

Introduction

Anthony Fung

In 1997, Tony Blair, the British Prime Minister at that time, proposed the term “creative industries.” Since then, not only has the term become an inspirational and overarching concept in Britain and Europe but also it has been accepted worldwide. Hence, all countries have the potential to use creative industries to strengthen their global competitiveness through various cultural means, such as exporting games, movies, design, fashion, and so on. In intellectual terms, the concept of creative industries captures “those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property” (Department for Culture, Media & Sport, 2001, p. 5). The formulation of this concept to describe the economic function of intellectual property was elaborated by the United Nations Conference on Trade and Development (UNCTAD) as “any economic activity producing symbolic products with a heavy

A. Fung (✉)
School of Journalism and Communication, The Chinese University
of Hong Kong, Shatin, Hong Kong
Beijing Normal University, China
Jinan University, China
e-mail: anthonyfung@cuhk.edu.hk

© The Author(s) 2016
A. Fung (ed.), *Global Game Industries and Cultural Policy*,
Palgrave Global Media Policy and Business,
DOI 10.1007/978-3-319-40760-9_1

reliance on intellectual property and for as wide a market as possible” (UNCTAD, 2010, p. 7). Thus, digital games and many other forms of games that embody the element of creative content and that rely strongly on intellectual property and authenticity constitute conceptual models of creative industries (Throsby, 2008a, b).

Global game industries are naturally in the domain of creative industries. However, when we talk about the industrial aspect of culture, we then directly refer to cultural production—which presumably has a wide distribution and consumption—and national policies that govern, restrict, or enhance creative industries early in the twenty-first century. Various approaches of conceptualization have contributed to enriching the knowledge of creative industries. From a sociological perspective, Davies and Sigthorsson (2013) suggested that creative industries are economic activities that provide employment opportunities to cultural workers, whose output provides consumers with pleasurable and meaningful experiences. Creative industries and other industries are interdependent and have interlocking business relationships apart from the benefits of the economy of scale (Davies & Sigthorsson, 2013). In shifting to the perspective of network theory, Hartley (2012) espoused creativity as a form of social technology, the markets for which expand in parallel with increasing interactions between producers of various digital platforms. Based on this notion, he further defined creative industries as “‘social network markets,’ where choices are made not on the basis of rational choice in perfect equilibrium but on the basis of competitive status among networked agents” (Hartley 2012, p. 47). Taking a more critical angle, Hesmondhalgh (2002) interpreted creative industries as the heavily industrialized and commodified industries that exploit creativity. He is more concerned with the rights of creative labor in the process of developing national creative industries (Hesmondhalgh, 2002, 2008). In framing creative work as cultural industry, Hesmondhalgh (2008) pointed out the danger of falling into the paradox of neoliberalism and neglecting inequalities and exploitations. In addition to the argument for creative labor, McRobbie (2005) also accused creative industries and cultural entrepreneurialism of “ripping off” creative autonomy, which “marks the decline of ‘the indies’ (the independents), the rise of the creative subcontractor and the downgrading of creativity” (McRobbie, 2005, p. 337).

Scholars in the field of sociology and media studies have pooled their efforts to understand the production of digital games. For example, Zackariasson and Wilson (2012) offered an in-depth account of the value chain in game production and the landscapes of game developers across countries. Another stream of research focused on the business strategy used

in developing games. Brookey (2010) elaborated the business considerations of film production and its affiliated games. The synergy of integrating film narratives with interactive games in Hollywood productions aligns movie lovers with game enthusiasts (Brookey, 2010). While these studies offer concrete insights into game production, the operation on the industry level is awaiting exploration. Building on this previous research, which ranges from a sociological approach to a critical perspective, this book takes a step further to examine the political economy of game industries across countries and regions.

This book also offers a unique global and comparative perspective. Although cultural creative industries on the global level have been theorized in terms of production, consumption, market, locale, and cultural policy (Flew, 2013; Lash, 2007), no previous volume has offered discussions about how the game industries and the game market operate in different regions of the world. This book is perhaps the first attempt to document how games are developed and marketed globally, how people across the globe consume games, and in what global politico-economic contexts game industries operate. Each chapter provides detailed analyses of important global cases of game industries and formulates multidimensional comparisons between countries and regions. The advantage of the comparative perspective is that it allows for contextual descriptions of differences between cases (Landman, 2000). The game industries that are analyzed in this book are situated in markets with contrasting industry mechanisms and social systems—from bounded markets to free markets and from state-driven to laissez-faire economic policies. The government-subsidized model in major game-exporting states in Asia, the market-driven models in the US, and the EU-driven models in Europe comprise distinctive differences across the globe.

The analysis of cultural policy is also a focus in the book. From a critical perspective, cultural policy can be interpreted as official discourse in the guise of promoting creativity. Miller and Yudice (2002) defined cultural policy as “the institutional supports that channel both aesthetic creativity and collective ways of life” (Miller & Yudice, 2002, p. 1). In addition to this understanding, O’Brien (2015) proposed that cultural policy is the association of public values and cultural values. Specifically, in analyzing the case of British policy, O’Brien (2015) found that cultural policy is “making cultural investment economically useful in light of the economic crisis in Western Europe” (O’Brien, 2014, p. 43). In other words, the study of cultural policy requires a critical analysis of the political agendas that govern cultural production.

In Asia, local game industries are closely associated with the states' cultural and economic policies and interests. Japan includes digital games in its Cool Japan initiative in addition to manga, animation, and music in order to boost the export of its creative content (Ministry of Economic, Trade, and Industry, 2012). The South Korean government established the Korea Creative Content Agency (KOCCA) with the intention of globalizing Korean-made creative content, including online games. The agency provides direct support to Korean game industries to improve their global competitiveness (KOCCA, 2013). In the People's Republic of China (PRC), the animation and game industries were placed at the core of its strategic plan during the 17th Party Congress for the economic benefit of culture and creative industry (*Xinhua News*, 2009). The Taiwanese government has grouped digital games with software development and digitized content production, which are monitored by Ministry of Economic Affairs under the umbrella of digital content industries (Ministry of Culture, 2015). In South East Asia, Singapore has attempted to globalize its creative industries by offering incentives to global game developers by providing infrastructure and tax breaks under the management of the Media Development Authority (MDA, 2015). Compared with the relatively widely reported creative industries in Europe and the USA, these Asian cases have been undocumented.

This anthology can be regarded as providing a comprehensive survey and analysis of the major game markets across the globe. Of course, there are limitations: Chinese games are reportedly played in Africa while games developed in India are influential in that country. Furthermore, some developing game markets are covered in this volume. Nevertheless, this book can be seen as a first step towards understanding the practices, governance, and consumption in game markets worldwide.

To recapitulate, the primary focus of the book is cultural policy and game industries. Throughout the book, implicit comparisons are made to address the similarities and differences between the Asian and global game markets. The book starts with a theoretical analysis of the game industries, markets, and relationships with the states that implement cultural policies that regulate the former. It covers the emerging and converging theories and models of cultural industries, their development, and their connection to national cultural policy and globalization. This analysis is followed by a concrete regional analysis and comparison of the game market and policies in the Asian market, including China, Taiwan, Korea, Japan, Southeast Asia, as well as in North America and

Europe. Two major types of games, online and mobile, are examined. Issues such as governance, piracy, space, and the cross-border nature of games are explored. These chapters provide up-to-date empirical market data on the industry, the latest cultural policies, and scenarios in global game industries. Because all the chapters are complementary to each other, this anthology serves to map a global picture of game industries, markets, games, audiences, circulation, and consumption.

Some chapters position the game industry as a branch of cultural and creative industries, and discuss games and cultural policy. Although other aspects of games and the game industry, such as users, audiences, and game content are important, they will not be highlighted in separate chapters. Instead, the discussion will be focus on the industry in order to generate coherent and congruent understanding of policy, context, audience, and content. The following is a brief summary of the chapters, which are arranged in three Parts.

The chapters in Part I examine the cultural and creative industries and their relationships with cultural policy. The introductory chapter sets the framework, tone, and focus of this volume. In terms of geographical areas, this chapter also describes recent changes in the political economy of games due to emerging cultural policies, particularly in Asia. With a rising global game industry, this chapter discusses the case of Asia, suggesting that contemporary cultural industries do not operate under the invisible hand of the market. Instead, the state plays a visible role in the market in the name of cultural policy, by regulating domestic production, promoting export overseas, and erecting barriers to entry. This kind of analysis, if properly done, requires wider interdisciplinary frameworks that integrate the approaches of political economy, cultural studies, and media and communication studies. [Chapter 3](#) raises philosophical questions and discusses the theoretical dimensions of cultural policy. This chapter provides clear evidence of a trend in which the state intersects with the market by means of the Cool Japan initiative, which can be regarded as a cultural policy or, according to Iwabuchi, brand nationalism. In the wake of strong competition from Korea and China, the author critically evaluates brand nationalism, which is the attempt to produce and promote Japanese cultural products in the national interest. The chapter questions the essence of cultural policy regarding whether it fosters cultural diversity and tolerance. It also considers the beneficiaries of cultural policy and its conduciveness to citizenship. The fundamental concepts of creativity and creative industries are elaborated in [Chapter 4](#).

This chapter illustrates the rising trend to the state-dominated model supported by cultural policy in the PRC. This chapter focuses on the element of “creativity” in the cultural and creative industries, returning to the fundamental discussion about how creativity interacts with the market and economics. Keane problematizes the term “industries,” which disguises the real discussion by mistakenly focusing on neoliberalism. He suggests that in the highly regulated market, which operates under the pretext of cultural policy in China, is in fact a kind of authoritarian liberalism under which the role of creative industries is highly questionable.

In Part II, the focus shifts to regional game industries. The chapters in Part II discuss how game industries operate according to different models of cultural policy in Asia. [Chapter 5](#) begins Part II with an analysis of the regional giant, China. This chapter maps the longitudinal and spatial development of China’s online game industries, which own the largest domestic market in the world and have targeted global online game consumers in recent years. This chapter analyzes the stages in the development of online game industries in China. It traces their origin from the production of digital games for home consoles and standalone computer games to the rise of the online game industry. The growth began in the inception stage and cultural protectionism, which firmly secured the development of the domestic market. The first wave of regionalization began in the mid-2000s with the increasing awareness of transculturation and the hybridization of online game content. The second wave emerged in 2010 when mature game developers in China expanded globally with reverse foreign direct investment (FDI), buying prominent game companies across the globe. Mergers and acquisitions fueled Chinese companies that had the insight and technical competence to develop as multinational corporations and target global game consumers. The year 2012 marked the beginning of the third wave of global exports. Mobile game apps with a loose cultural story and a decontextualized worldview are now widely accepted by Europe and North America gamers. Instead of analyzing and evaluating the industries in terms of profits and market success, Cheung and Fung’s critical analysis provides an informed interpretation from the perspective of cultural globalization to trace the past and present of Chinese online game industries.

[Chapter 6](#) contributes a Western perspective of game marketing and development and a new alternative business model in Asia. It discusses

Japan as the new global market leader in the area of social games for mobile phones. Through case studies of the condition, motivation, and mobilization of start-up firms that act as technological and institutional entrepreneurial change agents during the social game development processes, Ernkvist describes the Japan case, suggesting that entrepreneurship can enhance external developers in different sectors. Such developers simultaneously break the existing rules and norms of the game industry and institutionalize alternative rules and practices of the emerging social game business model. [Chapter 7](#) describes the neglected Southeast Asian model of cultural industry. This chapter describes the current state of video-game development in Southeast Asia, which is in a transitional state. In Southeast Asia, the game industries have only recently begun to participate in global game development. This phenomenon provokes an informed theoretical discussion about the cultural and economic decentralization of US-centered transnationalism and globalization. By providing an empirical analysis of the game industry, the chapter echoes Iwabuchi's argument that the sole focus on the "Americanization" paradigm misinterprets Japan's transnational cultural power in the region and the circuit of cultural globalization. [Chapter 8](#) examines the globalization of Asian game corporations. Chung explicates South Korean government's policy framework, which supports national online game companies in expanding their global market share. The chapter argues for a state-led development model in new media industries in Asia. New technology and government support enable countries in a small local market to engage in the world economy. Added to the policy discussion are the contextual factors of the South Korean game industry, which contribute to the substantial growth of global market share while maintaining autonomy from Western multinational companies. [Chapter 9](#) examines the impact of globalization on Taiwan's game industry by analyzing some current models of globalization, which are commonly applied to cultural industries, including monolithic conglomerations, symbolic conglomerations, dominant agglomerations, and virtual agglomerations (Lampel & Shamsie, 2005). Based on data from 2005 to 2012 in Taiwan, the transformation of the online gaming industry in that country is explained in terms of interactions among technology, capital, and the market. In this chapter, the findings imply that the global online game industry has been integrated to the extent that it has become a centralized, commercialized institution providing standardized products on a global scale. Consequently, a few transnational media-entertainment giants control

the global market and cultural sources through vertical and horizontal integration.

Chapter 10 concludes Part II by exploring the global connection between regional game industry leaders in Asia and the European and US markets. Chapter 10 offers a comparative perspective and attempts to explain why the game industry in the Eurozone has failed to remain competitive against its US and Japanese counterparts. A detailed case study of the Dutch game industry is used to explain the issues of labor and talent, which have been limiting factors in the game industry. These factors, which are not limited to the Dutch game market, are due to the failure of the European Union to develop a state-led cultural policy that drives creativity, expands the game market, and attracts investments. The comparative dimension provided by this chapter highlights the importance of cultural policy in the global circulation and consumption of games.

In Chapter 11, Chew provides a sociological interpretation of the North American game industry. Although the North American game industry is widely discussed in the literature, this chapter not only summarizes the major trend but also, by focusing on the production aspect of games, offers a critical interpretation of the production environment.

Part III of this anthology is devoted to the mobile gaming experience. It discusses the rise in mobile game industries with the advance of smartphone technology. In Chapter 12, Zhao reflects on the concept of piracy in the social networked game market in the context of weak copyright enforcement, poor content discoverability and the increasing adoption of the freemium business model. Mobile game apps have become an increasingly popular form of mobile entertainment among users. Although game developers have embraced this entrepreneurial opportunity, the complicated landscape of apps stores has perpetuated the piracy culture in gaming. Based on a study of China's emerging mobile game industry and market, this chapter sheds light on the implications of piracy for the circulation, promotion, and production of game content. Chapter 13 continues the discussion of locative media practices with the advent of the smartphone and explicates the new practices of representing places, place making, and play. Hjorth concludes that the "applification" ecology associated with play and smartphones will blur the distinctions among locative, social, and mobile games. With the rise of locative and mobile gaming, we are seeing many new types of engagement, semi-distraction, and co-presence across online and offline spaces.

Both [Chapters 12](#) and [13](#) address the emerging issues and social phenomena of mobile gaming. Thus, while earlier chapters discussed macro issues of policy and industry, Part III focuses on specific aspects of games.

In Part III, the vast market of online games is articulated with attention to the changing gaming experience and the key challenges to the game industries in the global context. In [Chapter 14](#), Lin and Sun identify three characteristics of massively multiplayer online games (MMOGs), which make them promising social gathering spaces (i.e., virtual “third places”) in what is commonly referred to as the emerging global village. First, they provide the sense of a co-presence despite the lack of physical space restrictions; second, they crystallize game communities and identities; and third, they enhance the subjectivity of digital games. Over time, ongoing online game worlds cultivate shared experiences among users. The authors then argue that in the online game world, the migration phenomenon is a vivid example of collective experiences of contact in the current digital era. Regarding the challenges, [Chapter 15](#) addresses the gradual declining trend of MMOGs. From the perspective of the industry, Bartle explains that MMOGs are too costly and that many games are too similar. Moreover, they lack immersion, wit, and personality. Players have been trained to desire experiences that they do not actually want. Furthermore, the game designers are forbidden from experimenting. The new revenue models of online games do not appeal to key groups of players. In the final chapter, Woodford, whom I describe as an academic-turned-practitioner, returns to the fundamental issues of the governance challenges facing the global games industry and online games. Although academics and practitioners have paid much attention to virtual worlds, pressing contemporary challenges may arise with regard to casual games, especially on social networks. Because the authorities are faced with an increasing volume of disputes between participants and platform operators, the likelihood of external regulation increases, and the role that such regulation would have on the industry—both internationally and within specific regions—is unclear. Similarly, as game developers increasingly push the boundaries of what is reasonable or morally and legally acceptable, regulatory issues are likely to come to the forefront and set a precedent for the future regulation of games, not only the platforms discussed in this volume but also the games industry in general across the globe.

REFERENCES

- Brookey, R. A. (2010). *Hollywood gamers: Digital convergence in the film and video game industries*. Bloomington: Indiana University Press.
- Davies, R., & Sigthorsson, G. (2013). *Introducing the creative industries: From theory to practice*. Thousand Oaks: Sage.
- Department for Culture, Media & Sport. (2001). Background. In *Creative industries mapping documents 2001* (p. 5). https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/183544/2001part1-foreword2001.pdf. London: Department for Culture, Media & Sport.
- Flew, T. (2013). *Global creative industries*. Cambridge, UK: Polity.
- Hartley, J. (2012). *Digital futures for cultural and media studies*. West Sussex: Wiley-Blackwell.
- Hesmondhalgh, D. (2002). *The cultural industries*. London: Sage.
- Hesmondhalgh, D. (2008). Cultural and creative industries. In T. Bennett and J. Frow (Eds.), *Handbook of cultural analysis* (pp. 552–569). Malden: Blackwell.
- KOCCA. (2013). 2013 Guide to Korean games industry and culture: White paper on Korean games. https://www.kocca.kr/knowledge/publication/indu/_icsFiles/afiedfile/2013/11/19/UM3mpLQzHbm.pdf. Accessed 13 November 2016.
- Lampel, J., & Shamsie, J. (2005). Uncertain globalization: Evolutionary scenarios for the future development of cultural industries. In J. Lampel, J. Shamsie, and T. K. Lant (Eds.), *The business of culture: Strategic perspectives on entertainment and media* (pp. 130–138). London: Lawrence Erlbaum Associates.
- Landman, T. (2000). *Issues and methods in comparative politics: An introduction*. London: Routledge.
- Lash, J. (2007). *Global cultural industry: The mediation of things*. Cambridge: Polity.
- McRobbie, A. (2005). Clubs to companies. In J. Hartley (Ed.), *Creative industries* (pp. 375–390). Malden: Blackwell.
- MDA. (2015, November 14). *Games*. <http://www.mda.gov.sg/IndustryDevelopment/IndustrySectors/Pages/Games.aspx>.
- Miller, T., & Yudice, G. (2002). *Cultural policy*. London: Sage.
- Ministry of Culture. (2015, September 16). *Wanhua Chuangyi Chanye Neirong Ji Fanwei* [The nature and scope of culture and creative industries]. http://www.moc.gov.tw/information_311_20450.html.
- Ministry of Economic, Trade and Industry. (2012). Cool Japan strategy. http://www.meti.go.jp/english/policy/mono_info_service/creative_industries/pdf/120116_01a.pdf.
- O'Brien, D. (2014). *Cultural policy: Management, value and modernity in the creative industries*. London: Routledge.
- O'Brien, D. (2015). Cultural value, measurement and policy making. *Arts & Humanities in Higher Education*, 14(1), 79–94.

- Throsby, D. (2008a). Modelling the cultural industries. *International Journal of Cultural Policy*, 14(3), 217–232.
- Throsby, D. (2008b). The concentric circles model of the cultural industries. *Cultural Trends*, 17(3), 147–164.
- UNCTAD. (2010). *Creative economy report 2010*. http://unctad.org/en/Docs/ditctab20103_en.pdf.
- Xinhua News. (2009, September 26). *Wenhua Chanye Zhenxing Guibua Quanwen Fabu* [Full text of culture and creative industries strengthening strategy]. http://www.gov.cn/jrzq/2009-09/26/content_1427394.htm.
- Zackariasson, P., & Wilson, T. (Eds.) (2012). *The video game industry: Formation, present state, and future*. New York: Routledge.

Anthony Y. H. Fung is Director and Professor in the School of Journalism and Communication at the Chinese University of Hong Kong. He is also a Professor in the School of Art and Communication under the Global Experts Scheme at Beijing Normal University, Beijing and Pearl River Chair Professor at Jinan University, Guangzhou, China. His research interests and teaching focus on popular culture and cultural studies, popular music, gender and youth identity, cultural industries and policy, and new media studies. He published widely in international journals, and authored and edited more than 10 Chinese and English books. His recent books are *Asian Popular Culture: The Global (Dis)continuity* (Routledge, 2013); *Youth Culture in China* (coauthored with Jeroen de Kloet, Polity, 2017); and *Cultural Policy and Asian Rivalry: The Hong Kong Gaming Industry* (Rowman & Littlefield, forthcoming).

PART I

Creative Industries and Cultural Policy