Article 2: Conversation
Citation:
Dong H et al (2024) Creative industries research and innovation: Views from the United Kingdom and China regarding a future hub, *Journal of Contemporary Chinese Art*, 11.1, pp 95-105
https://doi.org/10.1386/jcca_00098_7

Creative industries research and innovation: Views from the United Kingdom and China regarding a future hub

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Conversations
Hua Dong with Hasan Bakhshi; Hua Dong with Daniel Brooker
Yinya You with Nick Bryan-Kinns; Yinya You with Yujia Huang
Weining Ning with Jun Wang

These conversation pieces focus on the UK-China arts and creative industries research and innovation hub proposal. They explore the opportunities and challenges of collaboration between the two nations, and roles and functions of the future hub. The conversations took the form of a semi-structured interview with individuals from industry, academy, think tank, and the government. The sample questions included:

- Please comment on the likely benefits, and possible difficulties, of UK-China creative industries research and innovation collaboration with which you are familiar.
- Please comment on the role of the Research Council (such as the AHRC) in helping shape creative industries research and innovation directed towards more productive and sustainable collaboration between the UK and China.
- What motivates/demotivates you/your organisation to collaborate with the UK (or China)?
- What support can you get in collaborative research and innovation? Who provides the support? What additional support do you need?
- If there is a UK-China hub, what functions do you want it to have?

The interviews were conducted one-on-one, online or in-person, between June and December 2023. The interviews were fully transcribed, and edited by the AHRC SEED Fellow, Professor Hua Dong, to reflect the theme of this special issue and the focus of the SEED Fellowship project, highlight each interviewee's expertise/experience, and cover critical aspects of the UK-China collaboration from different perspectives.

Hasan Bakhshi: Director of the Creative Industries Policy and Evidence Centre (Creative PEC), an AHRC-funded research centre which is charged with building an evidence base to support policy for the creative industries.

Daniel Brooker: Director for UK Research and Innovation (UKRI) in China. Their office based in Beijing supports UKRI's partnerships, programmes, engagements and communications, supporting the work of UKRI's councils in China.

Nick Bryan-Kinns: Professor of Creative Computing at the University of the Arts London (UAL); award-holder of two UK-China collaboration projects, with more than ten years' experience of collaborating with stakeholders in China.

Yujia Huang: Lecturer at the University of Dundee, leader of a British-Council funded Cultural Exchange project, working with Hunan Museum and the Tmall operations team to promote regional culture in Scotland and Hunan province in China.

Jun Wang: Deputy Director of Visual China, a platform with 120 suppliers and 150,000 contracted contributors around the world, with daily update of nearly 20,000 pieces of news information.

Arts and creative industries
Daniel (UKRI China): I am less familiar with the origin of the term within the hub concept, but I use arts and creative industries to describe the concept for a hub that combines research and innovation: basic research and fundamental research, and academic research perspectives, but also how that research then translates out into the creative sector and translates through into higher or more applied context via Technology Readiness Levels (TRL), TRLs that provides a pathway or a route from research through to innovation. I think Arts and Creative Industries captures that quite nicely because we have an industry part, we have an arts/ creative part. It's helping to do what UKRI should be doing and this is almost our reason for existing as a funder. We should be working both across disciplines and I think within arts and creative division there are various sub-disciplines, from performing arts through to creative technology, through to fashion, heritage. Arts and creative Industries as a description enables a space for all of those sub-disciplines to engage with the concept. So it delivers our mission to work across disciplines, but it also delivers our mission to bridge that gap between research and innovation. I think that's really important for the hub concept that we retain a strong focus on working across disciplinary boundaries but also working with both the traditional research sector: universities, academics, research centres, but also engaging with industry, whether it's sector bodies, companies, museums, galleries, infrastructures that enable audiences to consume or engage with arts and creative concepts.

Engaging creative industries
Hasan (Creative PEC): One of the features of most of the sub–sectors that make up the creative industries is that they have a disproportionate number of SMEs – small – and medium – sized enterprises – and particular micro businesses. And the workforce in the creative industries is disproportionately made – up of freelance and self-employed workers.

So, what that means is we have a real challenge in how to engage with the industries, because they're very fragmented and made up of lots of small interests. One of the implications is we tend to prioritise our relationships with trade bodies and trade associations, because they tend to be an efficient way of engaging with the sector as a whole. We also engage with membership bodies like Creative UK to try and have a dialogue with the freelance community.

Another way that we try and engage with the creative industries is by the scheme called 'our network of industry champions', and the idea of these industry champions is they are unlike traditional advisory boards which are typically populated with C – Suite executives, like CEOs or COOs. The industry champions tend to be domain experts. For example, an HR Manager in a visual effects company or an Artistic Director in a performing arts company. The idea is that when we focus on domain experts who have more working knowledge, we can tap more day-to-day technical issues and concerns that the creative industries have. One of the advantages of this scheme is that we can also engage with freelancers directly. We've currently got about 100 or so of these industry champions from a diverse set of sub-sectors. It's an important way that we can connect with industries that are made up of very large numbers of small businesses; that complements our focus on the trade bodies.

Opportunities for collaboration
Hasan (Creative PEC): The UK and China are both very large markets for creative industries products. For example, UNCTAD data for 2020 shows that the UK is the world's 4th biggest importer of creative goods and China is the 6th biggest importer of creative goods. They're not just big markets, UK and China are also major creative nations in their own right. Again, the same UNCTAD data suggests that China is the world's 4th largest and the UK is the 5th largest exporter of creative services. So, as well as being big importers of creative goods and services, they're also big exporters, and this suggests that the potential for mutual trading benefit is very great.

The Creative PEC published a report in 2021 by Salvatore de Novo, Giorgio Fazio and Sara Maioli from Newcastle University. They looked at survey evidence suggesting that of those creative industries firms in the UK wishing to export to new destinations in the future, China was the most desired market. So there's a huge amount of interest, certainly according to this data on the UK side and my guess is that there's similar interest in China in trading more with the UK. The scale of the opportunity is very, very big. But the data that exists suggests that opportunity hasn't yet fully been exploited and that there's a lot more can be done.

Jun (Visual China): Visual China is interested in international collaboration, especially with the UK, because the cultural and creative industries in the UK are exceptionally strong. From the standpoint of our company, the collaboration opportunities can be summarised into four levels, with the bottom level being content.

Currently, we are exploring whether our content supply system can, through Sino-UK cooperative institutions, involve more creative visual content production organisations, or even individual freelancers. They can deliver their content to us for agency sales in China. Alternatively, if we have creative services that need customisation, we will need

international perspectives and ideas. We need to outsource these tasks to relevant creative agencies and individuals abroad; all of this is possible.

The second level is technological cooperation, as we deeply experience new media technology, which is also the focus of our current business. We have summarised a technological family called ABCD. A stands for Artificial Intelligence, B is Blockchain, C is Cloud, and D is Data. Blockchain technology is very important for us; on the one hand, it is in the protection of copyright. We are also exploring scenarios and strategies similar to NFT. It is very important to have cooperation in technology and communication at the forefront.

The third level involves cooperation in business models, including new strategies, updated business models, or challenges in adapting to new business models due to new technologies. These are things we want to exchange ideas because, after all, the legal regulations and openness levels are different in each country. The risk of trial and error is also different. I'll give a simple example; many teams that work on large model algorithms come to us, hoping to obtain genuine training data. They are not here to buy our images. But we are cautious now because if we give them the data, and if they pay us, how do we split the money with the contributors or agencies? It's a complicated matter. The training is one-off, and when it is in use, there is another level of issues. These are actually unsolved, and I just gave an example. In the future, there may be newer scenarios, and we need to explore new business models.

The top level is governance mechanisms, whether it's from copyright law, intellectual property law, civil code, or the definition and popularization of copyright in society as a whole. This is what we have been doing for the past 20 years, but there are still various problems. You may know that we are often accused by others, but in reality, we are the advocates of intellectual property in this country (China). If one day we decide not to continue, this business may encounter a big challenge in China. In fact, we will discuss these things with the relevant government departments. Sometimes they also know that we are unfairly treated, but there is no good solution. We want to know how these issues are handled abroad.

Barriers to collaboration
Hasan (Creative PEC): there are major differences in the same creative markets between the UK and China. If you think about, for example, the video games industry, the way that Chinese consumers and Chinese users engage with video games is actually quite different to the way the consumers in the UK engage with the same product. They use different platforms, and there are cultural differences which dictate significant differences in the nature of these markets. What that means is that if you're a UK video games developer you can't necessarily take for granted that you'll understand the market in China based on your understandings of the market in the UK. My own work in China goes back ten years ago; things have moved on a lot since then, but certainly at that time I think there was quite a lot of ignorance frankly about the markets in the respective countries. One of the obstacles in the UK to having a better understanding was a generalised concern and a generalised perception that if you are a UK content business, a big impediment to working in China was piracy, and so there was a very strong perception that it was very difficult to actually make money out of creative content in China. And that created a general nervousness that we

detected amongst UK businesses at that time. That was ten years ago. My guess is that some of those concerns persist. So, these are all the sorts of concerns and prejudices that can get in the way of a better understanding of where is the market, how the markets are actually operating.

I think another obstacle that I faced ten years ago is the language barrier. My own experience of working in China on that one project was that I was very lucky in that my co – author who I was working with in the UK, Philippe Schneider, was a fluent Mandarin Chinese speaker. Because if we hadn't had that, we would have really struggled to do the project. Any research collaboration is based on trust; it's extremely difficult to build trust if you can't speak the language, because you can't make that very, very basic connection. I'm making a fundamental point, I suppose, on language, but also in interpreting data, in our particular case. We worked with the Chinese social media platform Douban and we wanted to understand what the perceptions were of British culture by observing the discussions amongst the fan communities on Douban. And of course, if you can't understand the language, the subtleties and the nuances about engagement with culture, how can you expect to have that insight? So, I think language is a major barrier: it's prosaic, but I think it's an important one.

Nick (UAL): In the UK, for example, we have the Craft Council which represents craft makers. We also have networks of people who make digital music, you know, different kinds of networks.

Connecting to those networks is the hardest part of reaching out into China, and that's partly a language barrier, because I don't speak Chinese. But it's also that you need to be introduced into the network through a trusted gateway. Let's say a trusted person needs to bring you into that network and welcome into that. Otherwise, it just doesn't work. If I just send a random email to someone, nothing happens. So, the hardest bit is connecting to these organisations and networks and groups of people, and realistically the only way to do that is to have a personal introduction.

Yujia (Dundee): I believe the primary challenge could be the disparity in local policies and distinct development needs between the two countries. Firstly, it's important to recognise that the UK and China may not necessarily share identical social or organisational policies. Consequently, to comply with these policies and uphold social responsibility standards, we may need to adapt our approaches in the UK and China. This could lead to divergent paths to address specific situations.
Secondly, the concept of development needs encompasses organisational requirements. If an organisation has a primary focus on the Chinese market, they need to adapt the learnings from the UK to address the Chinese customers' needs or market characteristics. For instance, if a business's scope is Chinese tier 3-4 city-focused, they may not necessarily look to the UK for reference. It might cut off many small organisations' interest in participating in cross-country collaboration or exchange events.
The third challenge is language barriers. It's essential for all stakeholders and partners to be proficient in both English and Chinese. Additionally, accurately translating professional terms can be challenging, potentially leading to misunderstandings or disagreements. These are the three main difficulties that I foresee in the collaboration.

Comparison between the UK and China
Nick (UAL): In China we found more use of mobile apps and especially live streaming in craft practice whereas in the UK there was greater use of websites and podcasts. A key opportunity for both countries would be increased access to crowd funding for craft objects and more reliable outsourcing opportunities for production. However, whilst there was interest and even excitement in some craft makers for digital technologies there remains the challenge of balancing the time spent on making by hand versus making by computer for craft which is an especially material oriented sector of the creative industries.

Nick (UAL): AI is a key element of both UK and Chinese national strategies – the UKRI priority area Applications and Implications of AI includes Creative Industries, and AI is the first of four Grand Challenges identified by the UK Government's Industrial Strategy White Paper. At the same time, the digital music market is now the largest segment of the global Music Industry, with a global revenue of $9.4bn, representing 54 per cent of the industry's total revenue, predominantly due to innovative music technology SMEs, which represent 99 per cent of all music businesses, and deliver 80 per cent of all new music releases and 80 per cent of the industry's jobs. The UK is a leader in Music Industries and one of the few countries which is a net exporter, providing an opportunity for UK-China collaboration building on the UK's strength in the sector and the rapidly changing Chinese sector which is experiencing rapid growth since mid 2010s. However, there are significant challenges to the exploitation of AI in Creative Industries including substantial skills shortage in AI, fear and lack of understanding of the role of AI, closed data sets and data regulation which make training AI problematic, lack of established ethics and regulation on owns the product of AI creativity, difficulties for SMEs and individual creative practitioners to exploit AI, and lack of business models to effectively exploit AI in Creative Industries. Comparing China to the UK we found more focus on amateur music creation tools in China (e.g., for Karaoke) versus more emphasis on professional music tools in the UK. This is partly due to the inherent Western bias of most professional music production tools and the preference for mobile phone tools in China. In this project we identified opportunities for UK-China research in cross-cultural use of AI to customize experiences, services, and content to local cultures and norms, and opportunities to train AI across cultures to improve its creativity. We also identified opportunities for using machine learning to facilitate greater access to Chinese music datasets which are hard to access by people outside China.

Functions of the UK-China hub
Daniel (UKRI China): It (the hub) could be tested for wider relationships to the UK in China. It actually could be a testbed on how UK undertakes strategic investment in research and innovation because we haven't had many examples of this type of hub initiative. So if we get it right, it could be a testbed for other international hubs; it could also be a testbed within China, how we could apply the hub concept to other disciplines: could we form example have a research and innovation hub in Climate Adaptation and Resilience that helps to build partnerships in areas that are important to tackle climate change or deliver net zero. This hub model has great potential. In making the case for the hub we also need to be mindful of the bigger picture; I mean it's like a piece of the jigsaw that fits into the much bigger UK–China relationship. I think we should also be mindful to focus on why are we doing this, why

we're doing this to support UK's wider mission, which is if you are a UK researcher in the UK university or UK innovator, we should provide you with the best tools to access the best expertise around the world: wherever that expertise is. There is lots of expertise within China and within its research system. From the Innovation perspective, we should also provide opportunities whereby you can develop business innovation partnerships or you can translate your research through to opportunities that could translate into commercial benefit through the development of new art and cultural products or services, and again, by any measure, China is one of the largest creative consumer market places in the world.

Hasan (Creative PEC): In principle, businesses can obviously collaborate without the need for intermediation through research. But my own feeling is that when there is so much uncertainty and imperfect knowledge about respective markets, it really helps to approach a collaboration between businesses from a research perspective, you know, from an explicit recognition that there are knowledge gaps that need to be addressed. The truth is, a lot of the knowledge that we're talking about isn't information that can be read. It's around understanding markets through experimentation. The only way you can, from my point of view, have structured learning about another market is through a research design. The idea of doing research – led collaborations and research – led experimentation, I think is a very attractive one, and therein lies obviously the role for the funders. Creative industries are made up of disproportionate number of small and micro businesses. They don't often have their own independent research capacities to engage in that experimentation, and that's where funders like the AHRC and of course, their counterparts in China, can play a significant role in providing grants, in providing research and development grants whereby businesses can afford to experiment and reflect and do some trial – and – error without the financial costs of having to pay for all of that learning themselves.

I think the other key issue is that two businesses can collaborate; they may learn a lot mutually about their respective markets in China and the UK, and that may be something they can profit from commercially. But that insight and knowledge, of course, can be shared with others and again, unless you have a research structure, research design around the experimentation, the insights and the learning will be locked between those participants. I think that creates a very strong rationale for why the Research Councils have run programmes of collaborative R&D.

Nick (UAL): I think the most important thing would be opportunities for networking and opportunities for building partnerships or building small consortia or even sketching out ideas for a proposal.

If there's a funding call coming up, it could be proactive in terms of reaching out to people that you know are interested in UK and China collaboration and saying, hey, there's a Chinese funding call coming up, maybe we could, this partner or that partner to get together, or there's this new funding coming out in the UK, might be suitable in this way. So opportunities for networking, but not just networking to meet each other, but to build partnerships or build proposals and to provide some support in finding the right partners, who would be able to access the right kind of funds or make the right kind of application that would be super important.

And then the other thing that would be good, would be having things like resources or toolkits for understanding what a responsible research and innovation is in the UK and China.

Yujia (Dundee): Several crucial elements come to mind. Firstly, funding plays a vital role, providing essential financial support to kickstart collaborations.

Secondly, the hub can facilitate contacts by connecting individuals with the right partners and introducing them to a network of people who can support or further develop their projects.

Thirdly, language support is essential. As we expand collaboration with local companies, institutions, artists, and designers, it's imperative to offer assistance to individuals who may not be proficient in English or Chinese, helping them connect with potential partners in the counterpart country.
Fourthly, legal and policy support is necessary. Given the distinct legal rules and policies in the UK and China, the hub can serve as a resource to project teams, guiding them through the regulatory landscape before and during project launches.

Lastly, networking and idea exchange are crucial. Many individuals visiting the hub may not have fully formed ideas, but they may generate innovative project concepts through conversations and interactions. Beyond supporting mature ideas, the hub should provide a space for people to meet, communicate, and freely express their intriguing ideas, nurturing potential future projects.

Daniel (UKRI China): In the last eighteen months, what I've seen worked well are the examples like the Augmented Fashion programme, showcasing at the Shanghai Textile Museum. That's quite a good example, with quality research, leading researchers in the UK, but also helping the professional development of the UK students, they worked with Harris Tweed, a leading Fashion producer in the UK. It's giving them an opportunity to work with industry. It's providing commercial opportunities for Harris Tweed in the UK by helping them to market and position their products for a growing Chinese market, and it's also delivering the soft power. There's an exhibition that is showcasing that programme. It is an example that tick all or as many right boxes as possible for positive impactful UK-China partnerships. Another example is that work around creative content: the work that Aardman studios have done on Shaun the Sheep. I think it's very easy to communicate that kind of work. If you are a person on the street in Shanghai or in London, It's easy to engage with what this is like; you understand what it is. It's about contextualising content for different audiences, so it resonates both in the UK but also resonates in China. It's building that intercultural understanding. Again, it's providing a commercial opportunity. It's driven by leading expertise, that's another example. Again, for me, it ticks quite a few of those boxes in terms of academic, scientific, social, cultural, economic benefits. And then I think there's probably quite a big opportunity as well. On the tech side, so the whole area around Immersive Tech, Augmented Reality; there are lots of interesting things happening in China in these tech areas; and actually, here we have a lot to learn from China around the development of this tech industry, AI for example in the creative sector. The UK is quite strong on the content

production area, in terms of our research, innovation and creativity. It strikes me that if you combine those two things together, China's technological capability, the speed at which sector moves in China alongside that the more traditional arts, whether it's newer media, newer creative content area, that's where I think we could and should combine our strengths more effectively. The UK can testbed ideas and take those ideas to the consumer or to the market quickly and that could be applied back to the UK through learning and development. I think it's a real opportunity through the hub because you could get things done very quickly here through a proof – of – concept in a way in which in the UK would be potentially quite slow and expensive to develop.

Sustainable practice
Hasan (Creative SEC): We don't just need connections with other academics in China to collaborate with; we need direct relationships with businesses in China. Now that's very difficult to do, of course, because business people in all countries are very, very busy and focused on their commercial bottom line and it's difficult to find space for them to do research. So, I think I'd be looking for future work from the AHRC to build networks not just between the academics but between UK academics and Chinese business and UK business and Chinese academics. That's not easy to do, but personally I think that is what's needed. And the other thing is that in doing so, the AHRC needs to think very hard about the incentives of the businesses to participate because unless there's a commercial incentive for a business to participate in the research, unless the Chinese business can see the commercial benefit from doing so, the collaboration will not be successful. My own feeling is it's going to be very difficult to develop a research collaboration with UK academics for this reason. The AHRC will need to think very, very hard about building structures where both businesses and academics are incentivised to participate because otherwise what happens is you get 'talk shops'. Over the years, you know, I have been involved with a number of dialogues between the UK and Chinese creative industries. I think the problem is, there's a lot of goodwill and intention, but unless the structures are in place which incentivise the research to happen, what happens is that when the dialogue ends the collaboration stops, and I think incentives are a key area that the AHRC needs to think about.

Nick (UAL): My vision is for these collaborations to be a meeting and sharing point between two equally valuable cultures rather than one culture preoccupied by the perceived novelty of another. This requires the establishment of trust and respect between participants.

Daniel (UKRI China): Relationships are important and integral. Those relationships cannot be based on one person, one individual if it is going to be sustainable, at least they need to be based on a number people, the whole ecosystem. This certainly has to be a strong sense of the collective, working collaboratively to deliver the hub mission.

Sustainability has to be thought about and has to be planned in inception. How does the hub operationalise and become self-sustaining? That transition needs to be built into the design; it has to future-proof itself at the beginning. You have to be very clear about the timelines, the level of investment and all that kind of thing. I think that's important. If UKRI funding is time limited, what are the options? I think funding programmes is one of the best ways to feed the hub. It may have a fancy building, a name plaque, but ultimately there needs to be funding for programmes. Programmes to enable sustainability through various types of

bilateral research projects: research partnerships, mobility programmes, institutional links. You're building that network of people when developing relationships when collaborating together. Many of these relationships forged through research grants sustain over the next 20-30 years over academic careers. It is about developing strong relationships and also supporting the next generation of PhD Students who will become academics themselves. Money is an enabler for creating and delivering partnerships alongside the other mechanisms for building links between researchers and their communities.

Acknowledgement