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Article 3: Conversation

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Policy-making for creative industries in China: A case study of design policy

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Conversation

Between Dr *Weining Ning* (Brunel University London) and Dr *Sylvia Xihui Liu* (Hong Kong Polytechnic University)

Sylvia Xihui Liu is the Assistant Dean (Academic Programmes) and an Associate Professor at the PolyU Design school. She serves as the Specialism Leader of Master of Design (IBD), and Foundation Year Leader of Bachelor of Arts (Hons) Scheme in Design. She has a wealth of industrial experience in design and management and her research focuses on managing design in a business context.

The most significant outcome of her research is the Design Management Capability Framework, which had significantly influenced the making of China's two main innovation policies at the national level: the 'Innovation Design' section of Made in China 2025 and the 2016 Action Plan for Digital Creative Industries in the 13th Five Year Plan.

In this conversation, Dr Liu shared her experience of helping shape the Made in China 2025 policy as a design practitioner.

Weining: Dr Weining Ning, the co-lead of the Policy Working Group of the SEED Fellowship project. Brunel University London.

Sylvia: Dr Sylvia Xihui Liu

Contributing to national policy making: a design practitioner's perspective

Weining: Your article published in the Design Journal about the Made in China 2025 policy¹ primarily focused on the findings and insights related to the policy. Could you share some of the background stories or experiences about this project?

Sylvia: I worked in the industry at a design company before I returned to academia. At that time, I became quite interested in how businesses manage design. There was a lack of discourse and practice on design management in China at that time. Although design management is a well-established research area, the theories predominantly originate from the UK, where the field first developed. Later contributions came from the US and Japan, but China was absent from the theory development landscape. This raised the question of whether these theories were applicable in the Chinese context, especially since China had adopted these theories relatively late. This led me to pursue a PhD at the Hong Kong

¹ Liu, S. X., Liu, H., & Zhang, Y. (2018). The New Role of Design in Innovation: A Policy Perspective from China. *The Design Journal*, *21*(1), 37–58. <u>https://doi.org/10.1080/14606925.2017.1395167</u>

Polytechnic University, where I collaborated with my supervisor Professor John Heskett who was keen to understand the role of design in Chinese companies. In my doctoral research, I developed a model that identified key indicators for evaluating how design is managed within China's manufacturing industries. Following the model's creation, I have had several publications. I was then invited to join the Strategy of Innovation Design research group led by Dr Yongxiang Lu². At that time, Dr Lu proposed the concept of 'Innovation Design', and he deemed that design is critically important in enhancing China's overall innovative competitiveness. He pointed out that prior discourse had centered around engineering technology, which in itself could not transform into final products without the infusion of creativity and design. With the introduction of the concept, we began to explore the nature and scope of 'Innovation Design' .

When I joined the research group in 2013, this concept had been coined for about one or two years. However, they still lacked a clear description of it. Most of the group members were from engineering and technical backgrounds. Many were fellows of the Chinese Academy of Engineering and the Chinese Academy of Science. My contribution was mainly based on my cross-disciplinary research and practice which intersect design, business management, and economics. For example, I introduced the evolution of design—Design 1.0, 2.0, 3.0—which we now refer to as the design paradigm to the project. I also brought in the related assessment indicators, which were part of my doctoral research. By 2015, this topic had gradually become clearer. Together with group members Yongqi Lou, Jiang Xu, and Miaosen Gong³, we started to write a report for the central government. I felt it was important to communicate our efforts and show how we have thought this through; this then led to the articles published in the Design Journal and the Design Management Review⁴.

Weining: We found it relatively difficult to locate research articles which systematically introduce or review design policies in China. What might be the reason? **Sylvia:** Yes, it is difficult for academic researchers to find policy research literature. Publishing policy research papers is usually challenging; the very first challenge is how to conduct data collection and data analysis. Policy research is not like typical academic research.

From my experience from this project, some aspects of policy making matters are not open to the public, so researchers may find it difficult to access relevant information. For example, when we were drafting the report, we had frequent internal meetings with the National Development and Reform Commission (NDRC) since they would focus on the implementation of the resulting policy. I also found that drafting the report was much harder than writing an academic paper; every word had to be carefully considered. When this document finally reached the NDRC, they converted it to a policy draft which would be

² The research was funded by the Chinese Academy of Engineering. The Principal Investigator (PI) is Dr Lu Yongxiang, who was the Vice Chairman of the National People's Congress Standing Committee (2003–2013) and President of the Chinese Academy of Science (2004–2016). The Co-PI is Dr Yunhe Pan, who was the Vice President of Chinese Academy of Engineering (2006–2014).

³ Yongqi Lou is the vice president of Tongji University. Jiang Xu is the vice dean at College of Design and Innovation, Tongji University. Miaosen Gong is an associate professor at School of Design, Jiangnan University. ⁴ Liu, S. X. (2016). Innovation Design: Made in China 2025. *Design Management Review*, *27*(1), 52–58. <u>https://doi.org/10.1111/drev.10349</u>

discussed later at various meetings. They would also send people to interpret the policy and address any confusion raised by representatives. These procedural aspects are usually not publicly recorded. Even if you know them, turning them into an academic publication is difficult.

Second, the concept of design keeps evolving. For example, the concept of 'Innovation Design' we proposed in the project was new. Among the eight measures of Made in China 2025, the first one is to enhance the Innovation Design capability of the manufacturing industry. The 'Innovation Design' here is not the sector classified under the UK's creative industries—that's the 'traditional' design. Innovation Design does not fall into the traditional classification of creative industries; instead, it would impact on the whole industry. Just like Design Thinking, it is not necessarily classified under the 'design' sector of creative industries. It is a widely applicable way of thinking.

Third, the boundaries within the creative industries are not clearly defined, especially with the emergence of the digital creative industry. Digital creative industry is a new proposition; its boundaries are very vague. In China, this concept was first proposed in the 13th Five-Year Plan, but it was not mentioned in the 14th Five-Year Plan anymore. Instead, the concept of 'digital economy' was proposed. I think this is because one of the issues within the digital creative industry is that it can be difficult to attribute to a particular department in terms of statistics. It features integration across many industries.

'Design for Policy' and 'Policy for Design': the China-UK differences

Weining: From previous conversations with various people from creative industries, policy is universally recognised as important, but its concept can be very broad and sometimes even somewhat vague. From your perspective, could you define design policy? What is design policy?

Sylvia: I think it can be divided into narrow and broad senses. In a narrow sense, design policy is a long-term strategic consideration for the management of design, design activities, and design objects. It provides a guiding direction and has a strategic level framework which can lead to specific roadmaps. People and design activities are the main focus. In the similar way, many businesses and early design management literature equate design strategy with design policy. I think this is the narrow concept.

In a broader sense, today's understanding of the word 'design' is very broad. Design can be a tool, method, process, or a mindset or thinking pattern that can guide the development and direction of many industries. This way of guidance can also be called design policy, but it does not necessarily correspond to specific design activities.

Weining: It seems your definitions resonate with the concepts of 'Design for Policy' and 'Policy for Design' in the UK when discussing policy in the general field of design.

Sylvia: The narrow concept of design policy is 'Policy for Design'. I think the broad concept of design policy is well reflected in the concept of Innovation Design or the New Design Paradigm. It is not about design activities, nor just about promoting design. It can also be about advancing education, tourism, or other industries.

There are basically two levels of policies: one is the national policy, and the other is the industry policy. Design policies at the national level can aim at promoting design nationwide

or integrating the capabilities of various industries, while the capabilities are not limited to design skills; it encompasses many other aspects such as organisational and thinking skills. But it is not 'Design for Policy'. 'Design for Policy' is just a methodology for policy making which involves using design methods such as co-design, brainstorming, or engaging stakeholders in the policy making process. It is therefore different from the broad definition of design policy I just mentioned.

Weining: In the UK, scholars promote 'Design for Policy' by using design as a methodology for policy making. There is an institution within the cabinet known as the Policy Lab⁵ that promotes this approach. Are there similar practices in China?

Sylvia: I was once involved in Hong Kong's related policy making; similar work is being conducted. In mainland China, although the political system and process differ, there are actually similar initiatives of 'Design for Policy'. From my experience in the project, the simplest form is consultation meetings, or you can call them workshops, which were held at least once a month during our project. At some particular stages of the project, we felt it was necessary to hear the opinions of certain people. For example, I might want to talk to some design companies on a specific theme. This would lead to a well-organised consultation meeting in which we carefully planned the procedure and inclusion criteria for participants. We would invite different people at different stages of the project, including designers, people from a particular industry, and incubators.

Consultation meetings are the most frequent form we use. Additionally, we had project group meetings, field studies, industrial visits, and seminars. The way these activities are organised could also be considered a part of 'Design for Policy'.

Weining: From my understanding, the policy making process you just mentioned seem more like a top-down approach. It is initiated by authorities who have the motivation to do so. Is it possible to apply a bottom-up approach? For instance, how can individual researchers make policy suggestions based on research outcomes?

Sylvia: Bottom-up approaches are less common in mainland China, though Hong Kong does have them. For instance, there is a Public Policy Research Fund in Hong Kong that requires a proposal, which will be reviewed just like a typical research fund. In mainland China, there does not seem to be a dedicated program for policy research, which I think is understandable. You may notice that in policy research, numerous studies conduct workshops, leading stakeholders to participate in policymaking in Europe, but such practices are very rare in mainland China. This is a very academic way of thinking. The reason is simple: consider the size of each European country compared to China: China's conditions are too diverse, with economic imbalances and other factors among regions. Moreover, say you want to do a co-design workshop for China's design policy, who would you invite? It is difficult to initiate from the bottom up, even if you involve all the well-known names from China's academic and practical fields.

A critical learning from this project was that we need to assess whether a person was suitable to make policy suggestions. When we hold consultation meetings, we always set explicit inclusion criteria for participants. We invited people who were strategic thinkers instead of those who would only discuss everyday work trivialities.

⁵ More information about the Policy Lab can be found at https://openpolicy.blog.gov.uk/

Policy implementation: when policies reach practitioners

Weining: How about policy implementation? How can the national policies be materialised and become accessible to practitioners and the public?

Sylvia: It is essential to be clear about which national department or ministry issues the policy. The highest national level policy will cascade down in its system. For example, if it is the Ministry of Industry and Information Technology issuing a policy, the corresponding provincial body implementing it would be the local Bureau of Industry and Information Technology. A policy issued by the Ministry of Culture would be considered irrelevant for a provincial Bureau of Industry and Information to implement. Therefore, tracing each policy's issuing body is crucial. This is the vertical approach of oversight and implementation. There are also cross-departmental collaborations, such as those involving the digital economy, which inherently crosses various departments and fields. Local governments might break departmental boundaries and integrate other related policies to fit its development goals. This can be a horizontal approach.

Weining: In the relatively narrow sense of definition, how do you think design policy affects the behaviour and activities of frontline designers/practitioners, given China's governance and cultural system?

Sylvia: When I was working on China's design industry policy projects, I believed that China held a global leading position in the design field. We proposed the new concept of Innovation Design and re-shaped the scope of design. This well aligned with the changes made by World Design Organisation, previously known as the International Council of Societies of Industrial Design (Icsid). It changes its name to WDO because they felt 'industrial design' can no longer fully convey the scope of design. By using 'Innovation Design', we aim to differentiate from traditional design. From this perspective, there are few countries in the world that place such importance on design and invest so much effort at the national level to explore it, including the digital creative industry and digital economy.

Regarding the question, what are the characteristics of frontline industry practitioners? They tend to always keep their heads down while running and seldom look up to see the road ahead. Policy can then provide a guiding direction. When we made policies, aside from the broad Made in China 2025, we actually later introduced some other industry-specific policies and published books to help interpret the policies at a more practical level. In addition, awards were established to engage more people from the industry. Policies become even more concrete at the implementation stage, usually covering talent policies, taxation, and support for platform construction such as industry parks and organizations. These establish practical connections between practitioners and policies.

Once a policy is issued by the central government, local governments respond by creating their versions. The central government provides guiding mechanisms, such as promoting a design skills certification system. Local governments may then specify allowances for designers at different skill levels, with these measures varying across provinces and cities. Thus, the national level sets the guiding direction, and then provinces and localities, following the overarching framework and based on their unique situations, implement specific actionable policies. It is in this way that policies impact frontline designers and practitioners.

Weining: What topics would you propose to add to the future policy research agenda? For instance, in our interactions with the creative industries so far, AI has emerged as a frequent topic.

Sylvia: As I'm involved in design management research, and my supervisor, John, had also contributed to design policies in the UK, he gained a unique experience developing design policies for the UK, the US, and Japan. One thing I learned is that policy research should carefully consider the contextual differences.

Design policy is most frequently discussed in the UK, followed by Japan, while the US has never really had a national level design policy. This is a matter of economic principles and it is understandable. The UK focuses on design policy because the design industry is one of its economic pillars, significantly contributing to GDP, as does its design education. The context and motivation behind each country's design policy are different, tied to its economic development plans and resource advantages. I do not believe there's a one-size-fits-all 'design policy' research that applies universally. So, I do not have specific suggestions, but the models being implemented in Europe and the UK are commendable because they have matured over time. However, I do not think these models can be directly transplanted to China effectively due to different societal and cultural contexts. From an academic research perspective, research is not about individual cases but generalisation. The tools and methods provided might inspire other countries, but there is no absolute right or wrong approach.

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