



Gareth Bonello and Zining Wang

1st Year (July 2016 - July 2017) Wales-China Cultural Exchange

Cultural Memorandum of Understanding
Implementation Report

Haili Ma | Eluned Hâf



798 Art District, Beijing

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Introduction

In September 2015, the Governments of Wales and China drew up the first Memorandum of Understanding (MOU hereafter) on the Promotion of Cultural Collaboration Exchange. This is the first agreement to have been entered into by the Welsh Government and reflects the value that it attaches to developing cultural and trading links with China.

The Welsh Government has contracted Wales Arts International (WAI hereafter), the international arm of the Arts Council of Wales, to facilitate the delivery of this MOU. WAI has since set up the China-Wales Stakeholder Group as an annual symposium and its Steering Group that meets quarterly to help shape the delivery of the MOU. WAI has led two Wales Arts delegations to visit China, in December 2016 and February 2017. It has also commissioned initial desk-top research, through Bangor University, mapping out Wales-China cultural activities. This has identified a range of linguistic and cultural trends and barriers.

After an initial introductory visit in December 2016, the first cross sector government-led Trade and Culture delegation visited China in February 2017. This was led at a senior level by Ken Skates AM, Cabinet Secretary for Economy and Infrastructure. During this visit the delegation was enthusiastically received and was able to identify at first hand the voluminous opportunities to build relationships with a wide range of Chinese arts cultural businesses.

However, the delegation also identified some of the challenges that were likely to exist for Wales-based creative businesses. The most significant of these was a lack of understanding of the practical details of the Chinese arts market and the challenges to building informed and productive engagement. These challenges are linguistic, but also have complex political, economic, social and cultural dimensions to them. They are highlighted in three overview reports of the visit, produced by Eluned Haf (WAI), Peter Owen (Welsh Government) and Maggie James (Open Books).

In April 2017, Dr. Haili Ma, Senior Lecturer in Chinese Studies and Dean of Chinese College at Cardiff University was invited onto the Steering Committee by Eluned Haf, Head of WAI at the Arts Council of Wales. Dr. Haili Ma has subsequently been commissioned to produce an in-depth analytical report marking Wales China's first year implementation of the MOU. The report considers issues relevant to the Promotion of Cultural Collaboration Exchange, and provides strategic recommendations to help inform the second year of activities.



Top: Welsh Government's trade and culture mission, Shanghai, February 2017 lead by Cabinet Secretary for the Economy and Culture, Ken Skates

Above: Ken Skates looking through a kaleidoscope at Mass Art Centre, Xuhui District, Shanghai

There are nine key recommendations::

1 To increase Wales's global competitiveness, Wales would benefit from an integrated approach to the arts and the cultural and creative industries that achieves focus and critical mass. As well as a logical strategic entry point for Wales into the Chinese economy, this would match what is expected from the sector in China - ie that the **Creative Economy** becomes a pillar economy by 2020

2 To measure China-Wales arts and cultural development using the global cultural exchange and trade benchmark: 2005 UNESCO Convention and its latest update of 2015 Re-Cultural Policy by integrating it fully through the Welsh Government's Future Generations Act. To promote Wales' continued support and encourage participation by all the UK in the Convention after leaving the EU.

3 To place the latest model of **entrepreneur artists** at the core of China-Wales cultural exchange and trade, with funding and infrastructural support.

4 To develop translingual skills (cultural creativity across language barrier) through linguistic and cultural workshops to support the wider China-UK-Wales cultural and economic relationships and ambitions.

5 To build an University **Wales-China internships** programme to facilitate entrepreneur artists' Wales-China development.

6 To consolidate and expand the **China-Wales steering and stakeholder group** using social media, digital newsletters, and regular events.

7 To engage students undertaking Chinese Studies degree programmes as well as Chinese students in the arts and culture of Wales whilst they are studying and residing in Wales. This will promote the quality of Welsh social and cultural life for Chinese students increasing the attractiveness of Wales to future students. This could work hand in hand with other Welsh Government sectors especially tourism but also arts and creative economy.

8 To consider commissioning and/or engaging in **further research** to obtain clearer understanding of the China-Wales arts and creative sectors. This research would examine what further actions might be needed to enhance further Wales' global competitiveness.

9 A partner programme should be developed that supports the development of sporting links, which is historically a key sector of Cultural Industries, between Wales and China. This could be supported through the steering group.

Creative Economy as Wales' entry point to China

Wales as a nation may be small, however, it has a distinctive arts heritage and well developed contemporary creative and cultural industries. It is also a world leader in recognising the contribution that economic, social and cultural activity makes to longer term sustainable growth. These principles are set out in the Welsh Government's Well being of Future Generations Act 2015. Wales' Sustainable Development model is particularly interesting from a comparative cultural development policy perspective –Wales has become the first nation to have culture as the fourth pillar of its sustainable development strategy alongside the three traditional pillars of economic, environmental and social dimensions.

Building on Wales' existing strength, this report recommends the Creative Economy as Wales' strategic entry point into China.

The 21st century post-industrial economy has placed unprecedented emphasis on cultural production and consumption globally. In 1997 former UK Prime Minister Tony Blair encapsulated the concept of Cultural Industries in policy making for urban regeneration and employment revival. The Creative Economy (Howkins 2001), *The Rise of the Creative Class* (Florida 2002), and a growing number of publications have further articulated the new discourse and practice of the Creative Economy.

Creative Economy covers a wide range of creative and service sectors, from arts, crafts, audiovisuals, books, films, music and performing arts to fashion, design, architecture and new media. Production is no longer the sole preserve of institutions, but is increasingly led by Small and Medium-sized Enterprises (SMEs). At the heart of this new economy are the entrepreneur artists, creative individuals who bring imagination to cultural creation and who have high cultural capital and awareness of the market trends. This layer of bottom up creative power is seen as a key factor

in attracting skilled and knowledge-based creative workers to regions as the catalyst that can then kick start wider urban and community development and regeneration. Arts and cultural oriented production and consumption are developing as the 21st century's leading economic driver.

In response to the new global economic changes, UNESCO drew up the world's first legislation, 2005 UNESCO Convention. This promotes fair trade and exchange of cultural goods, promotes freedom of movement of artists and protects freedom of expression.

The United Nations is in full support of UNESCO's act. In 2008, the UN General Assembly published the first Creative Economy Report: *The challenge of assessing the creative economy towards informed policy-making*. In this document, Creative Economy is recognized as a new global discourse for the trade and exchange of wide arts and cultural goods. The UN highlights the multi-value of arts and culture; and its contribution towards sustainable social, economic and political development.

Both the UK and China are signatories to the UNESCO Convention. China was one of the first countries to fully support and comply with both the UNESCO legal regulations and UN recommendation of Creative Economy as the discourse for articulating global cultural trade and exchanges. In 1999, China established its first Cultural Industries Research Institute at Beijing University, funded directly by the central government. In 2004, the discourse of Creative Economy arrived in China via Shanghai Theatre Academy where the nation's first centre for the Creative Economy was established and inaugurated by John Howkins. China's latest ambition has been to build the Cultural and Creative Industries (CCI) and Creative Economy as the national pillar economy by 2020.



Visual artist Mary Lloyd Jones visit to China

As the UK was the first nation to articulate cultural industries and creative economy for its 21st century national goal, China regards the UK as the leading nation in this sector. Close collaboration on cultural goods trade and exchange between China and UK has developed and increased since the mid-2010s: In 2014, the UK Arts and Humanities Research Council (AHRC) signed the first MOU with China, with the Shanghai Theatre Academy as the partner. In February 2017, the discourse of China and the Creative Economy was listed as a priority theme on the AHRC Global Challenge funding bid. In October 2017, the AHRC is hosting the first China-UK Creative Economy Workshop in Shanghai, in preparation for Newton Funding for joint investment and research in China-UK Creative Economy. This is a collaboration between key universities and art institutions across the two nations.

China and the UK are both complying with UNESCO's and the UN's latest policy developments in the field of the Creative Economy and leading the new global discourse. Wales is making distinctive contribution through its rich arts heritage and well-developed media industries. It is therefore, this report's recommendation that the Creative Economy should be Wales' entry point to China.

Welsh Government Culture Statement, Policy Updates

Whilst the Creative Economy is identified as the strategic entry point for Wales into China, there are challenges in Wales that need to be taken into consideration and addressed as a matter of priority. Creative Economy includes wide artistic creative practice, from visual arts, crafts, books, films, music, performance, fashion and design to new media. Under current Welsh cultural policy, however, responsibility for promoting the arts is separate from the promotion of the creative industries; this differs from most European governments and requires extra steps to be taken to ensure a coordinated approach.

In 1997, the then British Prime Minister Tony Blair articulated the concept of promoting the cultural and creative industries, for post-industrial economic and social revival. In the same year, as a consequence of the referendum on devolution of power that created the National Assembly for Wales, cultural and trade powers were devolved to Wales. Since then, the devolved Welsh Government has classified the arts and creative industries sectors separately. The former refers to the publicly subsidized arts whilst the latter focuses on digital, media and commercially driven creative activity capable of generating profit. Each is promoted separately, through distinctive policies and separate agencies.

This reflects the fact that the Welsh Government funds the Arts Council of Wales to promote the arts, whilst for the present at least, the government promotes the creative industries itself, as part of its support for business activities. In practice however, there are no rigid lines of demarcation between the subsidised and the more commercial sectors, so this can make coordination of activity more challenging.

Public funding (or subsidy) for arts and culture in Wales has traditionally been built on the five pillars of:

1. Increasing choice and availability
2. Encouraging and promoting creative activity through the medium of Welsh
3. Reducing costs to offer greater affordability
4. Enabling innovation, experimentation and risk taking
5. Mitigating 'market failure' (i.e.: the inability, or unwillingness, of 'the market' to pay the real cost of certain types of cultural activity).

In other words, public funding helps to ensure that affordable and diverse programmes of quality activity are more widely available to more people.

It shouldn't be assumed that publicly subsidised activity is of lesser value or is in some way elitist. Educational and community based arts activity can have great cultural and social importance, but have little prospect of sustaining itself on a commercial basis.

So, this type of 'market failure' isn't just about the failure of arts within the market, but about the failures of the market itself – the ways in which economic forces can undermine and cut against, innovation, choice and affordability.

There will be many instances where 'the market' will see no merit, or financial gain, in supporting certain types of activity. Governments obviously shouldn't be spending public money where it's not needed – where the market can sustain an activity without

compromising its creative integrity. However, if real variety of product is to be offered – alongside helping to retain talent and keep intellectual capital in Wales – Governments need a more nuanced investment and funding strategy that recognises that a vibrant cultural economy depends on the right mix of public and non public funding.

In reality, therefore, all arts, cultural products and services are interconnected; the creative industries have their origin in individual creativity, skill and talent that has the potential for wealth and job creation through the generation and exploitation of intellectual property. The arts nurture the imagination and vision that provide the steady flow of new ideas and products that enable economic exploitation through the creative industries.



Meet Fred, Hijinx Theatre
(image: Tom Beardshaw)

The interdependence of arts and business are highlighted throughout 21st century global discourse of the Creative Economy and is highlighted in the three summative reports produced after the first Wales-China Trade Culture delegation, led by Ken Skates AM, Cabinet Secretary for Economy and Infrastructure.

Furthermore, the distinctive multi-value of arts – cultural, social, economic and political, are highlighted in the discourse of Creative Economy, and are viewed as key contributions to sustainable global development.

In the UNESCO 2015 Re-Cultural Policy, the latest policy update of the 2005 Convention, UNESCO highlighted digital media as being at the heart of the latest artistic creativity and emphasised the role of artists as crucial in leading this new trend.

In the new millennium, we are witnessing the everincreasing fusion of arts and digital media within new global culture and economic development. To ensure that artists and creative companies can benefit from favourable cultural exchange opportunities in China, and to share the learning about working in China where the subsidised and commercial arts are part of the same sector, it is highly recommended that initial steps to bring together the creative industries companies and artists in Wales through the arts sub group is expanded upon. More opportunities for both commercial and subsidised artists could be developed to learn and support each other's interests in China.

To ensure Wales' cultural trade and exchange opportunities are fully exploited, it would be advisable for the next trade mission to include both creative and arts companies. Active promotion of the opportunities from participating in the trade mission as well as better overview of the Chinese market and relationships available to companies in Wales will be required. There is an opportunity in year 2 to bring the two sectors together in a joint workshop on the opportunities for the sectors in China that can also promote the trade mission.

In the latest Welsh Government culture statement *Light Springs through the Dark: a vision for culture in Wales (2016)*, authored by Cabinet Secretary Ken Skates AM, he states that: 'the arts, music, literature and heritage' are all 'creative activities that give people purpose, and a sense of belonging and identity'. This statement reflects a crucial step in aligning the arts and creative industry sectors, and linking the arts to economic development.

The Cabinet Secretary's Culture Statement has been translated into Mandarin Chinese by Chinese Studies at Cardiff University (appendix 5). It will serve as a key document for Wales to articulate its political, economic and cultural position in the latest global discourse of Creative Economy to China and will help bring closer China-Wales possibilities for cultural, trade and exchange development.

In the 2017 UNESCO conference - *Ahead of the curve: Participative Policy Monitoring to Promote the Diversity of Cultural Expressions*, emphasis was placed on the urgency of policy update, especially in view of the uncertainties of Brexit. Within the latest cultural statement from the Welsh Government, we see a real opportunity to encourage a new creative value chain between Wales and China that is connected internationally on the back of the learning, from not just the delegation visits, but also from wide arts and business communities in Wales.

Well being of Future Generation: The Context



The Welsh Government's stated vision for Wales is to be fair, prosperous and confident, improving the quality of life of its people in all of the country's communities. The Government's new Well being of Future Generations Act enshrines these principles alongside cultural sustainability and requires public bodies in Wales to operate within the framework of the Act.

The all-encompassing vision of the Act supports the place and function of culture and creativity in contemporary Welsh society. Cultural activities self evidently contribute to our well being. They illuminate and give life to the wide range of strategies that underpin civil society. From health to education, to cultural tourism, to city re generation, culture bring meaning, authenticity and enjoyment to our everyday lives. It brings communities together, creates and sustain jobs, and develops our economy.



Top: Xian Zhang performing her inaugural concert as BBC NOW's Principal Guest Conductor (image: BBC/Ealovega)

Above: Debussy's Pelléas et Mélisande, WNO, part of the Hong Kong International Arts Festival 2018 (image: Clive Barda/WNO)

The arts, cultural and creative industries help to create:

1 A Prosperous Wales – culture and creativity are important in their own right for the enjoyment and inspiration they offer. But the creative and cultural industries are also a vital engine for Wales' economy. They contribute directly in terms of job and wealth creation, through the creation, distribution and retail of goods and services.

2 A Resilient Wales – they nurture innovation and creativity. Creativity reaches beyond the realm of arts and culture, though they are its natural nurturing ground. Creativity is a skill that can be used to bring innovative solutions to familiar problems, and encourage new ways of thinking and living.

3 A Healthier Wales – taking part in the arts can promote a healthier life style, reducing stress, promoting the prevention of disease and fostering greater wellbeing. Arts, creativity and quality of design improve healthcare environments and provide better quality facilities for patients and healthcare staff.

4 A More Equal Wales – arts and culture instinctively reach out, touch and engage. And at their best they reach beyond the easy and the obvious, removing the cultural, economic, social and geographical impediments that might otherwise form a barrier to engagement. The benefits of the culture are important and life enhancing – it must be axiomatic, therefore, that in a fair and tolerant society such benefits should be available to all.

5 A Wales of Cohesive Communities – engaging in creative activity increases individuals' and communities' confidence and sense of self-worth, builds social cohesion by creating friendship and a sense of 'belonging'. It can make people feel safer and more positive about where they live, taking a pride in their own culture or ethnicity.

6 A Wales of Vibrant Culture and thriving Welsh Language – nothing makes Wales more distinctive than its culture and its languages. The Welsh language provides the means to understand and enjoy an extraordinarily rich literature and culture. Creativity thrives on this and is a key component in continuing the Welsh language's vital role at the heart of Welsh life.

7 A Globally Responsible Wales – arts, culture and creativity help us to appreciate and understand the world we live in. They inspire and excite. They also help us to question and explore, bringing new insights to familiar challenges. The arts unlock our creativity and imagination, helping us to become more engaged, active and fulfilled citizens.

Wales has much to offer and learn internationally in terms of the lead it has taken in recognising cultural sustainability as the fourth pillar of its sustainable development strategy "Future Generations Act". Along with the original three pillars (economic, social and environmental sustainability) cultural sustainability is now a measurement used for all public bodies in Wales.

China Market Distinction, the Welsh Government Role

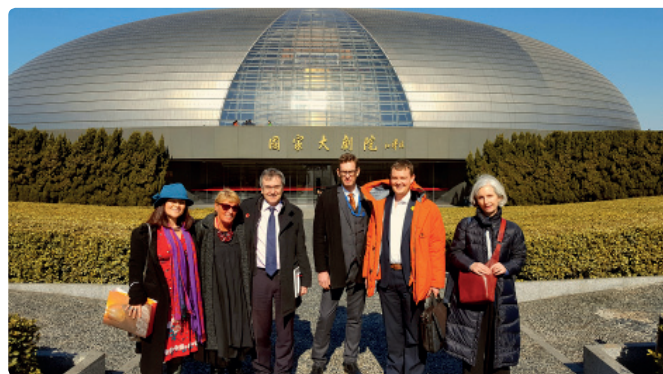
Whilst the Creative Economy may be a good entry point for Wales in China, there are distinctive Chinese market conditions that the Wales arts and creative industries community needs to be aware of if it is to maximize business success. Challenges of working with China lie beyond linguistics and culture, but involve an understanding of political, cultural and economic contexts.

The characteristics of the Chinese arts market in the 21st century could be summed up as artists and arts institutions perform under the dual pressures of economic success and Chinese Communist Party (CCP) ideological compliance. The Welsh Government must take the leading role in building a diplomatic relationship with Central and regional government, before regional markets can be fully open to Wales. Only then can genuine business opportunities be created.

In the first half of the 20th century we witnessed state support towards the establishment and expansion of a range of cultural institutions within the UK, from the BBC, to the Arts Council of Great Britain to the National Health Service. In China, the same state intervention took place. However, arts and culture were used as the indispensable ideological tools for the Chinese Communist Party (CCP) to gain legitimacy. Despite a predominantly peasant based army, the CCP fought the war against the Japanese and defeated the Nationalist Party through mobilising the mass population with arts and cultural forms. As articulated in Mao Zedong's 1942 Yan'an Speech on Arts and Literature, which still serves as the foundation of today's Chinese cultural policy, there is no such thing as art for art's sake – art is to serve the people and the CCP. Directly after the establishment of the People's Republic of China in October 1949, the CCP set up arts institutions across the nation, with centralised production and consumption.

In the post-Mao era of the mid-1980s, China central government started to encourage art institutions to make profit and artists were permitted to work outside the art institutions. From the late 1990s China has been undergoing unprecedented urbanization and decentralization began to take place. In the process, China has been following a unique central-regional decentralization management structure: Instead of having regional resource decentralized into the hands of individual artists and entrepreneurs, they are placed under the management of the municipal government, with certain independent policy making and high profit attainment as incentives. If, and when, the 'managers' become overly unruly, for political and/or economic reasons, they would be dismissed and replaced by the central party-state management line. This is what is often referred to as the politically directed, market-oriented China economic reform.

Under this central-regional management system, the art institutions were under increasing pressure to support the central CCP ideological legitimacy, as well as satisfy regional government market success. Such dual pressure was first felt under the national phase of 'marketization', in the 1990s, and increased under China's new ambition of building the Cultural and Creative Industries as the national pillar economy by 2020.



National Centre for the Performing Arts in Beijing

To work with a one-party led, ideological strong nation such as China, Wales government must commit to taking the leading role in building strong diplomatic relationships and cementing ideological harmony with both national and regional governments. Whilst the Welsh Government has led the first Trade and Cultural mission to China, very little follow up has been delivered and much remains to be done.

It is recommended that frequent governmental level support for cultural exchange is required, such as through art exhibitions, theatre performances and participation in festivals. Regular media exposure of such cultural activities are crucial to raise the Wales-China diplomatic profile. Only when the Welsh Government has built a trusted diplomatic relationship with Chinese Regional governments, will the Chinese regional markets open to Wales allowing trade and business opportunities to flourish.



Part of a community art exhibition,
Mass Art Centre, Xuhui District, Shanghai

Infrastructure for Entrepreneur Artists through University Internship

Whilst Wales needs government-led diplomacy to open up the market for its community, a bottom up infrastructural support is required to assist entrepreneur artists to take the lead in developing China-Wales cultural trade and exchange.

“Entrepreneur artists” in this context refers to artists who work either within or outside art institutions, they are market minded and often own Small and Medium Enterprises (SMEs). In the 2015 UN action plan on Creative Economy, Transforming our world: the 2030 Agenda for Sustainable Development and UNESCO 2015 Re-Cultural Policy, entrepreneur artists are regarded as the leading power in transforming the world and providing sustainable development of the 21st Century new economy.

As entrepreneur artists attempt to form ground-level links in China and develop arts business collaboration, they immediately encounter challenges of limited resource, linguistic barriers as well as cultural alienation. With limited resources in hand, this report recommends the utilization of a China-Wales internship to assist building the initial development between China and Wales.

An initial Wales-China internship has been built between WAI, Wales Arts Council and Chinese Studies, Cardiff University, with a focus on the theme of Creative Economy. Chinese Studies at Cardiff University was set up in 2016 with a distinctive research and teaching theme focused on the Creative Economy. The first internship was created in June 2017, facilitating WAI liaison with China on specific cultural projects, as well as collecting first hand data in Wales-China development. A second phase internship will be developed during the 2nd year of Cardiff University and WAI/ Arts Council of Wales collaboration, with a focus on developing internships across selected Wales entrepreneur artist businesses to facilitate their development and consolidate their China links.

It is envisaged that such pattern of support could be duplicated across universities in Wales, with the vision to build a systematic cultural-education business network within Wales and between Wales and China.

Whilst providing linguistic and cultural support, the interns will also collect both quantitative data (questionnaire based) and qualitative data (log books, interviews, observations). The collective data will be processed by a China-Wales cultural research team, to map out Wales entrepreneur artists, Chinese activities and needs before being turned into reports, articles and academic papers and action learning and visits and exchanges. These outcomes will be crucial for informing cultural updates in both Wales and China, and for applying for China-Wales joint research grant applications, to understand the needs of the Wales-China entrepreneur artist community, and to adopt the understanding across UK arts communities and SMEs to increase Wales’ and the UK’s global competitiveness.

Conclusion and Forward Planning

A long term culturally collaborative approach firmly rooted in research and learning, which recognises the importance of wider policy is fundamental to the delivery of year 2 of the China Wales Cultural MoU activities that we propose. Such an approach can support the growing China –Wales programme. It is a scene setter for a multitude of relationships to grow beyond just that of culture. From students coming to study in Wales to companies looking to trade in China, the programme needs to help them on their journey.

Whilst the building blocks can be put together in year 2 through the work undertaken by WAI on behalf of Welsh Government, it is essential the Government itself ensures that there is buy in across government and agencies if the work is to root firmly in the cultural and creative economy landscape of both countries. In particular it is recommended that the steering group creates new opportunities for the wider cultural and creative sectors to work closer

on developing meaningful relationships for Wales and Welsh companies and creative practitioners in China.

The recommendations at the start of this report are a starting point. There are other actions to be developed through the Year 2 Action Plan below to address barriers and to highlight and promote opportunities.

For the Action plan to be effective, partnership working between the government, key agencies, higher education, cultural practitioners and stakeholders needs to be further developed. The Welsh Government's Cultural MoU Steering Group needs to be used effectively to identify lead organisations and supporting roles of others as well as the resource base.



NoFit State visit to Hong Kong

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Dr Haili Ma is a Senior Lecturer in Chinese Studies at School of Modern Languages, Cardiff University.

Ms Eluned Hâf is Head of Wales Arts International, Arts of Council of Wales

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www.wai.org.uk