in a certain place in a certain time and I had enough knowledge to make sense of it by that stage – I found an autopsy report of a woman who had been murdered by her husband in a village in Shandong in the 1660s, just when Kangxi was beginning to rule actively himself. From that account it was possible to see what it was like to be a woman in Shandong in a very cold area with a very desperately poor household, in a household that was ravaged by bad temper, childlessness and a lousy in-law relationship, when you as a woman runs away with another man and that man then dumps you.

The whole source was only a few lines long. It made me study the magistrate who cared enough about this strange, tiny, tiny moment in his control over this part in Shandong to draw these thoughts together. That became a kind of a rumination about women in China and about the whole role of poverty in Chinese history.

Because the forensic report, we could get a lot of details about the Wang murdered by her husband. It reminded us that the sophistication of Chinese law. The book *"The Death of Woman Wang"* was finished in 1978. Now I am thrilled it is going to be a Turkish. It is already in Chinese in both the mainland and Taiwan to my great enormous delight.

The other one was about destitution in a completely different way. It was a book called *"The Question of Hu"*. It was a natural pun; his name was "Hu", and this Hu was taken to France by a Jesuit priest and then abandoned in Paris. He had to try to adjust to this from Guangzhou and he had to try to adjust to life in Paris. He could not do it, he could not cope, he was unable to learn French and ultimately, he was put in an insane asylum. This was in 1720, about then.

That gave me ideas about the destitution of the way we treat the insane, or the people we call insane, and how does one culture decide somebody from another culture is insane? The definition made by some people in France at that time was that Hu must be insane because he could not speak French and he could not behave properly. But these were all people who did not know Chinese and did not behave very well either. What gives you the right? Well, of course force gives you the right and maybe the law and maybe some rotten people or some vicious people. Maybe just the shortage of other alternatives. *"The Question of Hu"* was finished in 1985.

I wonder what the opposite was like of being Kangxi, of controlling as much as possible one person could ever do, this immense area of China?

Cycle in cultural interchange

Another huge area, but it is only been part of my thinking, is cultural interchange and I have looked at this in various ways, some of these are still very topical regardless of dynastic endings and revolutionary endings, and so on. One was the second book I wrote long ago in the 1960s, called *"To Change China"*. That was using the idea of westerners who tried to be not just advisors but they were usually technically trained westerners who came to China, not to learn, not to sit at the feet of China, but to change China into something else; by which they meant to change China into something that would be more comfortable for the West to live with and I think that is still done a lot. The West wants to change China. We are told that English is the lingua franca of the world now. It will be interesting if Chinese become the lingua franca of the world.

Watching those people play with this idea of different times is itself very fascinating; those who really wanted to learn from China as opposed to those who wanted to change China, to teach China how to be something else. Nearly all of them failed I found in that book, the people I studied at least. Nearly all the westerners failed to change China in the way they wanted and an astonishingly high percentage of the ones – this was not calibrated as a percentage figure, but an astonishing amount of the people I studied ended up disliking China because they could not get what they wanted. So there is a kind of movement, expressed affection of China, desire to change it, being rebuffed and then saying, "I never liked it anyway". That cycle I find gripping and sad and worth studying.

At its opposite level of somebody giving everything they had to understanding China, I believe this and working as hard as they possibly could, was the Jesuit priest called Matteo Ricci. Matteo Ricci lived in China from 1583 up to 1610 when he died in Beijing. He was a Jesuit priest, a missionary, so of course he had a cultural religious message to take to China.

But the way he spread the message was through taking 12 years to study intensive Chinese language, including the classical texts, going all the through the four books and making a good stab at the five classics of the Confucian tradition, and at the same time introducing Chinese to certain concepts from the West that he thought would be helpful to them. These included astronomy, surveying, mathematics, Euclidean geometry, cartography and, what I focussed my book about, *"The Memory Palace of Matteo Ricci"*, the science of mnemonics, memory or theory, which was then a dominant in Western Europe.

Of course memory theory is a storage and retrieval device for information, which is very similar to our current computers in its logic; you can store huge amounts of information and recall them extremely fast. In the Middle Ages you did it through mental discipline and the way you organised the data. Ricci wrote a book on this in Chinese to try and teach the Chinese this method. But as all the Chinese pointed out to him, they said we have very good means of controlling our memories and they did not really accept his thesis but some of them grew interested.

Then there is the whole problem of cultural fascination with China which I discussed in my book called *"The Chan's Great Continent"*. That is really coming back full circle in a way out of what I had been studying before. It is when you study China as an act of the imagination. It is when people write about China who probably have not been there and have not studied but yet they see to say extraordinarily interest things about it. I will not go through that book.

Power control over the dissent

The last one, then I must close, would be dissent against state orthodoxy. Again, I was not exactly saying, "I must write some books about dissent", but having studied power and information flow and extraordinary control over huge populations and looked at destitution in at least some of its modes, one can be sympathetic to ideas of dissent in China, as in other societies, that emerge from unbearable social or economic or other pressures, or a sense of political non-entitlement in some way.

I have looked at these more specifically through one case in the Yung Jung emperor's reign, called the "Jung Jing" case in 1728 to 1734, when in Hunan province, an unsuccessful small-time scholar tried to rebel against Yung Jung. In that case, someone above destitution but not far, tried to overthrow the ruler in Beijing and that gave me a lot of fascinating insights into what I think you could learn in the hills, in a small town in central China in the 18th century, and how you regarded your ruler.

Jung Jing thought his ruler has venomous, ignorant, deliberately cruel, badly advised and so on. So he had a very different image from the one I had before as I studied this man's canonist control of education flow, control of budgetary details and so on. If you reverse the pattern, the same kind of things have an extremely dark, complicated light. So one was this idea of opposition to the emperor that came from those who were lower to the memory of the Ming, even when they had never known about it – Jung Jing had not been born yet during the Ming, and yet somehow he was a Ming loyalist who hated the Manchu.

Then I looked at the leaders of the Tai Ping Rebellion in the 1850s and 1860s, and read a book called "God's Chinese Son", which is about the literalisation of our relationship with God the Father as preached through fundamentalist Protestant religion, and it led me to what I hope is something like a small insight, which is that one of the most dangerous things in the world is religious texts without adequate controlled mediation by informed scholars or interpreters.

In this case, Christian missionaries with the best intentions in the world, I think, in many ways, had translated the whole Bible, starting in 1808 up to 1830, and had studied –had translated a whole lot of other texts related to the Bible and they then simply made these available in Chinese to the Chinese living particularly in the area around Guangzhou, and some of you I know –I have been talking to have studied the area of Guangxi, and in these areas, they converted large numbers – converted themselves through this textual evidence that was given to them because they were young scholars or old scholars, but not very successful people in many cases. So they found these strange blips of religious information linked to Jesus the Sermon on the Mount and so on, but also connected to passages from the Prophet Isaiah and the revelation of John the Divine, and so on. So to me, it was not only a social struggle which nearly overthrew the dynasty – people with just no backing, no armaments – almost overthrew the Qing in the 1850s, and yet on the whole, they were destroyed by the complete lack of logic of their situation. God was silent, if you like, is one way to put it, until they were rounded up and killed.

But another group were the constitutionalists who tried to change China's governmental structure through the power of the intellect and through the power of foreign example of representative government and constitutionality. This is an extraordinary group of scholars and thinkers in China between about the 1880s and the 1930s. And the only examples of this would have been the thinker, Leung Chi Chou.

China did have – between 1909 and 1913, it had some genuine representative assemblies that were voted for quite widely, if still only by male suffrage. So there had been an attempt for a constitutional framework in China to be in place by 1913, 1914, but was destroyed by a series of world events, domestic events, and the undercutting of that constitutional drive from within, by the Chinese themselves, not by alien saboteurs. It was destroyed by the country itself and led to this extraordinary battle which I used to think of as a titanic battle. Now it seems to me just as a sad and wasteful battle between the forces of the nationalists, Kuo Ming

Tang, and the forces of the Communist Party, which we can abstract into a struggle between Chiang Kai Shek and Mao Tse Tung, and the various acolytes and assistants. Then there was the dissent of Mao himself against the constitutionalists, against the Japanese, and finally against the Americans and against the Kuo Ming Tang, which led to the installation of the Communist regime in 1949.

No colour just facts

The last – I will not worry about the panorama except to say I have tried to do it – which I have done with joy. The book "*The Search for Modern China*", when I tried to draw 400 years together and see if my mind was able to encompass some of it, and I tried an earlier version of that – not the same book, but a different way of looking at it. In the book, I called the "Gate of Heavenly Peace", which is a literal translation of Tianamen which covered the period of constitutional change into the People's Republic.

I would just say here a thought from a writer who is a historian, which is that of course when you write things, matters, it can sort of affect the implication of what you are writing in ways you might not expect. So in fact I was finishing "*The Search for Modern China*", not just getting the idea, but completing it in very early 1989, and I was trying to think of a conclusion when Tianamen exploded in the most extraordinary 1989 demonstrations that have been nothing like had been seen under the previous republic. So in a sense I had a conclusion to my book provided by the Chinese people and by their government's repressive action, and yet, I did not want to colour the whole story before, and yet, by the mere fact of it having happened, of course it did affect all the actions that had come before and that is the way historical writing is; it changes the past.

But by the time I came to the second edition, in 1998, of course that had faded. It was already nearly ten years since 1989; the world had gone on, most of the Chinese students had gone on, except for those who had been killed. The government had lost many personnel, huge changes in the system and instead, I find myself confronting my ending, which was the negotiations over the fate of Hong Kong and its future, and the death of Deng Xiao Peng. So the end of kind of the last of the truly powerful generation of revolutionaries and the huge potential changes for Hong Kong that were part of history then also changed the book yet again. So even panoramas –even when you think you are controlling something on a huge scale, you are yourself being controlled by forces that you have not even been remotely aware of. Thank you.



Embark on the Third Silk Road !

This modern Silk Road travels neither by sea nor on land, but travels through the inner workings of the human minds, driven by the desire to captivate the cutting edges of peaceful competition in this globalised world.

Closing Remarks: Dr Patrick HO

Secretary for Home Affairs, The Government of the Hong Kong Special Administration Region

Distinguished guests, ladies and gentlemen, it has been a great honour for Hong Kong to play host to cultural ministers, policy makers, artists and scholars from so many countries.

Brand Asia was the theme of this year's forum. In the past four days, we have discussed issues on branding, intellectual property, as well as the crux of Asia's creative business. We live today in a world full of brands; we encounter them everyday. We consume products and services by brands. Branding is with us all the time and we are looking more and more alike nowadays because we go after copying successful examples from developed economies in the west.

If we look behind successful brands, principally from the west, it is not difficult to identify the values they represent. They convey to us the authority, styles, fashions and ethos pertaining to their places of origin, which would have been in danger of slavish imitations simply because we have accepted that these must be the prevailing norm; the criterion against which we measured ourselves.

But copying the brands from the west simply does not work, for we are only replicating icons and symbols without fully understanding and capturing the underlying spirit and substance. Merely imitating the superficial features of a successful brand renders us hollowed at our core and borrowing from TS Elliott, it is only adopting the shape without its form, shade without its colours and gesture without motion.

The hippy movement of the 1960s and 1970s is a good case in point. It failed to catch on in this part of the world because it did not identify well with our local upbringing, background history, legacy and traditions. What is more, copying successful examples involve paying a price either in terms of a franchise if we chose to ignore the copyright, we would draw a heavy penalty, backfire and ultimately hurting our own creative industries and talent.

Time to make contributions

But copying from our neighbours in the east is another story. As we share our common family values, social norms, cultural aspirations and understanding, replicating from, say, Japanese music and Korean TV series are frequent occurrences, as we can all say that what is pleasing to Japanese ears is also pleasing to those in this part of the world, and the Korean TV storylines appeal to the taste of the Asian TV watchers at large. But is branding bringing us benefits in Asia? This is just one of the questions we have explored, knowing that we have reached the crucial juncture when Asian economies and Asian industries are making such rapid progress when Asian products, trends, arts and fashions are exerting a growing influence on western markets.

"Globalisation" is the "in" word these days, but globalisation at what risk? Must globalisation come hand in hand with uniformity? Must we lose the distinctive ingredient of who we are in order to merge into the great homogeneity of what we seek to be?

It is true and indeed a comforting fact that our underlying cultural values are shared by most, if not all, members of our global community. But we each bring to these common values our own means of expression, our distinctive features unique to our own particular value and how it has evolved.

We need to develop a branding specific to Asia, something of which we are proud of and something that is deeply and intricately bound up with our collective identity and what we ourselves can contribute. Something, in other words, that stems from within our own respective cultures and common legacies.

Fortunately, many of us have begun to realise that creative industries should be seen in the larger context of the revival of indigenous cultures, to go along with global entrepreneurship. For many decades, we in Asia have spent time learning, imitating and assimilating ideas from the modern west. Now it is time that we look inward within ourselves to consolidate our own cultural vision and to contribute something of that to the world. The blooming creative industries of Asia, the film industry, for instance, are in part the expression of this trend.

China is a very embracing race

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city, because they come from the roots of the community and carry its history.

However, comparing tangible cultural centres and opera houses, these works of less or virtually material influence cannot be achieved by government budgets alone. They have to be brought forth by collective self-awareness and a revival of collective cultural identity. The State, the civil society and individual artisan writers all have a role to play. Take Chinese culture as an example. Like in many ancient civilisations, it has been exposed to outside influences, but has avoided the danger of the infiltration of foreign adulterations becoming an innovation in which we are swamped and swept away. We have judged each new product by its quality, not its label.

We assess not concepts and philosophies, not on the basis of how great they are stamped to be, but by how virtuous their practitioners are. That is why diverse religions have coexisted for thousands of years in China without any significant religious wars.

Even in the weakest days of the Qing dynasty and during the warring times and the trying years of the 20th century, China never ceased to learn from the west. It was tenacity and perseverance, or was it obstinance and arrogance rather that was in our trait, and that has always prevented us from losing our innate pride in ourselves and our integral identity.

Likewise, China has, as its constituents, 56 different races. As one looks at history, races came and went, and took turn to rule China. But at the end of the day, 56 races remained intact and coexisted in modern China. China is a very embracing race, celebrating diversity and tolerating accommodating different elements no matter how foreign they are.

Looking back on history, in the Han dynasty, 2,000 years back, we had the first Silk Road kicked off by Zhang Qian, and in the 15th century, we had a second Silk Road at sea, championed by Cheng He. The significance of the two silk routes was when China was at its height of prosperity and military might; it cherished peaceful missions of trade, the result of which was an establishment of centres and stations along the routes, through which cross-fertilisation of different cultures flourished.

Explore the commonality among cultures

Ladies and gentlemen, the 21st century will see us here embarking on the third Silk Road. The two previous silk routes traded tea, silk, spices, exotic fruits, jewellery and gold. The 21st century Silk Road trades for creative ideas, creative products

and creative talents. This modern Silk Road travels neither by sea nor on land, but travels through the inner workings of the human minds, driven by the desire to captivate the cutting edges of peaceful competition in this globalised world.

Along this modern Silk Road, we have witnessed heated discussions on the safeguarding of world cultural diversity in the context of economic conformity and integration. Along this modern Silk Road, we have seen many rewarding explorations and regional cultural co-operation with the realisation that equal attention should be paid to political, economic and cultural co-operation in the region.

Along this modern Silk Road we will see communities merging creative markets and aligning cultural policies to form alliances in exploring the commonality among cultures and community values in answering to the modern needs of the 21st century.

Along this modern Silk Road we will see citizens from neighbouring cities and nations sharing one another's aspirations and inviting one another into their dreams that life is celebrated through cultural pursuits, and our peoples are enchanted by the arts, enlightened by cultural differences and enriched by social diversity.

Along this modern Silk Road, we would come to learn with mutual respect that despite our different backgrounds and upbringings, there are some fundamental values we all hold dear. Some basic principles we all respect and certain core understanding we all embrace.

My friends, the third Silk Road of the 21st century is our answer and response to the globalisation of our cultural needs, but make no mistake, the purpose of this Silk Road is not to establish an empire of might, but to extend our empire of minds. After all, brand names, like individuals, they come and go, but civilisation will live on.

I look forward to seeing you all here again, same time next year. Thank you all very much.

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tions and inviting one another
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