Re-examining Herbert Schiller’s Cultural Imperialism Thesis with cases of Chinese and Korean Cultural Industries

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China’s Quest for Soft Power: A Comparative Study of Chinese Film and Online Gaming Industries’ Going-out Efforts

by

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Approval

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Abstract

First essay: In the climate of a new orthodoxy foregrounding de-centralization and cultural diversification in globalization since the 1990s, Herbert Schiller's theory of cultural imperialism has been largely discredited in communication studies. Schiller's cultural account of U.S. imperialism is considered unsatisfactory for explaining emerging markets and rapid developments in global cultural industries. Both the Korean wave and the rise of China’s soft power seem to support this proposition. This article goes back to Schiller's thesis with the challenge represented in the successes of China and Korea. To be sure, real-world developments and current global power shifts challenge Schiller’s state-centric analysis of “imperialism”. However, Schiller's core-periphery framing of “domination” and “subordination” in power relations is still adaptable to today's environment. Additionally, his observation of the global cultural dominance of transnational corporate authorities and their dependence on class exploitation remains valid. Cultural imperialism successors need to account for both the state and class relations when studying contemporary cultural and economic exchanges among established powers and new powers.

Second essay: China’s rapid growth over the last several decades has reshaped the international economic and political order. Against the backdrop of ongoing global power shifts, China’s steps to develop and increase its soft power have attracted immense attention. This essay continues Yuezhi Zhao’s study of global power shifts and communication in China by locating China’s quest for soft power within its historical and geopolitical contexts and addressing the complexities of Chinese cultural industries’ global integration through a political economy of communication (Zhao, 2013; Zhao, 2014). This analysis foregrounds the identical nature of capital accumulation in the domestic and global developments of China’s film and online gaming industries. If China’s cultural revitalization is to be understood as offering an alternative to the current capitalist order, then the global commercial expansion of China’s online gaming and film industries do not represent soft power breakthroughs. Rather, they represent the market imperatives and business strategies underpinning China’s cultural integration into global capitalism.
Keywords: Cultural Imperialism; China; Korea; cultural industry; soft power; transnational capitalism; film industry; online gaming industry; global integration; capitalism
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Essay 1:
Re-examining Herbert Schiller’s
Cultural Imperialism Thesis with cases of
Chinese and Korean Cultural Industries
1. Introduction

In 1976, American communication scholar Herbert Schiller published his most influential monograph, the *Communication and Cultural Domination*, in which he offered his outline of cultural imperialism as a model of the “basic relationships that structure power domestically and internationally” (Schiller, 1976, P. 4). The theory of cultural or media imperialism, particularly as developed by Schiller, dominated thinking about international communication during the 1970s and early 1980s (Sparks, 2012). "Schiller's analysis of cultural imperialism became at once more explicit and more closely tied to a series of organized efforts to challenge the existing imperial system and the information-communication apparatus supporting it” (Maxwell, p.61, 2003). Besides offering general intellectual inspirations, Schiller’s thesis provided agencies such as the United Nations Educational, Social and Cultural Organization (UNESCO) a theoretical basis to “change the balance of world communication and to foster national communication policies" (Sparks, 2012, p. 284).

However, since the mid-1980s, the theory of cultural imperialism has gradually become marginalized in communication studies with the rise of a new orthodoxy in the field (Curran, p.171, 2002). Schiller responded to his critics in his article *Not Yet the Post-Imperialist Era* in 1991. He is not alone, as many other critical scholars have defended this critical tradition throughout the preceding decades. In the tradition of these defenses, my aim for this short essay is a very modest one of examining how Schiller’s essential concept of cultural imperialism informs the analysis of global cultural developments from China and South Korea (Korea). This article complicates Schiller’s analysis, which focused on the Western world and nations with a postcolonial identity, with an East Asian scope. By revisiting several key elements of Schiller’s cultural imperialism argument, I identify what has been misunderstood and glossed over today, and what needs to be reconsidered in response to changing conditions. This paper follows a political economy framework, leaving additional considerations, such as the traditional media effects account of “active audiences” also mentioned in Schiller’s 1991 article, for others to address.
Korea has a powerful cultural industry. The spread of Korean popular culture in music, dramas, films, fashion, games, and other cultural products is commonly referred to as the “Korean wave” (Shim, 2006). With the rapid penetration of Korean popular culture in the East and Southeast Asian region since the 1990s, and the continuing spread to South America and even Western countries since the 2010s, several news media, including the Financial Times, have exclaimed that: “Korean creative industries are staging their own version of cultural imperialism” (in Ward, 2002, cited from Jin 2007, p.754). In the meantime, China has welcomed the rapid growth of its domestic cultural industries. China is now producing and exporting indigenized media content and services across borders and regions. China’s local market prosperity and its economic, cultural and political resistance to Western ideology raises the issue of whether cultural imperialism, simplified as a one-way flow of cultural domination from Western countries to developing countries, is over, at least, in China.

Asian cultures are significantly different from Western cultures. In addition, the trajectories of China and Korea’s economic development are quite different from that of European countries, and their then-colonies. At the end of the Korean War South Korea’s GDP was once lower than North Korea’s. In the postwar era, however, the southern government embraced rapid and steady economic growth for two decades, a period referred as the “Han River Miracle”. By the end of 1970s when Schiller first proposed his cultural imperialism theory, Korea had already transformed to be a moderately developed country. While China had not yet integrated into global capitalism at this point, and was categorized as a third world developing country, it too has risen to power through rapid economic growth. It now boasts of a great economy that can compete with the United States. The political and economic changes that Schiller witnessed do not compare in scale to the shifts now at hand.

This paper starts from an examination of Schiller’s essential ideas of cultural imperialism, and summarizes the debates around cultural imperialism back to 1990s. From there, I provide comparative examples of Korean and Chinese cultural developments. My analysis of these examples supports Schiller’s main argument that cultural industries support established powers – the U.S. still sets global industrial standards, and transnational corporate authorities continue to gain more control over
cultural production. To the extent that class exploitation and struggle continue to exist in the world, the theory of cultural imperialism has not lost its explanatory power. Furthermore, as long as they play by the rules of established global cultural industries, there is no room for China or Korea, to reverse the imperialism of their predecessor, the United States of America.

Cultural imperialism has explanatory limitations. The problem is partly caused by an ill-defined research framework – whether it is an approach focused on state-analysis or on class-analysis. In the last section, I address counterarguments to the theory. I argue that most of the evidence emphasized by opponents stresses the state-analysis dimension of cultural imperialism, and does not rebut the class-analysis arguments of cultural imperialism. However, if cultural imperialism only focuses on class divide and struggles, it will fail to address new features of economic and cultural exchanges between nations. To enhance the explanatory power of the theory and to manage contemporary cultural transformations, researchers need to adjust Schiller's account to the new global context, and to complicate the political economy perspective with different research approaches.
2. From Schiller’s Culture Imperialism Thesis to the Not Yet Post-Imperialist Era

As has often been pointed out, it may be imprecise to label cultural imperialism as an academic tradition since it does not offer its own systematic analytical methodology, or a coherent body of thoughts (Sparks, 2007). A better way of describing cultural imperialism, according to Tomlinson, is “a variety of different articulations which may have certain features in common, but while may also be in tension with each other, or even mutually contradictory” (cited from Sparks, 2012, p.282). Therefore, on top of all different kinds of responses and critiques, we are left questioning what the essential meaning of Herbert Schiller’s cultural imperialism actually is. This is the first thing I address in this section.

The Notion of Cultural Imperialism

In Communication and Cultural Domination, Herbert Schiller described cultural imperialism as “the sum of processes by which a society is brought into the modern world system and how its dominating stratum is attracted, pressured, forced, and sometimes bribed into shaping social institutions to correspond to, or even promote, the values and structures of the dominant center of the system” (Schiller, p.9, 1976). The nature of Schiller’s cultural imperialism, according to this deliberately articulated paragraph, was not limited to the nation-state; rather, the explanation could be applied to any relationship premised upon subordination and domination, such as in international media flows, educational and cultural systems, or class relations, from one group to another (Golding, 1977:291-2, cited in Sparks, 2007, p.80). However, the original reflection of the post-cold war global order among nations was critical in establishing the context for theorizing cultural imperialism. It is not surprising to see that most of the empirical evidence in Schiller’s book was of how the U.S. dominated global cultural industries, and how its ideology influenced the rest of the world, through both overt and covert means. A classic example was Thomas Guback’s study of the success of global Hollywood. He identified hybrid strategies used by American film companies and the
government since 1945 to penetrate the European market with American cultural ideology (Guback, 1979).

According to Sparks, in Schiller’s original model developed in 1970s, the imperialist system started to function under economic and cultural pressures to adapt to needs of the world capitalist system. Such pressures were then passed down to local commercial media systems. The theory argues that imported programming and advertising causes local elites to accept the values and pass them to national populations. In the end, both psychological and economical pursuits from the local people would sustain the system. One should note here that Schiller’s model was not restricted to a “core-periphery” framework. However, to the extent the theory was conceived to describe the unbalanced and unidirectional flow of global media and cultural content under U.S. hegemony, cultural imperialism has since been commonly interpreted as the least powerful countries responding to vertical pressure from, or attraction to, the politics, economy and culture of the most powerful countries (Sparks, 2007, p.80-97).

The Orthodox Consensus

Since the 1980s, a technological revolution and corresponding developments in globalization have greatly challenged the cultural imperialism account. Objections to cultural imperialism are articulated in different dimensions. The first challenge questions if the U.S. still dominates over the rest of the world through cultural systems. According to this position, the international political and economic order has shifted towards a multipolar structure, and the United States has become a declining imperialist power. Thus, cultural imperialism, or American imperialism following this analytical framework, is a spent force. In contrast, a second position still recognizes the States as a significant player in cultural exchanges; however, in tune with the neoliberal climate of the time, the idea of “imperialism” is replaced with a much more pleasing concept of “soft power”. Concomitantly, the cultural imperialism thesis has also received challenges from arguments based on cultural diversity, regional markets, and complex flows.
The central theme of the counter-perspectives is that, as Giddens described, “Globalization is becoming increasingly decentered – not under the control of a group of nations, still less of the large corporations. Its effects are felt as much in Western countries as elsewhere” (Giddens, 1999a; as cited in Curren, p.171, 2002). The notion of globalization became widespread just as communication networks began to be deregulated and privatized during the 1970s. Starting in the 1980s the term has increasingly come into use all over the world in highly varied sectors of economic activity (Mattelart & Mattelart, 1998, pp.145-147). Globalization supporters recognize the “necessary complexity” in cultural industries and the “radical novelty” it brings to the current epoch (Sparks, 2007, p.130). They believed that the nature of the business activities driving globalization, derive creativity and efficiency from technology innovation, international trade, social divisions, and new norms of international regulations — and ultimately increase the sum of human happiness (ibid, p.132). Decentralization is the key argument here. Globalists recognized that power in the world, whether it was physical or symbolic in nature, is no longer concentrated in a single place. Instead, globalization has led the world to be a more interconnected and cosmopolitan society. Through globalization, “no state is tough enough to dominate world politics and no company is strong enough to dominate the world market” (ibid, P.132). In communication studies, Manuel Castells' thesis of the networked society has quickly become popular for understanding this process. It identifies the spread of digital information and communication technologies as the key elements that cause social, political, economic and cultural changes. This point of view sees social changes such as: the multiple production centers (emerging city centers breaking nation-state constraints), free flow of programming and information, the hybridity of cultural forms in global and localized media products, etc. as mostly positive. Network society theorists argue that networked individuals are more active than passive in accepting cultural imports in regional markets. From their view, the cultural imperialism thesis of subordination and domination fail to come to terms with the complexity and freedom that the new era featured in communications.

According to Curran, this revisionist orthodoxy in communications, changed “the terms of reference of the globalization debate” (Curran, 2005, p.171). Before, the
political economy of cultural industries studies centered on what rich countries were doing to the rest of the world – whether giving them a helping hand (modernization and development model) or exploiting them to be “decentered” and “disorganized” (cultural dependence and cultural imperialism). After, the orthodoxy set a general tone of optimism concerning the capitalist regime of commodity production in mainstream communication studies. Commercialization has been naturalized “as the only possible mode of living, culture, development and democracy during the time” through the processes of capitalist globalization (Curran, 2005, p.171).

**Critiques of Globalization**

Since 2000, the *dot.com* bubble and the global financial crisis have brought a new wave of critical reflection to globalization theory. Critical scholars in communication continue their predecessors’ traditions as found in the European stream of culture studies (the nature of commodities), and the cultural imperialism thesis (the resulting imbalance of power). They emphasize how the rise of transnational corporations and commercialization under globalization have brought social inequality and class conflict to a global stage. They argue that rather than decentralization, cultural industries have "undergone a process of internationalization and progressive concentration, resulting in the formation of a few big conglomerates: a new global oligopoly" (Sparks, 2007, p.128). The networks of this system are dominated by large corporations, and “despite their claims to have become civic actors, as they have proclaimed in image-building campaigns”, their basic roles are searching for profit and exclusive dominion over different sectors of society. Scholars worry that “as corporate values and private interests became predominant”, the public services of the welfare state, and the social forces supporting them will diminish (Lorimer, Gasher, and Skinner, 2008, p.281).

Critical theorists argue that communication has gradually changed its nature and status under globalization (Fuchs, 2014). Through globalization, big corporations are becoming transnational. Capitalist logics have successfully penetrated world markets including the cultural sphere. The new transnational capitalist class represents the social groups who have become wealthy and privileged as a result. While wealthy, educated
urban citizens have considerable access to the fruits of globalization, the lives of those with less mobility and resources have not improved at a corresponding rate. From the digital divide to new international divisions of labour, globalization intensifies the inequality of wealth and resource distribution along class lines. This inequality is something the cheerleaders of globalization exclude from their analysis. Thus, some people are full participants in, and major beneficiaries of, globalization, while a great many of others are excluded from the benefits (Lorimer, Gasher, and Skinner, p. 281-287).

**Not Yet the Post-Imperialist Era**

Amidst critical reflections of neoliberal practices, the cultural imperialism tradition follows a broad political economy perspective. Refuting the assertion that cultural imperialism was obsolete in the early 1990s, Herbert Schiller defended the theory in his article *Not Yet the Post-Imperialist Era* (1991). He illustrated that American military, political, and economic hegemony still existed and asserted that the difference was in how national media-cultural power had been largely subordinated to transnational capitalism. He argued that the U.S. model of a consumer society largely applied to the rest of the world. He also pointed out that “active audiences” research had methodological flaws, asking, “in this totalizing cultural space, who is able to specify the individual source of an idea, value, perspective, or reaction” from “the now nearly seamless media-cultural environment, and examine it for specific effects”(1991, p. 24). Although largely discredited by mainstream academia, the cultural imperialism thesis has continued to develop into the new millennium. For example, Harvey’s new imperialism thesis (2003) emphasizes inter-state rivalries and the anti-terrorism war, after the September 11th attack on the World Trade towers, as a new form of colonial expansion. Robinson’s transnational capitalist class theory asserts that global capitalism has deepened the exploitation and inequality between social classes, and that imperialism should be understood beyond an expression of state power (2007). Jin supports Schiller’s account of American cultural imperialism with new examples of America’s domination in digital platforms and telecommunications in this era of globalization (2015).
Against the cultural imperialism debate, there is contestation as what is the major factor that drives global capitalist transformation—state, capital, or both, if, as Schiller asserted, globalization “leaves most of the people and nations in the world more vulnerable than ever to domination - cultural, military, and economic” (Schiller, pp.21-24). However, this answer is not clear in Schiller’s articulation of the theory. In his 1991 article, he offers evidence to argue that America was still the dominating power compared to the rest of the world. He also asserted that transnational capitalists had started to dominate media-cultural power. As he explained, since most of the transnational media companies were American that even under transnationalist capitalist rule, American ideology was still largely applied in the rest of the world, and it was therefore far too early to say that we are in a post-imperialist era. Here, Schiller does not broach the future possibilities of what happens when the biggest transnational media companies are not American. He simplified the complexity of different driving forces - state, social elites, and transnational capitals behind an all-encompassing definition of global capitalism.

Compared to Schiller, who might locate himself in the middle, there are two polar extreme trends in cultural imperialism theory, which emphasize either state or class relations. David Harvey is one of the scholars who takes a state-centric position. He argues that nation states play critical roles for the distribution and use of political and economic power in the neoliberal global system. According to him, the war on terror led by the U.S. and increased military deployments and extended military spending from the U.S., are strong evidence of the advent of a “new imperialism” era (cited from Robinson, 2007). Amidst heightened inter-imperialist rivalry and quick shifts in global power, the U.S. endeavours to secure and enhance its global hegemony. Inter-imperialist rivalry is a Marxist concept developed in the early 20th century describing pre-War period politics. As described by Robinson,

Lenin, in his 1917 pamphlet Imperialism: The Latest Stage of Capitalism, stressed the rise of national financial-industrial combines that struggles to divide and redivide the world amongst themselves through their respective nation-states… The rivalry among these competing national capitals led to inter-state competition, military conflict and war among the main capitalist countries” (2007, p.7).
Under new imperialism, “national capitalist monopolies turn to the state for assistance in acquiring international markets and that the state intervention inevitably leads to intense political economy rivalries among nation-states” (p.7).

The new imperialism school is criticized for this state-centric stress, but where Harvey emphasizes conflicts and tensions between nations, Robinson emphasizes the role of capital and globalized class division. As Robinson pointed out, “the class relations of global capitalism are now so deeply internalized within every nation-state that the classical image of imperialism as a relation of external domination is out-dated” (p.19). Robinson argues that Harvey’s territorial definition of country is a problem of reification, and ignores current political dynamics under globalization. Instead of the classical image of imperialism as a relation of external domination among nations, or the facile North-South/core-periphery framework, imperialism in current era “is about groups exercising the social power - through institutions - to control value production, to appropriate surpluses, and to reproduce these arrangements” (p.24). Robinson asserts that imperialism in this sense refers to global capitalist exploitation, “whereby intervention is intended to create conditions favourable to the penetration of transnational capital and the renewed integration of the intervened region into the global system. U.S. intervention facilitates a shift in power from locally and regionally-oriented elites to new groups more favourable to the transnational project” (p.19). In spite of the differences in arguments, both Harvey and Robinson affirmed that as a theory, imperialism remains indispensable for understanding the contemporary world order.

Summary

Responding to the orthodox assertion that the imperialist era is over, Schiller argued that class struggles and social inequality have been intensified by globalization. He argued that global civil society and networked individualists did not prevent the Iraq War. American ideological dominance and cultural exploitation of the “Global South” still exists. The growth of international institutions and organizations do not effectively resolve these tensions and conflicts. American domination forcefully remains despite a rapidly changing international landscape, and correspondingly, is practiced in ever changing forms itself.
Although Schiller’s imperialism argument had a class angle, he did not extract the nation-state perspective from the class analysis. This is partly because during his time, since American companies prevailed over the world’s media markets, it was not critical to identify the driving force behind the phenomena—be it either from the nation, or from the transnational capital. Schiller did realize that national sovereignty was located in the intersection of national interests and the profit-driven activities of economic colossuses. He asserted, “the domination that exists today, though still bearing a marked American imprint, is better understood as transnational corporate cultural domination” (p.15). However, as he also claimed, “their combined efforts in the places they exercise the greatest influence have produced the consumer society, of which the United States stands as model” (p.21). Two and a half decades later, with the rise of emerging markets and their capital integration into global systems, many transnational capitalists are no longer American. Robinson’s transnational capitalist class account of class struggles, which transcend national boundaries, might therefore be more applicable to explain today’s power relations.

As illustrated at the beginning of this section, the essential idea of cultural imperialism is not state-centrism; rather, it is a general description of power structures that applies to any form of group relations. Therefore, why has the theory developed largely within a state-centric angle by its successors? To be sure, the biggest reason is that the States is still the most powerful country in the world. As Jin argues, “the U.S., which had traditionally controlled non-Western countries with its military power, capital, and, later, cultural products, now seems to intensify its dominant power in the world with platforms” (2015, p.13). The States keeps benefitting from its advantages in terms of both capital accumulation and spreading symbolic ideologies and cultures in current age. Thus, American dominance is still the most convincing evidence for many of the ongoing practice of cultural imperialism. We should also notice that since most of the scholars studying cultural imperialism come from Western countries, it is understandable that they tend to use cases they comprehend easily, and avoid examples they are unfamiliar with. The famous 1950’s division of countries, as first, second and third world, still influences cultural imperialism scholars. For example, how can the transnational capitalist framework account for China’s rise from its third world status to become the world’s second largest economy? Is cultural imperialism still in effect in this case? Relatively,
there is a lack of incentives, skills and attention to this inquiry in Western scholarship. Perhaps the best effort for applying the cultural imperialism argument to today’s condition is not only a process of recognizing the de-nationalization of power in the world, but also a process of de-Westernization in building the theory.
3. Rethinking Cultural Imperialism in China and Korea’s Cultural Industry

As introduced above, the cultural imperialism school argued that 1) American media corporations still dominate global culture industries. 2) Developing countries have adopted models and practices from the U.S. or other developed countries in their own media systems. Following these two premises, cultural and ideological imperialism still exist. Schiller uses the example of Brazil to illustrate how American values and ideology have become deeply entrenched in Brazilian programming, “It is the spiced up Third World copy of Western values, norms, patterns of behavior and models of social relations” (Oliveira, 1990; cited from Schiller, 1991, p.22). He also reflects on the case of Indonesia to highlight the looming social turbulence under cultural imperialism, where “the income gap between affluent business people and the millions of impoverished who eke out a living in the villages” was widening (p.26). Moving the research telescope to East Asia, have China and Korea experienced similar patterns? To be sure, the cultural industries in both countries is composed of a wide range of sectors and it is therefore impossible to identify one precise trend or conclusion that applies to all scenarios. In this section, however, I offer two particular angles to view China and Korea’s cultural developments. My analysis supports Schiller’s standpoint: 1) from the state-analysis level, I argue that American cultural imperialism operates through documentaries such as Super China; and 2) from a class-analysis angle, transnational capitalist logic and standards have deeply influenced Korea and China’s media development as exemplified in the case of Korean music. Thus, cultural imperialism is not disappearing, but has been enhanced in many cultural sectors.

Soft Power or Cultural Imperialism: The case of the documentary Super China

In early 2015, a seven-episode documentary entitled Super China aired on KBS, the national broadcaster in South Korea. The special series covered China’s demographics, economics, resources, geography, military, diplomacy, and soft power. It not only won hearts and rating of over 10% of South Korean audiences, compared to average ratings for documentaries at around 5%, but was also widely discussed and
circulated on Chinese social media ("Documentary on China", 2015). Some Chinese netizens praised it as progressive, unprejudiced and comprehensive. Some thought it exaggerated China’s development and stirred up a sense of “crisis” and “threat” for South Koreans. Some even joked that such a positive documentary admiring China's development must have received funding from the Chinese government (Ren, 2015). The fifth episode of this documentary, entitled *Chinese Soft Power*, focuses on the cultural side of China. In this episode, recent Chinese cultural achievements and external soft power expansion are illustrated with vivid examples of arts and communications. Besides individual stories, it also shows how Chinese traditional culture has regained attention, been repackaged and promoted to the world, in order to accumulate commercial and political capital. Covering events from the ancient Ming dynasty to contemporary China, the documentary portrays the resolution and determination for a cultural revival by Chinese people.

The phase “soft power” was first coined by Joseph Nye of Harvard University in 1990 to describe the ability to “attract and co-opt” rather than “coerce, use force or give money” as a means of persuasion (Nye, 2008, p.2). The *Super China* series opens a gateway, with a wide range of deliberately picked evidence, for us to glimpse the scope of China’s current soft power. Some examples include: the grand opening ceremony of 2008 Beijing Olympics; the world famous pianist Langlang captivating classic music fans all around the Western world; Zhang Xiaogang, a contemporary Chinese painter famous for his stylized portraits of Chinese people during the cultural revolution period and who attracted 70 thousands Koreans going to his solo exhibition in Seoul in 2014; and Wang Shu, an architect of modern buildings with traditional Chinese materials and techniques who became the first Chinese citizen to win the Pritzker Prize, the “Nobel Prize” in architecture. The documentary also mentions the Chinese movie *Black Coal, Thin Ice*, which won the *Golden Bear Award* at the Berlin International Film Festival in 2015. Besides individual stories, it also shows how Chinese traditional culture has been repackaged and promoted to the World through commercial and political efforts. According to the documentary, elite Western consumers are investing in Chinese painters. Among the world’s top 500 highest-paid contemporary artists in 2014, 263 are Chinese; among the top 50, 21 are Chinese. Hengdian World Studio, a small town in Zhejiang Province with the replica of the Forbidden City and ancient villages, is the
largest production studio in Asia, with the ambition to be China’s version of Hollywood. The Chinese government is also working on enhancing its discursive power in global media by setting up a news agency comparable to the BBC and Al Jazeera on global stage. As such, CCTV, the predominant state television broadcaster in mainland China, now has 63 bureaus around the world and two overseas news channels in North America and Africa with highly localized teams as represented in Caucasian and African anchors. The documentary also mentions the Confucius Institute established since 2004. Functioning as the cultural ambassador for the Party-State, it has now spread to 126 countries. With huge government support, it works to promote Chinese traditional culture, and supports Westerners learning the Chinese language, martial arts, painting, calligraphy, etc. Tulou, a traditional communal residence with a circular configuration surrounding a central shrine, was designated as a UNESCO World Heritage site in 2008. So far China has 48 heritage sites designated by UNESCO, ranking behind Italy with the second most sites in the world.

All of these achievements, mentioned in this episode of *Super China*, reflect the Party’s vision – or more appropriately their ambition- for a “cultural breakthrough to the Western world”, “de-Americanization”, and building up the “Chinese road”. The Party’s vision, carried by China’s holistic efforts on cultural development and expansion, is in line with Nye’s neoliberal concept of soft power. As Nye points out, “the countries that are likely to gain soft power in an information age are those whose dominant culture and ideas are closer to prevailing global norms” (Nye, 2008, p.3). He comments that the U.S. continues to retain its strong advantages in cultural industries as the establisher of norms for the rest of the world. Not surprisingly, America’s path of soft power expansion is what China’s leaders want to follow. Admittedly, China’s cultural industry has achieved certain innovation through market competition and global capital integration. Moreover, the urban class is enjoying a boom of variety in media content, industrial profits, and the elites realize profit and prestige on the global stage – as is made evident in this episode. However, going over all of China’s achievements in soft power expansion thoroughly, one can see that the achievements are not nearly as impressive as those of the U.S. In comparing Nye’ notion of soft power to Schiller’s cultural imperialism, the existence of soft power ironically represents the existence of cultural imperialism.
First, although trying to provide a comprehensive demonstration of China’s soft power performance, the documentary failed to put equal weight on both sides of the coin. Whereas examples of “superpower” are emphasized, the “weak power” cases are largely neglected. In fact, amidst the complicated political and economic tensions that China now is facing in its quest for soft power only two stories along these lines are briefly mentioned in this episode. One is the resistance to Confucius Institutes by some of the most prestigious universities, and the other is the hostile attitude Americans have of China, seeing it as one of the most untrustworthy and threatening countries in the world; as represented in a recent poll conducted by the Pew Research Center. One should also notice that considering China has a population of 1.5 billion people and thousands of years of cultural heritage, it is not surprising to see individual breakthroughs from China. The documentary puts too much emphasis on typical cases and lacked empirical evidence to prove the global competitiveness of China’s industries. For instance, a glamorous scene of Chinese filmmakers winning awards in global international film festivals is not relevant to China’s overall position in the overseas film market. In fact, Chinese cultural products do not dominate in any global market. In the film industry specifically, over the past five years China has experienced a downward trend\(^1\) in its global exports. In 2014, the revenue of overseas Chinese film exports was only 1.87 billion yuan (300 million US dollars), while its domestic film revenue was close to 4.7 billion US dollars. China has not fully opened its domestic film market to the world yet. Despite the strict import quota of 34 foreign-made movies each year, the fact that close to 50% of China’s domestic box-office is generated by Hollywood movies is indeed alarming (Zhang, 2015).

Not all hold the optimistic perspective *Super China* conveys. Considering the unremarkable scale of cultural exports, lack of Chinese brands, and ultimately a failure in “the articulation of values that the rest of the world can aspire to and emulate”, as Sun concluded, China’s soft power quest might even be “mission impossible” (as cited in Zhao, 2013, P.18). It is not difficult to find evidence in China’s media development that

\(^1\) According to EntGroup Inc. *2014 Chinese Film Movie Industry Research Report*, in 2010 there were 3.52 billion yuan overseas box office for Chinese movie, in 2011 it was 2.06 billion yuan, and in 2014 it was 1.87 billion yuan for overseas film export revenue. in 2014 U.S. had 10.4 billion USD in its domestic box office. China followed up with 4.7 billion USD market.
supports such a pessimistic claim. For example, in TV programs, China is still copying and buying foreign reality models and practices. In 2014, 63 TV programs in China were co-developed with foreign media companies, which accounted for almost 90% of current Chinese variety shows broadcasted on TV networks. In 2014, among the top 10 most watched variety shows, half of them were based on foreign shows and introduced to the mainland market at the cost of huge licencing fees. Not to mention that many existing so-called “local-designed programs” are in fact copycats (Zu, 2015). Beyond such factors there are many other aspects reflecting the weakness of China’s television sector: the fever of marketization brings hot money, blind investments, and excessive commercialism to cultural sectors. The quality of content is not ensured and protected by current market mechanisms. A lack of innovation has always been a big issue for Chinese cultural industry. The current market prosperity is largely credited to the nation state’s economic boom, domestic demand, cultural property and trade protection, rather than to new models, technology, or standards, which could compete on the world stage.

The imbalance is also reflected in ideology. In a recent survey conducted by the Pew Research Center on the topic of global influence, it is ironic to see that Chinese people prevailingly hold favourable attitudes towards America: viewing it as a cooperative partner, and admiring its technology and science. In the meantime, 68% of Americans see China as untrustworthy, and a major threat (“How American and,” 2012). Ideological barriers are never easily conquered. In the past 20 years, the Chinese government made a huge investment to foster China’s news agency abroad, but the outcome is far less than satisfactory. Chinese overseas news agents, such as CCTV (China Central Television) America, have very limited impact to the Western world (Zhao, 2008, p.151), and are often portrayed negatively by Western mainstream media. For example, the localization process of CRI (China Radio International) in overseas markets is described in Reuters’ recent investigative article, as a “very deceptive” approach to covertly promote China-friendly news throughout Washington, and the world (Qing and Shiffman, 2015).

Admittedly, innovation is always the key element here. As Xu Zhangrun, a law professor at Tsinghua University said, “whether China has the comparable original ideas and technological innovation - are the key factors for China to break through the
ideological restrictions of the mainstream Western society, and to build up its soft power” (Chinese "soft power" overseas marketing problem. Nd.). For its part, marketization seems to be the ‘magic pill’ for Chinese policy makers and specialists. From the summary of SSAP’s (Social Sciences Academic Press China) *Annual Report On Development of China’s Cultural Industries* (2013-2014) we can easily see the tone,

“after the Third Plenary Session of the 18th CPC Central Committee, the development of China’s cultural industries has gotten into the ‘shifting period’ – from the request of ‘speed’ in market growth, to an intensive immersion of every facet of a modern cultural marketization” (Wen, 2014).

Again, as already mentioned, the U.S.’s cultural industries, as both moneymaking machines and the embodiment of American soft power, in terms of innovation and creativity, serve as the ultimate model that China’s cultural planners have set out to follow (Zhao, 2013, p.21).

The producer of this documentary, Park Jim-bum, is a China expert. He got his bachelor degree in Chinese literature from Korea’s Seoul National University, and master degree in news and communication from China’s Tsinghua University. He is fluent in Chinese and has worked in Beijing as a correspondent for many years. In his words, the goal of this documentary was to be objective in helping his fellow South Koreans know the real China. To be sure, he did a good job for many people, since his work is entitled as the “encyclopedia” of understanding China (Pen, 2015). However, why did Park, a professional journalist, view China’s soft power from an optimistic angle? In fact, it is an internalized process of understanding power relations, inspired by many mainstream scholars including Nye; one of the founding scholars of the neoliberalism paradigm. Neoliberals consider the free market, privatization, and deregulation as fundamental laws for economic revival. They hold optimistic views of power shifts under globalization. They believe nations are generating absolute gains rather than relative gains in international cooperation (Gomichon, 2013). Neoliberal scholars recognize the complexity and significance of social changes, and they believe the sources and distribution of power are being methodically transformed by the current revolution in technology and information sharing. As “soft power” is the title of this fifth episode, it is
not surprising that Nye was interviewed in this documentary, nor that China’s cultural expansion quest was positively interpreted as a national strategy to secure its political and economical status, and embraced a national sentiment of a Chinese cultural revival. From this perspective, Super China’s “soft power”, is inevitably optimistic, elitist, and Western-centric; rather than a solution to rebalance global orders for the powerless and to achieve the alternative imaginations that cultural imperialism scholars aim for. While Park’s understanding of China’s soft power is a stream of force from a powerful China on one side from the other sides it represents competition that must be struggled against. The documentary to some extent implied a looming picture of a united “Chinese dream” - a Westernized imperial dream- the mission to recover from “a century of humiliation” as a long-standing empire and to reshape a new international order. The overstatement of China’s soft power precisely shows how the documentary both supports China’s rise, and how it enfolds it into a world dominated by the U.S. as a subject whose rising competitiveness is a threat.

The neoliberal concept of “soft power”, under the euphoria of globalization, does not consider class struggle. Nye’s analysis of the imbalance in the distribution of global power does not consider the critical roles played by corporations or capital, which is the dominate focus of critical political economists who are responding to what they see as an “unrestrained global corporate order”(Schiller, 1991, p.16). As Schiller argued, through globalization, open borders are transgressed; open trade enables the most powerful to prevail; open minds are at the mercy of the swelling global flows of the cultural industries. With his different framework, although Nye recognized that the United States and Europe are able to benefit more from soft power, he justified this privilege on the premise of their “democracy, human rights, openness, and respect for the opinions of others” (Nye, 2002, p.5). Neoliberals recognize the critical roles played by non-state actors, but they focus more on actors such as international institutions and organizations (IMF, World Bank, WTO, etc), rather than transnational corporations. They do not deny that non-state actors have gained greater power, with more activities outside the control of even the most powerful states. However, a class analysis of the resulting social conflicts and inequality is generally excluded.
Therefore, in this episode of Super China, it is not surprising to see that none of the examples mentions the working class and people living in rural areas – not only from China, but also from the West. In the documentary, we see Westerners spend million dollars on contemporary Chinese paintings; ironically, the most expensive Chinese paintings were oil paintings inspired by Western art forms, not the traditional Chinese style. Westerners went to Lang Lang’s concert, and listened to classic pieces written by their ancestors. A few of white people sent their kids to learn Kungfu and calligraphy. We also see that global elites are seeking to partner up to exploit business opportunities. However, we do not see the global communication between lower classes in the West and China as part of China’s soft power expansion. In fact, the only faces, which represent the lower class to some extent, in the documentary, were of those living in the commercialized Tulou, located in Chinese southern villages. With more tourists coming, they are presented as potential beneficiaries of China’s promotion of UNESCO’s cultural heritage project.

In summary, Nye’s soft power is a very amicable idea that represents culture in terms of American styled commodities, compared to the critical school’s concept of cultural imperialism and its recognition of domination and subordination. Nye pointed out that power had been evolved to be “less tangible and less coercive, particularly among advanced countries” (2002, p.8). This does not contradict, but echoes, Schiller’s recognition of a more complicated and blurry political economic environment, as capitalist ideology is actively accepted by developing countries through a process of internalization rather than mere passive acceptance (1991, p.19-22). Nye does not recognize the “dominant” and “prevailing” nature behind power. Likewise, Nye is also in agreement with the critical scholars who claim that America remains the de facto world power. In his article, Nye argued that American soft power rests on intangible resources: culture, ideology, and the ability to use international institutions to determine frameworks of debate, etc. Nye recognizes that the U.S. still retains its global hegemony, but compared to the 1970s, new orders of powers have brought “threatening” factors to the States. The control of communications in the information age is critical, and Nye believes that the U.S.’s advantages in cultural industries still prevail. He mentions that although “Western culture received repulsion from some Islamic countries, but for much of the world including many moderates and young people, our culture still attracts” (Nye, P.3).
In short, as Schiller concludes, Nye’s idea of “soft power, is essentially the ‘control of communications and definitional power’”(Schiller, 1991, p.18).

The attraction or contestation between nations in the "soft power" analytical framework, foreground the exchange of information flows rather than the origins of ideology. It lacks a fluid and historical analysis of class and political economy perspectives. Thus, any progress in the cultural productions of a developing country that decreases the scale of imports from developed countries, or generates reverse flows are pronounced as evidence refuting the cultural imperialism thesis. However, as analyzed in this section, China's soft power is nothing compared to the States’. The achievements described in Super China do not prove that cultural imperialism is dead, rather they hint at the limitations of the soft power thesis. In the following section, I further the argument that the prosperity of China and Korea's cultural industries resonates with Schiller's original idea of cultural imperialism.

**Reverse Cultural Imperialism? The success of “Gangnam Style”**

So far I have offered a critical reflection of the neoliberal framework of “soft power” through the lens of a Korean-produced documentary covering China’s cultural development. On the one hand, the large Internet circulation and positive feedback from the majority of the audience reflects that this frequently cited Western term for describing power shifts, “soft power”, is not imposed onto, but dovetails into Chinese and Korean mainstream ideology. On the other hand, by dissecting the evidence shown in the Super China episode Soft Power, it is easily to tell that China’s cultural production is not yet on scale with the States. Without an analysis of class and ideology, China’s cultural development could simply be articulated as an emerging counter-balance to the current Western dominance of cultural industries. Having acknowledged the limitations of the “soft power” analytical account, in this section, I use two Internet memes to further discuss and reflect on the adaptability of Schiller’s cultural imperialism thesis in China and Korea.
In 2012, the Korean pop single “Gangnam Style” swept up the world and topped music charts in more than 30 countries. In two years, it has reached more than 2.3 billion clicks on Youtube. The phrase “Gangnam Style” is a Korean neologism that refers to a hedonistic lifestyle associated with the upper-end Gangnam District of Seoul. The song and its accompanying music video, with the amusing horse-riding dance moves, went viral and has become a cultural phenomenon that influenced pop music worldwide (“Guang chang wu,” 2014). A year later, there was another song titled “Little Apple”, which blasted from storefronts and cellphones, and quickly found its way just about everywhere in China. This song is made by a Chinese comedic filmmaking duo known as the “Chopstick Brothers”. Many have compared “Little Apple” to the global standards set by “Gangnam Style”, since its danceable beats, electronic-music snippets, repetitive lyrics and easy-to-learn choreography routine are all similar to the Korean hit. “Little Apple” received a billion clicks on Chinese domestic websites, and hundreds of thousands have uploaded videos of themselves singing and dancing; however, this song has never become as much of an earworm as the Korean mega-hit in the global music market (Silbert, 2015). “Gangnam Style” was highlighted as the finale performance in the Annual MTV Video Music Awards in the U.S., while, two years later, “Little Apple” was only performed during advertisement breaks in China and did not reach American television audiences (“Guang chang wu,” 2014).

To be sure, the success of “Gangnam Style” is contingent. Although it included all the elements that would make a viral hit, the market reaction and commercial success for a single song is never easy to predict. “Gangnam Style” had first-mover advantage to capture audiences. Successors, such as “Little Apple”, normally face big challenges to attract the same attention, unless they manage to create new flavours to stimulate audiences. In addition, although “Little Apple” is highly coverable and easily parodied, due to the fact that YouTube is blocked in China, it lost the opportunity to raise social media attention to a global scale. Last but not the least, as a typical Korean-made pop song backed by the powerful K-pop industry, it is not difficult to identify that “Gangnam Style” has better quality production. Psy, the singer of “Gangnam Style” used to study in an American college, and has signed on with Justin Bieber’s agent for his overseas marketing (Vena, 2012). It is not surprising to see that “Gangnam Style” has more channels to be promoted to Western mainstream listeners than “Little Apple”.

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However, besides all the factors mentioned above, the global success of “Gangnam Style”, and K-pop in general, reflect the different phases of Korean and Chinese cultural industry developments. Under the “Cultural Nation” strategy, Korea’s cultural industry outward expansion took off several decades earlier than in China. The market imperative is obvious: Korea has a very small domestic market. The entire Korean cultural industry faces fierce survival challenges. With the innate motive of going overseas and beat intense competition, Korea’s cultural industry grew rapidly, and gradually took the leading position in Asia in terms of cultural production and innovation across sectors such as TV dramas, reality shows, fashions, and especially pop music. Compared to China, Korea has experienced a longer and deeper capitalist industrial transformation of its cultural products. The U.S.’s and Japan’s cultural values and standards have thoroughly affected Korea’s cultural industries since World War II. As America’s strategic partner in Asia, the barriers for Korea to adopt Western ideology and values have been relatively low.

Compared to Chinese music, which includes various types of genres that have evolved from a much richer Chinese culture with different ethnic groups and over a long history (Zhao, 2013; Lin, 2013), Korean pop music is more readily made into a globalized cultural commodity (Jin, 2007). According to Rolling Stone author Benjamin, K-Pop embraces “genre fusion” with both singing and rap, while emphasizing solid performances and visuals at the same time, blending genres like pop, rock, hip hop, R&B and electronic music (Benjamin, 2012). The way Korean singers perform their songs with synchronized dance moves and complex gestures has increased the popularity of K-pop (Sea brook, 2013). As Shim points out, if cultural proximity plays a big role in the popularity of K-pop in Asia, then it is the “vision of modernization” inherent to the Korean pop culture that plays a critical role in making it acceptable to the whole world (Shim, 2005).

The success of Korea’s cultural industries should be accredited to the country’s political conservatism in bypassing contradictions between American values and Korean conceptions of the world. “K-pop is well known for its high quality artistic craft, the clean-cut features of its singers, their polite and genteel demeanor, as well as strong emphasis on middle-class and suburban values which resonate with people across many different
ethic, national, and religious backgrounds around the world” (Lyan, 2015). Especially for K-pop music, skilfully blending Western and Asian values, the repackaged product is similar to Stuart Hall’s idea of a “peculiar form of homogenization” (1991). “Gangnam Style”, as a perfect example, is a Western pop music variant with exotic flavours. The sound arrangement, implication from lyrics, and the high-class party concept, are not different from many American pop songs. From this perspective, although “Gannam Style” swept the world, it is a commercial success rather than a cultural or ideological breakthrough for Korean entertainment industry. It is the victory of a consumer culture boosted by social media. Similar to “Gangnam Style”, many Korea-made ‘Asian-face American-soul’ products are little more than global commodities. The content, if not specifically catered to Western audiences, at least stays in line with mainstream values and commercial interests, and are meant for the global middle and upper classes.

To the extent that Korean cultural products: follow Western values, are produced according to commercial logics, bypass cultural differences, avoid ideological conflict, are becoming popular in Western mainstream society, and Korean cultural industries are willing to continue this catering for ‘national pride’ and money, we are not able to say cultural imperialism is over. It is merely that the relay baton has been successfully passed on to a different nation.

Nevertheless, Korean pop music successfully repackages and rebrands Western pop music with its own characteristics and cultural uniqueness. K-pop’s commercial success commonly serves as a practical model for China to build up its own cultural “identity”. “Little Apple” and many other similar pop songs were created after “Gangnam Style” aiming for similar market success. The Korean model of Westernization and commercialization seems to inspire Chinese media professionals in many ways. The flat reception of “Little Apple” by global audiences seems to show that China still has a long way to go. However, Korea has a relatively simpler social structure, shorter traceable history and a narrower class spectrum compared to China. It is very difficult for China to assimilate and absorb Western cultures, and re-package them as its “unified” own (Zhao, 2013). Nor should we ignore the problems coming out of the highly commercialized and competitive Korean culture industry. For instance, news of young female singers being sexual harassed by their managers, to the prevalence of plastic
surgery, drug abuse and suicide have been going around the Korean entertainment circle and have brought a lot of social attention and criticism (Ryo, 2011; Dana, 2-12; Yoo, 2014).

Regardless, “de-Americanization”, and “re-Sinicization”, as mentioned previously, has been a leading guide for China in enhancing its cultural industry. As Wang Yuechuan, a professor from Peking University claimed, “China should rediscover the real oriental values to harmonize the world” (Wang, 2009). However, what is a real oriental value and how to harmonize the world? At least, from “Gangnam Style” and its successor “Little Apple”, which are cultural commodities imprinted with American pop music, we are not able to visualize such a realization. In the case of Super China, we see a looming picture that China is trying to catch up in a global battlefield of soft power. This effort, if not threatening, at least caught the attention of its neighbour Korea - a country that already stands out for its “soft power” achievements in the cultural industries. However, as illustrated already, the concept of “soft power” itself was coined under a Western-centric and state-centric framework. On the one hand, if we only consider state powers, China’s cultural industry developments have not yet been as prominent as its economic performance on the global stage. Indeed its soft power is commonly overstated in Western discourses. On the other hand, when looking back to Schiller’s original definition of cultural imperialism in terms of “domination” and “subordination” of social structures and values, even on days that the Korean music industry completely dominates the global market, or when China is seen as America’s competitor in global cultural industries, we are not able to claim that cultural imperialism is gone. Such successes are founded on the commercial logic and Western standards initiated by transnational capitalist media corporations. So-called “reverse imperialism” will not arrival until the day when class struggles disappear and the world is a commonwealth.
4. Schiller’s Cultural Imperialism Revisited

In my examination of Super China, I indicated weaknesses in the neoliberal approach to China’s cultural developments; in the example of K-pop’s success, I have argued that American consumer culture does not lose its potency; rather, the American standard of cultural production is reinforced through Korea’s globalized cultural commodification. Korea’s cultural success is continually inspiring many countries, including China, to follow a similar path. However, the contemporary situation is becoming increasingly complex. In the past decade, Asian markets have come to offer a landscape quite different compared to what Schiller observed in the 1990s. Responding to these changes, cultural imperialism opponents punctuate their challenges with evidence of apparent reverse cultural exchanges and economic flows from new cultural centers such as Korea, to the U.S.

**Reviewing the Counterarguments with the Case of Korean Variety Shows**

Among the criticism against the cultural imperialism thesis, the first common argument is that trade flows have reversed, now moving from the new cultural centers to their neighbours, and even to the U.S. As Jin summarized, “the reverse cultural imperialism proponents primarily interpreted cultural imperialism as (only) the ‘iniquitous flow of cultural production’ from the First to the Third World (Chadha and Kavoori, 2000; cited from Jin, 2007, p.765). A prime example is Korea’s cultural industries, which have replaced Japan as a regional cultural center. Here, shifting the angle slightly from the music sector to TV programs, Korea has replaced the U.S., in the past 5 years, to become the biggest TV program licence exporter to China. Nearly 72.45% of current Korean variety shows on Korean TV channels have been introduced to China. In 2014, there were 12 Korean programs licenced to Chinese satellite TV stations, while only two American programs were shown on China’s TV channels. In less than three years since 2012, China has bought or copied almost all of the variety shows created in Korea (Ann, 2015). Korean shows are also breaking regional cultural boundaries and reaching global audiences. For instance, the popular show, Running Man has been subtitled by fans and
volunteers in English, Spanish, French, Thai, Malay, Vietnamese, Chinese, Indonesian, Arabic, Brazilian Portuguese, Russian and Turkish, etc. on Youtube; these subtitled videos have received millions of clicks and comments from people around the world. Recently, the Korean show *Grandpa Over Flowers* was sold to NBC in the U.S. Renamed as a travelogue reality series called *Better Late Than Never*, it is being produced by American industry leaders including Jason Ehrlich (the producer of *The Bachelor*). This is the first time that an Asian variety show has sold its copyright to Western mainstream media. Comedians and actors such as William Shatner and Henry Winkler have signed on board “for the bromance vehicle that will send five men on a trek through major cities in Asia”. The cities include Tokyo, Kyoto, Seoul, Hong Kong, Bangkok and Chang Mai (Littleton, 2015).

Here, one should note that it is not only reverse economic flows that cultural imperialism opponents cite in their arguments to challenge Schiller’s thesis, but also the ideological and cultural elements attached to commodities flowing from developing countries to the U.S. One assertion from Schiller’s 1991 article was that national media power has been largely subordinated to transnational corporate authority. Since most of the transnational corporations were based out of the U.S. at this time, he claimed American ideology and culture continue to serve as the global standard informing regional localizations. To be sure, as the birthplace of television, America retains its prestige as the major producer of popular programs. However, opponents argue that, through years of transition and innovations, the U.S. no longer monopolizes the setting of production standards (Sonwalkar, 2001). On the one hand, in recent decades, Japanese and American cultural industries have deeply influenced Korean cultural production and their values along the lines of commercialization for globalization. On the other hand, the rise of Korean popular culture has started to shape the values of other countries itself, and even influences American culture. Now, following the counter perspective, if, economically, advertisements on Korean TV shows are non-Western, and their stakeholders are non-Western, and culturally, the TV production design is unique leaving only the commercial logic as the same, how then does cultural imperialism apply? Moreover, if, as Schiller pointed out, Coca-Cola and Levi’s advertisements shown on Brazilian TVs exemplifies the imperialist export of American lifestyles and ideology (1991, p.22), could we equally say that by showing American
audiences Asian products there is reverse-cultural imperialism from Korea? “Globalization is said to be promoting ethnic, cultural, religious and linguistic diversity within nation states”, according to Curran, “Korean Americans can watch Korean television programmes in Los Angeles, just as India-British viewers can watch Indian films on cable television in Southall...The global is promoting the local by eroding the national” (Curran, 2002, p.172-173). In other words, since Korea and the U.S. differ little in their commodification of cultural products, then could we even say cultural imperialism is becoming a mutual process between nations?

If it is already difficult to identify ‘American values’ in Korean shows, then it might be even harder to measure the American imperialist impact on Chinese TV shows, since most Chinese TV shows are inspired directly by Korean models and cultural values. For example, glancing at the top three most-watched Korean TV shows in the Chinese market (indigenized into a Chinese version), the only remaining American values to be found are in the commercialization of the product. *Dad! Where Are We Going* is a show featuring five celebrity fathers and their children as they travel to rural places and go on camping missions. Local Chinese culture and customs are embedded into game designs. *I Am a Singer* is a music show with seven talented veteran singers performing for a selected audience, who vote to eliminate one singer after each week's performance. Competitors are accomplished singers who have established music careers varying from mega stardom to relative obscurity. Undoubtedly, it would be very challenging to persuade veteran singers in Western counties to attend such a show featuring real competition. *Running man* is an urban action variety show, which requires celebrities to have a high degree of tolerance for being fooled, fought against, and competed with in challenging game designs, such as playing in mud, eating special food, and going through hilarious tricks. As mentioned previously, the Korean entertainment market is small and highly competitive. “Variety artists” are born in such an environment. They might originally be singers and actors, but now find fame in regular appearances on different TV variety shows. According to an Entgroup report on China’s variety TV shows (Shen, 2015), the plot designs in Korean reality shows generally promote participation based on a spirit of collectivism, modesty, and self-deprecation. The Western and Eastern ways of delivering and perceiving humour are quite different. The Korean style of TV shows normally set up a cheerful atmosphere, transmitting positive
messages of encouragement, care and sympathy, to help audiences release pressures from daily work. The report indicates that Korean TV variety show formats are easily accepted and localized in China because of the two nations’ close cultural identities. On the contrary, Western TV programs are losing their influence in Asian cultural production and program innovation. Compared to Korean style TV programs, which are easier to follow, Western programs require more concentration for audiences to watch since they normally contain more sophisticated plots with a faster flow. Western reality shows like to reflect on the dark side of humanity, conspiracy, power struggles, intelligence challenges, and the cruelty of surviving life. What stimulates Western audiences is often not appealing to Chinese audiences who prefer a less challenging but more relaxing watching experience (Shen, 2015).

In addition to the difficulty of identifying ‘American values’ in Asian products, the complexity of cultural exchanges is also a challenge to the cultural imperialism thesis. As Jung argued, contemporary pop culture is built “on… unavoidable transnational flows, as its multi-layered and multi-directional mobility has been creating various socio-cultural contacts taking place across, beyond, and outside national and institutional boundaries” (Jung, 2009, p. 70). To cater local audiences, in a highly competitive global market with few restrictions on information flows, media programs must focus on local culture and customs. For example, as Zu summarized, China has experienced three stages of media localization: 1) buying and learning American models, 2) buying and learning Korean models, and 3) cooperation with Korean production teams and borrowing talent to make programs for Chinese audiences. Now China has gone to a fourth stage of “directly buying talent”. “We believed that experienced program directors are the key for innovation and the success of Korean model” (Zu, 2015). Instead of parachuting in to join shows to guide Chinese TV programs, Korean producers have been enticed to settle down in China, open studios and develop new programs and models targeted at the Chinese market. With more globalized and diversified talent pools, it might be harder to predict that a certain type of ideology or culture dominates the production process.

In short, besides the reverse flows of economic and cultural values across nations, Schiller’s “American standard and model” has been put into doubt. As mentioned at the beginning, both Korea and China have made tremendous leaps in the
past century to become larger players in global cultural markets. If these followers have caught up and absorbed their forerunners’ production system and value standards, successfully reintegrating and re-innovating them into their own, and, as hybrids, have started to influence the forerunners, does Schiller’s identification of the “American standard” have any real world correlate? In other words, is the U.S. the only nation represented in the standards and values of consumer culture under capitalism today? More specifically, how to interpret the diverse cultural exchanges within the global transnational capitalist class and their global middle-class consumers? These are all questions the critics throw at the cultural imperialism debate.

**Rethinking the Counterarguments of Cultural Imperialism**

From identifying reverse economic and cultural flows, to the challenges of Schiller’s notion of American ideology and standards, I have raised several points of opposition to cultural imperialism. However, one should note that all the counterarguments I have exemplified with the case of Korean TV shows are grounded in a state-centric methodology. Therefore, although to some extent, they challenge the first dimension of Schiller's account, they do not confront the essential concept of Schiller's thesis. As illustrated already, Schiller’s argument of cultural imperialism foregrounds power shifts in social structures, where the values from one group are used to exploit the position of another group, the theory itself is not nation-centric. It can be applied to any social conflict or power struggle, such as, between different ethnic groups, economic systems, and class strata. Therefore, recognition of new information flows, reverse cultural exchanges, and the condition of established powers – if they are declining or retain their hegemonic position, does not directly refute Schiller's theory.

In summary, by examining Chinese and Korean cultural industries, I argue that Schiller’s cultural imperialism is still relevant in two dimensions. First, the U.S., as the global leader in technology and innovation, still maintains its hegemony among many areas of cultural industries. American capital from other industries are also highly involved in the Americans maintaining their global cultural hegemony. Not to mention American cultural and business standards are still prevail around the World. Second, since cultural imperialism can be understood as a process of exploitation transcending
geographic boundaries by the transnational capitalist class against the world’s powerless, imperialism is not only structured by inflows and outflows from one nation to another, but among all social forms including class and ethnicity. Thus, Schiller’s original concept of relations based on “domination” and “subordination” does not lose its efficacy in explaining today’s cultural environment as commercialization and global capitalization continue to generate social exploitation and inequality.

However, if cultural imperialism successors give up the state analysis framework completely, and only focus on class struggles within a single country or transnationally, then the horizon of cultural imperialism studies would be extremely narrowed. Robinson defined “nation” as the “congealment of a particular historically determined constellation” of both class power relations and an apparatus (2004, p.99). Obviously, the cultural and economic information exchanges between nations (as apparatus or the monopolies of the legitimate use of physical force), are never less important than other factors to understand social processes in today’s complex world order and power shifts.

For example, besides the challenges of reverse cultural and economic flows from South Korea’s development, how to account for the rise of China - a new economic power and possible political contender to American global hegemony? On the one hand, despite the hyperbole of Super China, the country has not made any global cultural impacts on the scale the U.S. has. On the other hand, China began a unique developmental model under Chairman Mao, providing the nation with a historical legacy different from many postcolonial countries enabling it to prove more resilient to the subordination of neoliberal transnational capitalism under Western hegemony (Hung, 2008). According to Zhao (2013), China’s case, as a new economic power integrated into global capitalism, has already established a unique development path. It still largely keeps its political and ideological independence from the West, and also has a rich and unique cultural history challenging cultural imperialism successors to consider politics, culture, and class struggles all together.

Although cultural imperialism is not limited to a state-centric approach, it was developed in the context of American hegemony and the “core-periphery” world order.
Therefore, if states are becoming relatively unimportant in cultural imperialism analysis, then the word “imperialism” itself might lose its substantive meaning in further theoretical development. A more accurate phrase then would be “cultural class exploitation under capitalism”. This means, challenges based upon state-centric strawman arguments, should not be responded to by circumventing the state analysis with a methodological defense based singularly on class relations. Although effective, it is not the ideal solution. A cohesive and precise definition of cultural imperialism’s methodological framework is needed for both successors and critics to avoid misinterpretations. Moreover, an updated explanation stressing the new global order between traditional powers and rising powers should be proposed. Successive theorists using the insights of cultural imperialism might also need to give credit to critics for their challenges to the theory’s tendency towards state-centric descriptions.
5. References


Essay 2:
China’s Quest for Soft Power:
A Comparative Study of Chinese Film and
Online Gaming Industries’ Going-out Efforts
1. Introduction

In the past few decades, we have seen a structural transformation of the global capitalist system. China has reintegrated into the global economy since its reform and open door policy in the 1970s, experiencing a domestic economic resurgence. The global power shifts emanating from China’s rise have become a hot topic of discussion across the globe. Alongside its economic rise, the Chinese government has become quite attentive to cultural and political revival and has described these efforts as a quest for soft power since 2001 (Zhao, 2013). First introduced by Joseph Nye of Harvard University in 1990, ‘soft power’ describes the ability to “attract and co-opt” rather than “coerce, use force or give money” as a means of persuasion; by contrast, hard power is “the use of military and economic means to influence the behaviour or interests of other political bodies” (Nye, 2008, p.2). China’s quest for soft power is seen to be not only “compatible with many aspects of Chinese traditional and strategic thinking”, but also “offers a ready solution to ease the anxieties around the world about China’s rise” (S. Zhao 2009, cited in Zhao 2013, p.19). The drive behind the enhancement and outward expansion of soft power is a convergence of Chinese state, industry, elite and popular interests (Zhao, 2013, p.22).

However, China’s economic miracle, since reform and opening up, has not brought it commensurate cultural and political influence with the rest of the world. In 2010 China surpassed Japan to become world’s second largest economy, yet “made in China” cultural products were far less attractive than “made in China” clothes. According to the Annual Report On Development Of China’s Cultural Industries, in 2010 China contributed less than 4% of the wealth generated by international trade in cultural and creative industries, while the United States had 43%, Europe had 34%, and Japan had 10% share in the total output (SSAP, 2011). Regarding the global implications and developmental strategies of China’s quest for soft power, analysts within and outside the academy have offered various perspectives. In mainstream industrial analysis, a lack of creativity and innovation has been commonly recognized as the main reason to explain China’s deficit of soft power (Wen, 2014; Wang 2015). Some assert that marketization is
the magical pill, and some question the holistic acceptance of Westernization and commercialization (Zhao, 2013; Lin 2013). These latter perspectives reflect political economy concerns of cultural barriers, developmental disparity, ideological and political conflicts, etc. The critical school of communication contributes to this analysis by positioning China’s rise competitively against the U.S.’s continuing global dominance in cultural industries. As such, China’s quest for soft power faces “structural impediments and irreconcilable tensions”; consequently, it is time to rethink China’s current “elitist, technocratic, and cultural essentialist approach to global communication”, and to develop an alternative path that “appeals to the vast majority of the World” (Zhao, 2013, p.17).

This essay is rooted in the critical political economy of communication. Under the broad research theme of China’s quest for soft power, and its cultural industries’ going-out strategy\(^2\), I highlight two major sectors – the film industry and the online gaming industry for a comparative study. The film industry was the pillar industry of China’s cultural exports when China entered the WTO. However, the online gaming industry, as a new booming sector, quickly took the lead. In 2010, China’s online gaming industry surpassed its film industry in terms of net revenue in global exports\(^3\). In 2012, there were 700 movies produced in China, of which only 75 were sold to overseas markets. The overall export value of the film industry during this year was less than 1 billion RMB. It was almost the same export revenue as that achieved by Perfect World Co. Ltd, which is but one of China’s many gaming companies. The global revenue of designed-in-China

\(^2\) The Go Out Policy (also referred to as the Going Global Strategy) was an effort initiated in 1999 by the Chinese government, together with the China Council for the Promotion of International Trade (CCPI), to assist domestic companies in global expansion. From the government’s website (2006, Mar 15), the goals include finding strategies of foreign investment, improving product diversification and quality, winning respects, and promoting brand recognition, etc. Retrieved from http://www.gov.cn/node_11140/2006-03/15/content_227686.htm

\(^3\) According to the data from 2014 China Online Gaming Industry Overseas Market Report (Gamma Data), in 2010 Chinese-developed online games reached the revenue of 230 million USD. In 2012, it reached 570 million USD. In 2013, it increased by 2 times to be 1.82 billion USD. And in 2014, it reached to 30.76 billion USD. According to the data from SARFT, the value of overseas film export was around 1 billion yuan (less than 200 million USD) since 2010. And the trend for film export has been downward since 2010.
online games has increased by 15 times from 2010 to 2014\(^4\). Within this context, can we say that the commercial success of the Chinese online gaming industry represents a periodical victory for China’s general media going-out efforts? Do we see a looming picture of China’s cultural revival and the rise of discursive power competing with Western political economies and cultural values? By comparing and contrasting the development trajectories of two industries representative of China’s rapid and dynamic growth, I try to address these questions through discussing the challenges, difficulties, and prospects of China’s media expansion, and the complexity of China’s quest for soft power.

This extended essay locates the reintegration of China’s media within the political economy and cultural complexities of globalization. After mapping the multiple dimensions of China’s quest for soft power, I comparatively discuss the domestic and global development of China’s film and online gaming industries. Both industries have experienced processes of localization, globalization, capitalization and commercialization. China’s online gaming industry has cast its gaze outwards with global commercial successes, yet the nation’s film industry has only managed to enjoy growth in its domestic market. This analysis underscores the identical imperative for capital accumulation in the two industries’ development. Stressing the conflicting nature of China’s quest for soft power – as both a vision to express Chinese values that appeal to the world, and as a market imperative supported by China’s emerging transnational capitalists, the conclusion addresses whether or not online gaming represents a breakthrough for China’s global quest for soft power.

\(^4\) Data from 2014 China Online Gaming Industry Overseas Market Report (P.6), in 2010 the value was 230 million; in 2014 it reached 3.076 billion.
2. **Rethinking China’s Media Going-out Efforts as a Key Component of its Quest for Soft Power**

2.1. **The reintegration of China’s media into globalization**

China’s quest for soft power resonates with the transformations of its media in the context of reintegration into globalization. In the domestic market, since China's entry into the WTO, Chinese media companies have generally managed to protect their territory against Western media conglomerates under a sophisticated state-control/marketization/localization system. On the one hand, from severe restrictions of cultural imports in Mao’s era to market reforms since Deng’s reform, and from the consumption of Western products to the indigenization of Western cultural practices, China’s media industries have been restructured, oriented to meet global standards and market prosperity. On the other hand, China’s media industries have faced challenges and threats from “dancing with the wolves” (Zhao & Schiller, 2001). The market imperative is self-evident: “China needs to mobilize all its capital and resources—be they state or private—to compete with foreign capital... Forging China’s Time Warner was a common ambition of domestic private media owners” (Zhao, 2008, p.139). “There is also a culturalist component to this perspective, concerned with the survival of Chinese culture in the face of foreign media entry” (p.140). Admittedly, China’s complicated censorship and state-control model, its rich and diverse culture and languages, growing capital resources and local talents all contribute to the current ascendancy of China media industries in their own domestic market. In this regard, the first dimension of China’s quest for soft power is to maintain a domestic advantage and internal cultural dominance against global market competitors.

China’s media is reintegrating into the global market through trade in cultural commodities, capitalistic operations such as FDI (foreign direct investment) and M&A (merges and acquisitions), and public diplomacy activities. “From establishing Confucius Institutes all over the world to mounting an advertising blitz in New York’s Time Square, the Chinese state’s multifaceted endeavour to strengthen its soft power has been highly
visible” (Zhao, 2013, p.17). From this perspective, an interpretation of the expansion of China’s media industries should be articulated within a dynamic context. This transformation reflects: Chinese transnational companies’ capital accumulation, nationalistic sentiment for a revival of Chinese culture as a long-standing empire in an ongoing response to “a century of humiliation”, as well as the Party’s propaganda strategy to counterbalance Western capitalistic powers in the reshaping of a new international order between the core and periphery, the Orient and the West, the North and the South, on the battleground of scarce resources, energy, and geopolitical conflicts.

China’s cultural industries perform much better in their own domestic territory than in the global arena. In journalism, Chinese news media have failed to articulate Chinese values that “the rest of the world can aspire to and emulate” (Bandurski, 2009, cited in Zhao, 2013, p.18). Besides being represented as propaganda organs for the Party, in practical terms, the industry also experiences a deficit of qualified talent who have both language skills and global affairs expertise (Zhao, 2013). In cultural sectors, the Chinese government has, over the past 20 years, devoted many resources to fostering China’s media industry abroad. “Hollywood as both a capitalistic money-making machine and as the embodiment of American soft power” is the “ultimate model for China’s cultural planners” (Zhao, 2013, p.21). Over the past decade, capital and state politics have been strengthened, yet the quality and brand influence of Chinese culture goods still falls behind. Political, economic, and cultural barriers are never easily conquered.

Commercially, the global market share of Chinese cultural products has not been striking. Taking other non-Western countries into consideration, China’s cultural goods have never found the success that Bollywood, Korean Pop music and Japanese anime have in Western markets. We should notice that China benefits from a unique economic structure with comparative advantages in natural resources, cheap labour, and an established practice of industrial manufacturing – these characteristics, rather than cultural creativity or technological innovation, are helping to enable China to become the world’s biggest economy. To be sure, China is making tremendous progress in some areas such as telecommunications and mobile business, especially in developing
regions such as India and Africa. For instance, Xiaomi, a Chinese designed mobile phone, which features decent quality at a cheap price was enthusiastically received by India’s consumer market (Li, 2015). Ironically, at the same time being honored as “China’s Steve Jobs” by Chinese and Indian fans, Leijun, the CEO of Xiaomi Mobile (the world’s third-largest maker of smartphones), received unexpected criticism for his heavily accented English at Xiaomi’s India launch. Awkward English phrases during his speech to Indian audiences sparked a huge discussion on Chinese social media (Li, J., 2015). Speaking proper English seems to be a marker of success in the contemporary world in many urban Chinese netizens’ minds.

Chinese companies have not been able to sell self-designed cultural and hi-tech products to the Western markets. Despite this, Chinese transnational conglomerates have made some success in securing a footing in Western countries through capital expansions. We should notice that the financial aspects of China’s ‘going-out’ activities, such as Wanda's acquisition of AMC Theaters in 2011 and Alibaba’s IPO in the New York Stock Exchange in 2014, precisely show China’s economic, rather than cultural, influence in the Western world. In brief, the economic success of China’s booming cultural industries have not developed into the soft power found in Hollywood or Silicon Valley. The strength of Chinese culture, its charisma and uniqueness has not yet successfully delivered global audiences for the nation-state's cultural industries as they transform and globalize.

2.2. The complexity of China’s quest for soft power and an alternative vision

Behind the discouraging global performance of China's creative industries, some critical scholars of political economy in China question the Chinese Communist Party’s unabashed embrace of “soft power”. The first problem is the ambiguity of China’s “soft power”. There is a lack of discussion about how domestic classes, regional, gender, and ethnic politics of “Chinese culture” fit together as a package for global consumption, as Zhao underscores, “what exactly it means, and who can be its legitimate representatives/the conflicts inside” has yet to be resolved (Zhao, 2008, P.139).
According to Robinson,

“The state is the congealment of a particular historically determined constellation of class forces and relations, and states are always embodied in sets of political institutions. Hence, states are (a) a moment of class power relations and (b) a set of political institutions (an apparatus). The state is not one or the other; it is both in their unity. The separation of these two dimensions is purely methodological” (2003, p.43).

From this perspective, if China’s “soft power” and values are partly delivered by Chinese media and cultural products, which class group is best represented in a vertical hierarchy– the urban middle class, rural farmers, or social elites? Horizontally, which regime in history should be emphasized? Will it be the Tang Dynasty (大唐盛世) when Chinese architecture, painting, and literature were leading the world? Or the Republic of China period (民国) when China was introduced to Western modernity and different philosophies and cultures entwined? Or Mao’s Culture Revolution when workers, farmers, soldiers and lower-level party functionaries got the chance to rise up and represent the country? Hence, if time represents the horizontal axis and class structure represents the vertical axis, and social forces fill in the quadrants – we find China to embody a complex dynamic. As Zhao argues, unified Chinese national interests are nearly impossibly to define (Zhao, 2013, p.28). Thus, a “self-orientalizing”, “dehistoricized” and “dissocialized” understanding of Chinese culture (Wang, 2015) downplays the historical and geopolitical struggles contextualizing China’s soft power drive.

The second challenge to understanding China’s quest for soft power, as Zhao emphasizes, is that “soft power” as a U.S. originated concept coined under a neoliberal ideological framework, is state-centric and Western-centric (Zhao, 2014). Lin asserts that the state-centric logic is itself “parochial, obsolete, and complacent” and fails to “account for the overwhelming phenomena in our own times” (Lin, 2013, p.7). The study of information flows and the repositioning of China’s power amidst global power shifts in communications, according to Zhao, should discard the dichotomous framework of global/national, privatization/state-control, West/East, etc. It is not simply about the
decline of the US/West and the rise of China/East, but a holistic consideration between the states of global North and South, capital and labor, networked individuals and established institutions, empire and colonies, and among ethnic groups. As Zhao summaries, the view should be complicated with a comprehensive consideration of national power, class power, individual power, historical imperial power, and racial power (Zhao, 2014). From this perspective, critical scholars argue that under a global capitalist system of production, “real Chinese cultural elements” are no longer the “symbolic resources of China’s domestic media industries” (Hall, 1991, cited in Zhao, 2008, p.141). Rather, China’s reintegration into globalization is “a peculiar form of homogenization” (Zhao, 2008, p.141). As Zhao explains, “the culturalist perspective presupposes a problematic dichotomy between the global and the national, equating the penetration of transnational corporations with cultural assimilation and homogenization” (p.141). In fact, the “media industry is willing to parasitize, rather than flatten, cultural differences whenever such variations promise profitability” (p.141). Thus, following a Western road of soft power expansion – globalizing through capitalization and commercialization– Chinese products should not be differentiated from Western standards. What Lin and Zhao argue in opposition to this, is the importance of a cultural and political self-awareness: to develop an alternative path that is essentially different from the American concept of the world. As Lin Chun argues,

The ‘mainstream civilization’ of capitalist universality of development, and values, institutions and teleology – as wishfully celebrated by the intellectual elites in “transitional societies” – does not really exist...The real question is not one of how latecomers may achieve “modern norms” by overcoming their inherent flaws or making up missed opportunities. It is about any possibility, let alone desirability, of the third world’s emulating the first...In fact, China’s (and for that matter any other nation’s) position in the globe is defined not only by the epochal conditions but also by its ability to modify those conditions. Such abilities are what tend to be overlooked in a defeatist discourse of capitalist unavoidability on the one hand and escapist, self-congratulatory narratives of the local, particular, and hybrid on the other (2013, pp.7-14).

As Zhao concludes from Dan Schiller’s (2001) argument, the decisive component of China’s soft power expansion, or in the narrowed scope of China’s media expansion, is the direction between “supranational capitalist domination” and “national self-
determination” centered on the possibility of “imagining outsides to a globalized capitalism” which includes “alternatives to, not within, the cultures of capitalism” (Zhao, 2008, p.142-143). As Hung argues, a new imagination outside the globalized capitalism system could be the alliance of working classes across the world, upon which China’s own problems of social inequality and environmental crisis generated by rapid economic growth and capitalist accumulation could be addressed (Hung, 2008, Ch.1). According to Hung, “China’s rise is creating new sources of conflict with core powers, which adamantly defend their economic dominance and natural-resource supply over China” (p.15). Clearly, the intense defense put up by Western countries against China applies to China’s cultural industries in its soft power expansion. To be sure, this age of capitalist crises is also the epoch of opportunities for the working class (Hung, 2008). As Hung mentions, a new working class is rapidly developing in China as a result of globalization. Their integration into the global supply chain, and their budding activism will make the revival of global labour’s class power possible (Hung, pp.15-20). The real value of China’s quest for soft power, in terms of a vanguard position leading global labour to become a class for itself, would be to serve as an alternative vision transcending capitalist logic.
3. The Global integration of Chinese Film Industry

As I have briefly reviewed, in the context of the reintegrating into globalization, the notion of soft power should be carefully examined with its underpinning political economy and cultural complexities. The following two sections will analyze China’s quest for soft power through a comparison between China’s film and online gaming industries.

This section starts with the domestic dimension of Chinese film industry’s reintegration into the global economy. I discuss how China’s film industry embraces and competes with Western practices through commercialization and localization. Then, I illustrate some of the trends of China’s film industry’s global performance. On the one hand, as China climbs its way to become the world’s largest film market\(^5\) commercialization has penetrated into every aspect of the production chain. Compared to Chinese filmmakers in late 1980s and 1990s who had both artistic and commercial ambitions to receive international prestige and global box-office revenues, today’s film professionals tend to satisfying themselves with mining domestic profits (Zhao, 2010). Indeed, China has experienced a downward trend in the global export of its films during the past five years\(^6\). Rather than selling films to global audiences, Chinese film entrepreneurs have become more active in global financial operations, such as mergers and acquisitions. In other words, within a highly commercialized and capitalized environment, China’s film industry’s going-out mission has gradually transformed to be a transnational capitalist class’ business imperative.

\(^5\) According to EntGroup Inc. 2014 Chinese Film Movie Industry Research Report, in 2014 U.S. had 10.4 billion USD in box office. China followed up with 4.7 billion USD market. Japan was the third with 2 billion USD in box office. UK, France, Korea, and India ranked from fourth to seventh in the annual box office revenue ranking. China’s domestic box office in 2009 was 6.2 billion yuan, in 5 years to 2014 it grew up to 29.6 billion yuan, almost increased by 4 times.

\(^6\) According to EntGroup Inc., same report from above, in 2010 there were 3.52 billion yuan overseas box office for Chinese movie, in 2011 it was 2.06 billion yuan, and in 2014 it was 1.87 billion yuan for overseas film export revenue.
3.1. An Overview of Chinese Domestic Film Market

The first Chinese movie The Battle of Dingjunshan was produced in 1905. In a century, China's film industry has experienced significant changes including, but not limited to, commercialization and globalization. One should note that American movies had a strong presence in Chinese film market before the establishment of Mao's new China. From 1920 to 1940, there were about 4000 American films imported to China, while, during that same period, only around 1600 films were produced in China (“Minguo shiqi”, 2015). American films were totally banned from the start of the Korea War until 1979. China re-opened its doors to Hollywood movies in the 1980s, first, through a model of leasing, in which foreign film companies would get a one-time payment from Chinese distributors, and did not share in China's domestic box-office. In 1994 China started a revenue-sharing model\(^7\) with a quota of ten imported movies from the whole world per year. During 1990s, Hollywood movies dominated China's domestic market. Nearly 70% of the annual box-office in China came from the ten imported Hollywood blockbusters. Titanic garnered 50 million US dollars - a record one-quarter of the year’s total Chinese box office revenue in 1998 (Zhao, 2010). It took ten years for homemade Chinese movies to make commensurate market success. In 2007 The Founding of a Republic (a movie to celebrate the establishment of New China) was finally able to beat Titanic’s record in China.

In 2001, with China's entry into the WTO, the import quota increased to 20 foreign films per year, later in 2012 increased to 34. Despite a more open market with increased competition from outsiders, China’s domestic film producers have enjoyed a resurgence in their home market. In 2011 Chinese mainland box office revenues reached 2 billion USD, surpassing the UK and India; in 2012 it first overtook Japan to become world's second market following the United States. In the past six years, from 2009 to 2014, the box office revenues of made-in-China movies grew from 3.5 billion RMB to 16.2 billion RMB. During this same period, the box office revenues of imported

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\(^7\) Hollywood studios, Chinese distributors and theaters share the profits of domestic box-office together with a negotiated rate. Starting from 2012, the percentage of foreign movies in profit sharing is 25% out of the box-office.
movies’ has grown from 2.7 billion RMB to 13.5 billion RMB. All together, China has experienced rapid film market growth from 6.2 billion RMB to 29.6 billion RMB per annum. In spite of loosened quota restrictions and protectionist policies, domestic films have overtaken Hollywood imports in box offices since 2003. Only in 2012 did imported films slightly surpass Chinese-made movies\(^8\). To be sure, market reform has played a major role in this development. Through commercialization and globalization, Western operation models talent and capital have flowed into China. However, one should not underplay the role of China’s own economic growth, domestic demand, and cultural politics behind the rejuvenation of its film industry.

The embrace of Hollywood’s commercial system has deeply influenced every aspect of Chinese film production. Besides market prosperity, commercialization entails some other characteristics that one should not ignore. The first feature is the shifts in thematic orientation. In the late 1980s and 1990s, Chinese filmmakers paid attention to everyday life among Chinese citizens, especially in rural locales. In the first several years of the 2000s, Chinese movie production began to move to Hollywood blockbuster styled narratives. Chen Kaige, Zhang Yimou, and Feng Xiaogang, leading figures of Chinese cinema between 1980s and 1990s, have shifted their storytelling styles to “made-in-China” cultural products in line with “global Hollywood” standards. These Chinese blockbusters began out as historical epics featuring legendary characters with lavish scenes (Zhao, 2010, p.161). Despite success at the box office, these big Chinese productions have not received high ratings from critics and audiences. For instance, director Chen Kaige, who won the award for Best Film at the 1993 Cannes Film Festival for his movie *Farewell My Concubine*, received widespread criticism for the grandiose and pretentious plot of his first Hollywood style legendary movie in 2005, *The Promise*. Since 2007, there has been an upsurge of these ‘made-in-China’ Hollywood-styled blockbusters. Compared to legendary epics and action movies, which make huge investments in special effects and remunerate big stars, small money romance, comedy, and road movie productions are gradually becoming popular in China. These movies

\(^8\) From Entgroup’s data, in 2012 import films had a box office of 8.8 billion yuan and domestic production had 8.3 billion yuan. In 2013, domestic film had 12.7 billion yuan and import film had 9 billion. In 2014, Domestic film 16.16 billion and import film 13.48 billion.
appeal to the urban middle-class and juveniles. For instance, the road comedy *Lost in Thailand*, produced in 2012 with a budget of only US$2.2 million, received US$208 million at the box office and held the record as China’s highest grossing film until 2015 when Monster Hunt beat it (Li, B., 2015).

Indeed, from Hollywood-style epics of Chinese legends to small-budget down-to-earth urban stories, films made, or co-produced, by China are receiving higher ratings from critics and the mainstream audiences, especially from young people (Li, 2012). The competitive market brings more opportunities to new directors and talent. *Lost in Thailand* was director Xu Zheng’s debut movie. Half of all made-in-China movies in 2014 came from young directors who were relatively new to the industry (‘Liaobuqi de dadaomen’, 2014). However, entrenched in commercial logic, movies have become more politically and socially conservative (Zhao, 2010). Besides, the distribution and promotion of a film, rather than the quality of the production itself, tends to be more important for a movie’s market success (Yang, 2013). According to Yang, social media campaigns are used to stir up youth fan cultures as especially targeted consumers. Stories catering to urban middle class values and lifestyles have been the most likely plot lines to be produced (Li, 2012).

Besides shifts in thematic orientations, market concentration is another trend in film distribution and exhibition. According to Entgroup (2015), the big four film distribution companies in China have taken over 70% of the distribution in 2014, and the big eight has a total of about 83% of the market. In film exhibition, the market has been stabilized with high barriers to entry (Peng, 2013). In 2014 China Film Stellar Theater Chain, a semi state-owned company, was the second largest cinema chain in China with a 2.45 billion RMB in revenue. The private company Wanda Cinemas took the first place with 4.2 billion RMB in revenue in 2014. The big 10 cinema chains contributed to nearly 70% of domestic box offices. Wanda Cinemas’ parent company is Dalian Wanda Group, which is China's largest commercial property company. The scale of its advantage is difficult to challenge.
China's film industry has become capitalized and privatized in the past two decades. Private film companies are competing with state-owned film enterprises. In 2014, China's state-owned film enterprises only kept their dominance in terms of distribution. China Film Group Corporation and Huaxia Film Distribution, as state-owned companies, dominate with more than half of China's domestic distribution market. In regards to exhibition however, the privately owned Wanda Cinemas has progressively built an unrivalled empire. In film production, state-owned China Film Group Corporation is just slightly ahead of many competitive private film production companies.

Film production in China is not as centralized as distribution and exhibition sectors. According to Entgroup, China Film Group, the only state-owned company among the top five film production companies, had merely 4.08% of the market. In second place was Wanda Film with 3.17% of the market, followed by Polybona with 2.57% Leshi Film with 2.43% and in fifth place was 1905 Internet contributing to 2.15% of total production. Compared with Hollywood where the “Big Six” studios collectively command approximately 80%-85% of US & Canadian box office revenues, China's film industry's profit structure is much more diluted (Mukundan, 2014). Compared with the maturity of industrial consolidation in Hollywood, film production in China is still a scene of intense competition with investment uncertainties and risks.

To be sure, young filmmakers receive unprecedented resources and opportunities to add to the global distinction of Chinese movie productions. Each year a few low-budget productions receive unexpected market payoffs. This, however, does not mean rewards are equally distributed to all film workers. From the 2015 Chinese Film Industry Research Report, in 2014 among 618 Chinese produced movies, only 300 of them (less than 50%) were displayed in cinemas. Among these made-in-China movies, only 20% made a profit, 10% broke even, and the rest lost money. Although in movie

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9 From EntGroup's data 2014, in market distribution shares, China Film Group had 32.8%, and Huaxia Film had 22.89%. Private companies: Enlight Media Group had 7.75%, Polybona Films had 6%, Wanda Film had 5.2%. Concentration ratio: the big four had 69.43% shares, and big eight had 83% shares.

10 Warner Bros, The Walt Disney, NBC Universal, Sony Pictures, Fox Filmed Entertainment and Paramount Motion Pictures Group
production, barriers to new entries are relatively low, most inexperienced and unknown filmmakers are still in a vulnerable situation. Big distribution and exhibition companies have the power to decide whether and how to display a movie. Despite having ten times as many movie screens as South Korea, the rate of movie releases in China is only half of South Korea’s (CASS, 2015). To be sure, the Internet offers grassroots movies alternative channels to be promoted and shown to the public. Nevertheless, big companies have more sophisticated tactics to attract audiences. With bigger budgets for promotion, movies supported by big film companies have more chances to receive attention. Caught between commercial interests and artistic values, filmmakers are facing many difficult choices.

3.2. Going-out or Going-in?

In 2014 Chinese films received 1.87 billion RMB in profit from overseas markets whereas their domestic film market had a value of 29.6 billion RMB- 26 times greater than the overseas revenues. From EntGroup’s report, in 2009, the domestic market for Chinese films was 6.2 billion RMB, while overseas revenue totalled 2.77 billion RMB. Compared to the rapid growth rate of China’s domestic film market (with an increase of over 400% from 2009 to 2014), the overseas export market for Chinese films has shrunk. The market ratio displays a dismal record for the global performance of Chinese films; however, box-office revenues do not indicate the whole picture of the continued integration of the Chinese film industry into global markets. In this section I will discuss two characteristics of the Chinese film industry’s going-out path. The first characteristic is the capitalistic emphasis of its expansion. The second feature is filmmakers’ self-promotion strategy - based on a notion of international appeal - to solicit domestic attention and fame.

The first stage of the Chinese film industry’s reintegration into global capitalism was the inflow of foreign capital into the domestic market. From jointly building theaters, co-producing films, building up theme parks and studios, purchasing stocks, and so on, major Hollywood film companies have increasingly participated in the development of China’s film industry in the aftermath of market reform (Zhao, 2008, p.163-166; Peng,
One should note that before 2000, global merges and acquisitions among media conglomerates usually happened within developed countries. Here are some examples: Sony’s purchase of Columbia Pictures, Matsushita’s acquisition of American Music Corporation of America, News Corporation’s global business in Australia, the United States, and Britain, etc. Stepping into the new century, with the rise of transnational media capitalists, the boundary between developed and developing countries has grown faint in terms of media business. Capital seeks whatever makes the most profit.

Not surprisingly, Chinese companies with adequate capital have started to seek their own opportunities in the developed world. In 2012 alone (Entgroup, 2013): Chinese Cultural Industry Investment invested in DreamWorks Animation (U.S.) and established a new company called DreamWorks Oriental in the States; Xiaoma Benteng, a private Chinese film production company, through a joint-venture with an India partner acquired a Hollywood movie special-effects company; and, in terms of exhibition, Wanda Cooperation acquired American’s second largest theater chain AMC. Compared to filmmakers in the 1990s looking for international prestige for their films, Chinese film entrepreneurs’ efforts at going-out in the 2010s have shifted from prestige to capitalization. Behind the acquisition of AMC is Wanda’s global plan for expansion in tourism, hotel chains, and entertainment. Wanda’s ongoing effort to enter Western film markets shows its attempt to break into cultural industries that usually set high barriers for outsiders.

Through global capitalization, cross-border acquisitions and mergers have become one of the most important ways for Chinese firms to expand their activities transnationally. Many deals between the Chinese and Hollywood film companies have begun negotiations within the past five years. One of the latest Chinese investments in Hollywood is from Huayi Brothers Media Corp, which is currently China’s largest private film production company. The deal is an agreement with the American company STX Entertainment to co-produce and distribute 18 feature films by the end of 2017 (“More Chinese film”, 2015). Besides competing with Hollywood in its domestic market, Chinese companies have started to make their mark overseas. Nevertheless, compared to Hollywood’s investments in China, which deeply changed Chinese film production
practices, the systemic impact of Chinese capital on American productions is very limited.

Clearly, Hollywood’s global impact is not only sustained by its commercial successes; more importantly, it symbolizes industrial standards and diffuses American values to the rest of the world (Schiller, 1991). The attraction of the Chinese film industry to Hollywood, by contrast, is purely commercial. As one of the board members in Huayi Brothers claimed, “We look forward to joining hands in creating a feature film pipeline filled with some of the most commercially exciting movies in the world as well as exploring other strategic opportunities” (“More Chinese film”, 2015). As Zhao points out,


From this perspective, China’s “going-out” to the global film industry, through capital integration, is in fact a “money going-in” to Chinese transnational capitalists and their global fellows.

The “going-in” drive of accumulating wealth is not only reflected in film entrepreneurs, but also on filmmakers and artists. Since Chinese filmmakers have a prosperous domestic market to depend on, the overseas box-office has become much less critical for them. As Zhao described, “the success of filmmakers such as Chen Kaige and Zhang Yimou on the major international film awards circuits in the 1980s and early 1990s, and their inclusion in the foreign section of major North American video rental chains”, are positive signals as “the beginning of the selective incorporation of a Chinese filmmaking elite into an American-dominated global film industry that was becoming increasingly multicultural” (Zhao, 2008, p.163). However, under the highly commercialized media system, attending International film festivals has become a more common marketing strategy for film workers to attract domestic attention. The primary goal is not for winning awards or selling more copies overseas; rather, this
“internationalized” and “glorified” procedure is used to leverage their reputation domestically.

“In China, racism, nationalism, and xenophobia are still rampant; but so is the excessive worship of everything Western – brands, products, and people” (Pattberg, 2014). This “going international” approach has been quite effective for Chinese movie actresses to build their domestic fame. Those named “unidentified guests” on the red carpets of International film festivals in Western news are some of the top Chinese stars. They are usually invited by advertisers and sponsors, and show up on the red carpet without contributing to any of the movies in the festivals. For instance, by wearing Chinese designed gowns (sometimes no more than oversized robes) with dramatic patterns such as dragons, red-crowned cranes, or Tang Dynasty beauties every year, Chinese actress Fan Binbin has been a hallmark of the Cannes Film Festival since 2010. Although she has been made fun of as China’s most famous “red carpet celebrity without bring her own works” (“Fan binbin Zhang xinyu”, 2015), such criticism does not impede her or her agency’s commercial success. Fan Binbin's “walking with floral gown and huge train” pictures are photoshopped and repackaged for Chinese media outlets connected with her agency. Peppered with positive comments from Western media on her looks, they are used to depict Fan Binbin’s personal charisma and success in representing Chinese values. As one of Fan’s fans said, “Binbin uses her grace, beauty, and manner to conquer the Western audiences. Even if it is only on the red carpet, she brings credit to our country, and we are so proud of her” (Zhiliaojiaole, 2013). Despite how Western movie fans interpret her promotions of China with her red carpet fashion, her long-hour flights to show up at European film festivals have considerably paid off for her. Fan has been China’s highest-earning female celebrity, as ranked by Forbes, since 2010 (Flannery, 2015).

To be sure, the Chinese movie industry has experienced an increasingly prosperous domestic market through commercialization. However, efforts at going-out, such as enhancing international cooperation with Hollywood production teams, shooting overseas, attending international festivals, and acquiring American studios through financial activities, are not specifically intended to appeal Western mainstream
audiences, let alone propagate Chinese values. The market vision of producing “created-in-China” global blockbusters has gradually become a practice of making movies with domestic success. The overseas release of Chinese films has mostly targeted Chinese diaspora. For the new generation of directors, in many cases, commercial interests have blunted their aesthetic pursuits and ambition for international prestige. Political and social conservatism have become the norm for movie plots (Zhao, 2010).

In response to the Chinese cultural industries’ domestic commercial success paralleled by global setbacks, President Xi Jinping weighed in with his views, at a symposium with Chinese artists last fall stating,

“artists should not be ‘slaves’ of the market or lose themselves in the tide of market economy, nor go astray while answering the question of whom to serve. Otherwise their works will lack of vitality… Artists should serve ordinary citizens. Make sure art workers tread on solid earth” (Ramzy, 2014).

Xi’s attempt at redirecting the industries’ market orientation might lead to more cautious policy guidance and encourage arts workers to insist on their aesthetic pursuits. However, one should not ignore the contradictions between market imperatives and self-expression. Moreover, the ambiguity of China’s quest for soft power, as argued above, also complicates the situation.

So far I have reviewed some of the patterns from the Chinese film industry’s global reintegration. In the coming section, I bring the Chinese online gaming industry into this discussion. Upon the combined analysis of the film and online gaming industries I argue that following the current global capitalist order and its paths of development, Xi’s vision of “disseminating contemporary Chinese values and embodying traditional Chinese culture in cultural industries”, is doomed to be illusive.
4. The Going-out of Chinese Online Gaming Industry, with a Comparison to Chinese Film Industry

The Chinese online gaming and film industries have followed a similar developmental trajectory as a result of China’s media integration with global capital. As I have demonstrated, the Chinese film industry has failed to build upon its commercial presence in overseas markets; however, Chinese transnational capitalists have succeeded with their capital integration into global firms. In contrast, the Chinese online gaming industry has not only triumphed in selling China-designed computer games to the world, but also managed to pursue global capitalist expansions. In this section, with case examples and statistics, I review the developmental path of China’s online gaming industry, and locate it within the political economy dimensions of China’s quest for soft power.

Compared to the growth rate of the global film industry, which has stabilized in the past 5 years, the global gaming market has exploded with exponential increases. In 2014, the global film market was worth US$36.4 billion, increasing slightly by 1% compared to 2013\(^{11}\). In the same year, the global online gaming market had US$83.6 billion in revenue, an increase of 10% compared to the previous year\(^{12}\). China plays a big role in these numbers as the global market booster in both cultural sectors. In 2014, China’s domestic film market was valued at US $3.6 billion, ranking second in the world behind the States (whose box-office market was valued at US $10.3 billion). In the meantime, China’s domestic gaming market had US $ 17.9 billion in sales in 2014, also ranking the second behind the States (with US $ 20.5 billion in revenue). Although China replaced Japan as the second largest market in both industries beginning in 2012, China’s online gaming industry is growing faster. The U.S. still remains the

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\(^{11}\) Data in this paragraph referring to film industry, is drawn from *Theatrical Market Statistics 2014* by Motion Picture Association of America (MPAA)  
\(^{12}\) Data in this session referring to online gaming industry, is drawn from *2014 Global Games Market Report* by Newzoo, the leading games market research and data company. Japan has $ 12.2 billion in 2014, ranked the third.
world’s biggest film market, but China is expected to surpass the U.S. as the world’s largest online gaming market in the coming two years (EntGroup, 2015; Newzoo, 2015).

In overseas markets, as illustrated already, the performance of the Chinese film industry is disappointing. This dismal situation is not repeated in the online gaming industry. According to Newzoo, in 2012, China’s online gaming exports were worth US$ 570 million, and increased by 219.3% in 2013. In 2014 revenues reached US$3.076 billion; an increase of 69.2% compared to 2013. One should note that in 2010, the export value of the Chinese film industry (US$570 million)\(^{13}\) was still more than its online gaming industry (US$230 million). Only in 2011 did the online gaming industry’s overseas revenues (US$360 million) start to surpass the film industry’s (US$320 million). While big American film studios still command most of the profits in the global film market, the Chinese online gaming company Tencent ($7.2 billion revenue in 2014) is the current global online gaming leader in terms of overall revenue\(^{14}\).

Admittedly, the online gaming industry itself is broad in scope. From Newzoo (Figure 1), offline TV console games are the largest segment in the global online gaming market. Gamers from Western countries contribute the most to this category. However, online games, especially the category of MMO (20% of the global market), also represent a huge position of this pie. Online games prevail in Asian countries. As listed in Table 1, online PC games took more than 90% China’s gaming market.

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\(^{13}\) The exchange rate converting USD to RMB in this essay is 1:6.3, which is based on the average rate during the third quarter of 2015.

\(^{14}\) According to Newzoo, in 2014 among the top 10 companies by online gaming revenues, Japanese company Sony ($6 billion) ranked the second, followed by 5 American companies including Microsoft ($5 billion), EA ($4.5 billion), Blizzard ($4.4 billion), Apple ($3.2 billion), and Google ($2.6 billion) from third to seventh. Irish company King ($2.3 billion) was the eighth, Japanese company Nintendo ($2.1 billion) was the ninth, and French company Ubisoft ($1.8 billion) is the tenth.
A massively multiplayer online game (MMO or MMOG) is a multiplayer video game, which is capable of supporting large numbers of players simultaneously. By necessity, they are played over a network, such as the Internet. Massively multiplayer online role-playing games (MMORPG) are the most common type of MMOG. Players can cooperate and compete with each other on a large scale, and sometimes engage in meaningful interaction (Schroeder & Axelsson, 2006). They include a variety of gameplay types, representing many video game genres. These games can be found for most network-capable platforms. Usually the player assumes the role of a character (often in a fantasy world or science-fiction world) and takes control over many of that character’s actions. For example, World of Warcraft, one of the most popular MMORPGs

Table 1. Chinese games market subdivision, 2010-2012 (CNY billion)

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<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td>Online PC games</td>
<td>32.364</td>
<td>42.86</td>
<td>56.96</td>
</tr>
<tr>
<td>Mobile online games</td>
<td>0.91</td>
<td>1.7</td>
<td>3.24</td>
</tr>
<tr>
<td>Offline PC games</td>
<td>0.015</td>
<td>0.061</td>
<td>0.075</td>
</tr>
<tr>
<td>Total</td>
<td>33.289</td>
<td>44.611</td>
<td>60.28</td>
</tr>
</tbody>
</table>

Data source: Chinese Games Industry Report (2012) released by GPC, IDC and Joynews
created by American company Blizzard, had over 10 million subscribers as of November 2014. World of Warcraft's total revenue was $1.04 Billion US Dollars in 2014 (Tassi, 2015).

Compared to Japanese and American companies that have maintained dominate positions in TV console games (such as Xbox, and Wii) and first-person shooter markets, Chinese online games started to make impressive progress in overseas markets with role-playing MMO game markets since the 2000s. These games normally come with Chinese mythology and fantasy stories, blended with Chinese aesthetics and Japanese anime images. Characters develop skills over time with experience and level-ups awarded by accomplishing quests. Players get enjoyment through upgrading physical and magical weapons, and teaming up with other players to fight against monsters in these open worlds. As of 2006, Kingsoft's Perfect World (online game), which is China's first self-developed online game, was exported to over ten countries including Japan and South Korea. Kingsoft received US$ 2 million in license fees for Perfect World from Japan in 2006 (“China's online games demonstrate”, 2007). Likewise, Chinese company Suzhou Snail Network Game Technology exported its game Navigation World to Europe and the U.S. (“China's online game industry”, 2007). Zheng Tu (Journey) was launched in Malaysia in November 2007 (“China's online game to be”, 2007). In June 2008, Perfect World (Chinese online game company) announced a licensing agreement with the Malaysian online game operator Cubinet for its online game Chi Bi (a game based on the battle of red cliffs in the Three Kingdoms period in Chinese history) in Vietnam, Thailand, Malaysia and Singapore (“Movers: Goldman Sachs”, 2008). Cubinet also bought licenses to operate Perfect World's other adventure games based on popular Chinese TV drama series and novels such as the Legend of Martial Arts and Zhu Xian (“Perfect World signs”, 2008).

In 2011, there were 177 MMO online games from 40 different Chinese companies, which were exported to overseas markets (Fung, 2012). Before 2010, made-in-china games were mostly sold to Hong Kong, Macao, Taiwan, Southeast Asia and the greater Chinese population and did not break into the mainstream Western world where MMO games originated. This pattern gradually changed after 2010. For example, Crystal Saga, the Chinese developed and American operated fantasy game released in 2011,
quickly reached 5 million subscribers in its initial year, and also received large praise from mainstream Western professionals. ONPRG.COM, the biggest free online game portal in North America, called Crystal Saga “a diamond in the Internet” ("Guochan yeyou", 2012). The most recent breakthrough is Perfect World’s game Neverwinter Online released in 2013. Neverwinter Online is a game “set in a world of Dungeons and Dragons”, and “incorporates modern game concepts into the combat modes and private instances” (“Neverwinter Online retains’, 2015). Riding on the strong momentum generated during the second half of 2014, Perfect World’s Neverwinter Online topped the North America MMO game market in the first quarter of 2015, with a market share “20% higher than that of the runner-up” (“Neverwinter Online retains”, 2015).

Not a single Chinese film in North American film market has ever had close to Neverwinter Online’s commercial success in the North American gaming market. Lost in Thailand, which held the domestic-made box office record for US$208 million in 2013, as mentioned in previous section, only made US$30 thousand revenue in North America. In contrast, since its release in June 2013, Neverwinter Online has continually received positive feedback from media organizations and players in the North America market and quickly became the prime overseas revenue source for Perfect World. In addition to intensive media coverage, the game has garnered excellent ratings on ranking sites. Players have avidly shared their gaming experiences via social media channels. According to the same report from PRNewswire, conducted in April 2015, there were more than 300,000 searches for terms related to Neverwinter Online on Google every day. More than 5 million posts in relation to Neverwinter Online were placed on a variety of social media venues including Facebook. More than 10,000 Neverwinter Online-themed videos have been uploaded to YouTube, resulting in more than 100 million views in total.

Besides succeeding in overseas markets with their own products, Chinese developers are cooperating with mobile investors, distributors, and other capital related companies on the frontlines of the world’s gaming industry. The China Digital Entertainment Expo & Conference (ChinaJoy), annually hosted in Shanghai China, is among the top three global game expos and the No.1 game trade fair in Asia. At such expos Chinese game developers collaborate closely with manufacturers, suppliers,
As I have illustrated previously, the Chinese film industry has managed to defend its domestic market from too much competition with foreign cultural products and capital. The Chinese gaming industry, concomitantly, has a similar success in terms of its domestic commercialization. Historically, South Korea, Japan and the States all penetrated China’s MMO market with successful game series. Australia and Japan used to be the biggest markets in the Asia Pacific region for U.S. game companies. China has taken over this position since 2010. Similar to the film industry, foreign firms have actively exploited business opportunities in the Chinese gaming market. For instance, in May 2006, Walt Disney announced a partnership with Shanda to develop web-based games ("US Walt Disney", 2006). In the same year, Microsoft opened an Xbox 360 incubation center in Sichuan province to help game developers create compatible games with the Xbox Live Arcade platform. Sony manufactures the new Playstation 3 in China for the global market and also works with local companies to develop online games for China. In 2007, VUG, Blizzard Entertainment's parent company, purchased a game development studio in Shanghai (Ewing, 2007).

One should note that there is never only one means (i.e. selling the main products they produce) for transnational companies to make profits. In its domestic film market, Chinese distributors and exhibitors share profits from Hollywood’s imports with American studios and distributors. In the gaming industry, Chinese companies also make money by operating foreign-designed games. For instance, the Chinese e-commerce company Shengda, the domestic agent of Korean MMO game Legend in 2001, quickly became one of the highest earning IT companies in China that year, and went public later on. Legend has been a landmark in the history of China’s gaming industry. From 2005 to 2007, 11 Chinese online game companies were listed on foreign stock exchanges ("China gets its", 2008). Game operators Giant, Perfect World, NetDragon and KingSoft all went public in 2007 (Pearl Research, 2008). The gaming industry’s processes of capitalization, which have accompanied globalization, have, inevitably, lead to market concentration. In 2008, ten companies accounted for 80% of Chinese online gaming
market. Similar to the film industry’s experience, where market concentration is in distribution and exhibition, with high risks associated with production, estimates suggest that about 85% of China’s gaming companies are not making a profit (Kshetri, 2010).

Globally, the Chinese online gaming industry is successful both in terms of international trade and financial operations. Perfect World, a gaming studio specializing in MMORPGs, founded in Beijing in 2004, is currently the largest cultural product export company in China. In 2013, its own export output was close to US$ 1 billion. The value was more than three times as much as the overseas revenue of Chinese films (US $300 million) for the same year. Perfect World not only owns a dozen of self-developed games popular in the global market, but also participates in different levels of business integration. According to its annual financial report in 2014, “in addition to our robust pipeline, our global R&D capabilities and extensive overseas network are critical competitive advantages that we continue to sharpen” (p.4). Perfect World is a majority stake-holder of Seattle-based game developer Runic Games. In 2011 Perfect World acquired California-based game designer Cryptic Studios for over $50 million. It also established online game publisher subsidiary companies in North America and Europe. Clearly, through various global capitalist collaborations, Chinese transnational gaming companies fruitfully share in the big pie of global gaming market.

We should also keep the economic drive behind Chinese gaming industry’s global development in mind. High entry costs were the biggest roadblock for Chinese online gaming industry in the 1990s (Kshetri, 2010). Since 2001, Chinese gaming companies have launched innovative business models and technologies to overcome the barrier. The rapid growth of the online game market is associated with and facilitated by the growth of fixed and mobile broadband networks in China (“The video games”, 2007). Since 2004, China has become the world’s biggest exporter of ICTs (information and communication technology). This benefits Chinese gaming companies their international expansions. We can see this close partnership from Perfect World’s annual report,

“for example, we very recently signed a strategic partnership framework agreement with Huawei, a leading multinational telecommunications
equipment supplier and terminal device manufacturer, and plan to pair our high-quality gaming products and services with their terminal devices to bring premium entertainment experiences to our users” (p.3, 2013).

Obviously, the global commercial success of the Chinese online gaming industry is inseparable from China’s indigenous development of technology and information infrastructures.

Nor should we circumvent the political dimensions of the Chinese gaming industry. Similar to the film sector, not only does the government use its regulatory powers to create a policy environment that is advantageous to domestic companies over foreign companies in the domestic market, the Party state has also candidly integrated its propaganda agenda into online gaming design and utilizes it for “propagating official ideology and sustaining economic growth” (Nie, 2013, p.499). On the one hand, the Chinese government has great concerns regarding cultural invasion via online games. Online games largely target youths, and the government has worries that Western countries deliberately use online games as a platform to spread their democratic system, values, and civilization to the youth (Chen, 2009). On the other hand, online games have been recognized as a potential vehicle to deliver Chinese ideological and cultural values to the rest of the world. According to Nie (2013, P.506),

After 2000, the Chinese government began to realize that online games were becoming the new primary leisure activity among teenagers and young adults, and it became serious about the cultural and political impact of games, seeing the medium as “a key for winning the hearts and minds of a growing generation of young citizens” (Jenkins, 2006). As early as 2001, Jiang Zeming referred to the Internet as a political ideological and cultural battlefield and considered it the Party-state’s responsibility to guide and educate young people via the Internet (Jiang, 2000). It is not surprising that online games in China have become a focus of censorship and regulation, economic development, and struggles over national culture, and that the government has transformed online games from a mere pastime into a highly political environment (Jenkins, 2006).

The Chinese government has high expectations for the online gaming industry in its soft power expansion. The Plan for Reviving the Cultural Industry issued by the State
Council in July 2009, lists online games as one of the most important cultural products for promotion. Similar to movies like *The Founding of A Republic*, which was produced by a state-owned film company to mark the 60th anniversary of the People’s Republic of China, the government also directs the development of patriotic online games. Nationalism however, is never a uniquely top-down phenomenon. Patriotism from the bottom up can also be seen in both the film and online gaming industries. This reflects both the development of nationalistic sentiment and the eagerness of business enterprises to profit from such trends and illustrates the complex nature of contemporary Chinese cultural products. Besides, Party-oriented Chinese cultural products also face external and internal conflicts and challenges from commercialization. While the Party-state is primarily concerned with correct ideology, businesses prioritize profits, which can result in contention between the “Party line” and the “bottom line”. As Nie mentioned, the experience of the gaming public with these state-sponsored patriotic online games is not necessarily in harmony with the officially desired ideology due to innate conflicts (Nie, 517).

In brief, the Chinese film and online gaming industries share similar trajectories in their integration with global capitalism. To be sure, the domestic market is becoming more prosperous and competitive offering more opportunities to small and medium-sized enterprises. Nevertheless, as a result of market capitalization, there is a consolidation of ownership in both gaming and film industries. There are reduced possibilities for new players to make a difference in these markets. Using the Hollywood model to catalyze its cultural industries in its soft power expansion, the Chinese government aims to win global standing both commercially and culturally. However, this “China dream” might be hard to achieve. In comparing the two sectors, the only significant difference, in short, is that Chinese gaming industry is able to sell more products to the Western world than the film industry. As illustrated earlier China’s film industry’s ‘going-out’ strategy has gradually become a ‘going-in’ movement based on capital accumulation. Indeed, the online gaming industry reflects a quite different business landscape in terms of the performance of its global market expansion. However, will MMO games, blended with Chinese mythology, Japanese anime symbols, and Western cartoon monsters help to promote Chinese values? By selling more products, or embracing its global market
success, is China becoming more “attractive” to the rest of the World? I bring these two questions into the following discussion.
5. Is Online Gaming a Breakthrough? A Critical Reflection of China’s Quest for soft power in Film and Online Gaming Industries

In the above discussion, I briefly stressed several dimensions of the global integration of China’s film and online gaming industries. Behind the market prosperity, China’s cultural development in these two sectors reflects the complicated dynamics of China’s political economy. First, capital integration applies to both sectors. Through financial acquisitions and operations, capital is effectively generated and allocated to the most profitable places in the world. Through this process, market concentration has shaped both sectors. To be sure, the market boom generates plenty of working opportunities for Chinese labourers; however, profits mostly flow into the pockets of transnational capitalists. Facing tension between artistic pursuits and market interests, cultural workers are becoming vulnerable.

Second, Chinese cultural industries are continually growing under a statist system, with both censorship and trade protection. On the one hand, reliant on China’s rapid economic growth and government support, both industries have defended their domestic markets with increasing success. On the other hand, under this system, political and social conservatism has become the norm for cultural production. Moreover, we should note that nationalism is never merely a top-down relationship. Patriotic sentiment also resonates through bottom-up inspiration and practices, which we can identify in Chinese movies and games (Zhao, 2010; Nie, 2013).

Third, the Party is integrating its soft power agenda through both industries with multi-faceted efforts, while facing challenges from the conflicts between the “Party-line and “bottom-line” (Nie, 2013). Concomitantly, the industry also needs to adjust itself to the conflicting nature between art and business pursuits. All in all, political, economic, and cultural drives have been entwined together - sometimes contradictory, sometimes reconcilable, and sometimes convergent. Under the processes of commercialization and
global integration, these sites of struggle are all responsible for the transformation of China’s cultural industries that we are experiencing today.

Is the success of its online gaming industry the breakthrough China needed in its quest for soft power? Locating this question within the complicated political economic contexts we have examined, the first issue we should consider is if made-in-China online games represent Chinese culture. To be sure, the use of historical events, traditional mythology, classics and fantasy novels as the core of a game’s content is representative of many China-designed games over the last 12 years. Martial arts and Chinese ancient monsters inspire the design of characters. Chinese historical epics and fairy tales are implanted into game settings as well. For example, more than 40 original online games based on *The Romance of the Three Kingdoms*, have been produced in China between 2000-2010 (Kshetri, 2010). To a certain extent “made in China” MMO games have managed to deliver historical Chinese symbols to players. Who knows if a white boy at home in Canada playing a China-designed online game will not gradually learn any Chinese traditions from those exotic music, plots and figures? In ways that are more explicit than Chinese film stars showing astonishing Chinese printing gowns on single marches across the global red carpets of International film festivals, some of the Chinese culture-based online games are now “moving on from the previous approach of simply copying classics, to actually taking a more in-depth approach by identifying the kernel of traditional culture that they contain”(Fan, 2013, p.65). For example, “with the launch of high-quality online games such as NetEase’s *Tian Xia III* and Shanda’s *Legend of Immortal* in 2011, the entertainment and interest-generating aspects of the games were fused with a multi-layered interpretation of traditional culture, piquing the interest of gamers everywhere” (Fan, 2013, p.67).

However, as argued previously, it is never easy to identify a unified Chinese culture considering different time periods and social forces, let alone if legendary monsters and martial arts heroes could represent contemporary Chinese values and class structures. We should also note that Chinese online games are becoming globalized and standardized, to appeal to gamers from different cultures. In fact, Chinese MMOGs share many similar artistic elements and athletic values with Western games. Besides, many of them have blended Japanese and Korean manga
characteristics and design styles. Chinese game designers are adept at recreating characters from games and comics all over the world (Fan, 2013). In a sense, Chinese online games are a cultural hybrid fragmented with Chinese fantasies. Compared to films, which normally contain a richer cultural and ideological meaning, computer games are more readily accepted by gamers from different cultural backgrounds. Additionally, we should also notice that although the Chinese government is very adept at utilizing cultural products to enhance its propaganda system and ideology, market imperatives largely depoliticize game productions. Last but not the least, we should note that although the market scale of online games is big, the Western game market is still dominated by console-based computer games, and Chinese MMOGs have not yet become mainstream. Traditional Chinese cultural settings are more likely to be accepted in Asian markets where MMOGs represent the most popular game genre.

The second issue we should consider is who benefits the most from the success of made-in-China online games. As analyzed previously, in global capitalism, transnational companies share most of the profits. In some critical scholars’ perspective, online games deepen class exploitation and alienation. As theorized primarily by Maurizio Lazzarato, Michael Hardt and Antonio Negri, the concept of “immaterial labour” refers to labour that not only produces informational and cultural commodities, but also involves a series of activities that are not normally recognized as work, seen instead as “pleasure”, “fun” and “desire”. As Simon pointed out,

Game making blurs the lines between work and play, production and consumption, voluntary activity and precarious exploitation, in a way that typifies the boundless exercise of biopower...The forceful idea here is this latest form of domination under capital can be seen in the conjunction of the exploitative labour conditions of game making, in the discursive-representational layer of games consumed by players, and even in software code, game mechanics and conditions of interactivity that typically mark digital games as distinct media.” (Simon, 2011)

From this Marxist media analysis perspective, the global commercial success of the Chinese online gaming industry not only brings Chinese capitalists and cultural entrepreneurs unprecedented wealth, but also hastens the exploitation of global game players and industry-related labourers. Through international trade and financial
activities, the Chinese online gaming industry has served the capitalist system and reinforced class conflict and imbalance between the global overprivileged and underprivileged.

In general, will its online gaming industry be the sally port of China’s strategy for soft power expansion? Compared to the dullness in the global arena among most cultural sectors such as film, television, music, and journalism, will the commercial success of online games realize the Chinese imagination of a cultural revival? To answer these questions, we need to go back to the discussion I introduced at the onset of this investigation.

What is the real motive behind China’s quest for soft power and who will value and benefit from this pursuit? If the vision of China’s quest for soft power is to develop an alternative path outside the capitalist system promoting a “self-consciousness” alliance of global working classes, it seems the success of online games has not resolved but worsened the situation of global digital exploitation and class conflict. In fact, neither the Chinese film industry nor its online gaming industry has followed the class based “self-aware” trajectory proposed by critical scholars. Through global integration, a capitalistic logic of production has become deeply entrenched into every facet of filmmaking, game design, sales and promotion. Outward, Chinese transnational corporations have practiced their capitalistic pursuits in both trade and financial operations.

However, if the drive is to establish a more amicable and attractive China to the West, perhaps the online gaming industry is ahead of other sectors. To be sure, by consuming products implanted with Chinese elements, global players might be more familiar with and interested in knowing Chinese history and culture. However, as discussed already, whether online games convey agreeable Chinese values is highly doubtful. “China-designed” computer games are in fact cultural-hybrid commercial products, with little ideological and social implications.
Last but not the least, if the drive for soft power is purely political, as we have discussed, the conflicting nature between commercial interests and political interests complicates this pursuit and makes it harder to achieve. However, if one believes that economic power determines political power, then, the unimpressive international performance of China’s film industry should not overshadow the progress of its global capital expansion through financial activities. From this perspective, both Chinese film and online gaming industries have made tremendous progress towards the “dominant vision” of “power control” in today’s “global capitalist order” (Zhao, 2013, p.28).

In summary, China’s quest for soft power is not a one-dimensional or single-direction process. The notion of soft power in the analysis of many stays ambiguous (Zhao, 2013). We should locate it within complicated and fast-changing global political economic contexts. Commercial success is only one item among the criteria for examining China’s cultural industries’ going-out strategy. We should note that Chinese capitalists, entrepreneurs, successful game developers and movie celebrities are the major beneficiaries of China’s media integration with global markets. In this industrial development, the urban middle-class also benefits from abundant cultural content and a variety of products. These two groups of Chinese people might be proud and honoured in seeing any progresses in China’s culture expansion onto global stage. However, for the disenfranchised - farmers living in rural areas without access to computer games, and workers who dwell in cities and might never step into a movie theater - whether Chinese movie and online gaming industries can penetrate Western mainstream markets seems very far away from their daily lives. Yet, positioned at the downstream end of what Miller described as the “new international divisions of cultural labors” for production (Miller, 2001), they are, aware or not, involved in these social transformations of global capitalism.
6. References


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