

A Commentary on Taiwan's Creative and Cultural Industries

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Abstract. A commentary is offered for the further development of Taiwanese cultural and creative industries (CCI). Although there have been some scant successful cases in the context, more systematic and value co-creating efforts should be committed. The issues mentioned are especially important for CCI in a knowledge heterogeneous business world, due to the cross-sector collaboration nature of the phenomenon.

Keywords. Creative and cultural industries, Commentary, Value Co-creation.

JEL. M10, M11, M14.

1. An Introduction to

Learning from the implication of the book *The World is Flat* (Friedman, 2005), we finally understand that the ubiquitous law for successful industrial development in an internationalized world is that all succeed when one succeed, and all may eventually fail when a part of the whole failed. For the situation in Taiwan, which is an economy highly relies on traditional models of business and industrial operations, upgradation and improvement is needed based on past success (Chen, 2009; Hsueh & Tu, 2004). Value-added industries are welcome, not only for strengthening the industrial and national competitiveness, but also for finding a new ground for future progresses (Dodd & Chen, 1997).

Optimistically, Cultural and Creative Industries (CCI) are among the potential ones for the abovementioned new hope. It is one that utilizes human creativity and business intelligence for synthesizing traditions, societal customs, arts, cultural assets, etc. (Townley *et al.*, 2009). Today, in this so-called knowledge economy in Taiwan, government-endorsed grand venture capital projects invests over 30 billion dollars in few years in the TV, movie, pop music, digital contents, design and art craft related industries, just to vitalize the slowed-down economic development rate and unemployment rate. The goals include 100 billion economic value created and employment opportunity for 200 thousand people, which enables the Creative Taiwan to become the Asia Pacific region's leader and hub for CCIs.

Yet years have passed. Good but scant example of CCI companies /organizations brings promising future only in a self-initiated way. The Pili glove puppetry, the Good God Dolls, the commercialized works of the Illustrator Jimmy, the Meinung Hakka Folk Village, Ten-Ren Tea company, and the like, all developed themselves as representative actors for Taiwanese CCIs. However, there are also examples that have gained huge success in one day, but soon fell in another (Wang, 1995). Therefore, although we surely should give credits for pioneers, the very heterogeneous business models of these independent organizations' good development also illuminate several major weaknesses – lack of overall strategies and plans, weak national resources integration, missing pieces

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in high-quality and specific goals, less-developed networks for diverse and cross-disciplinary collaborations, to name a few (Saxenian & Li, 2003). Also, the insufficiency of incubation system specialized for CCIs may impeded the coevolution of the whole innovation system related to it (Tsai *et al.*, 2009).

Initial ideas and fads do not guarantee continuous value creation and success (Bikhchandani *et al.*, 1992). The value creation or co-creation in the CCI should not rely too much of creative application of something related to cultural elements, but the real imperative often are the depth of cultural imagination and managerial capabilities for realizing such imaginations. Thus, more efforts should be committed beyond the value addition to cultural elements, to the level that cultural elements plus suitable business models bring the whole industry to transformations, and into wider and deeper aspects of everyday life. For example, both the Ten-Ren tea products and tea-drinking knowledge and services, and the Good God dolls have tried to make successful the inter-generational knowledge and memory transfer of cultural and customs, from the elders to the younger counterparts. This would be especially critical since these industries are getting more and more knowledge heterogeneous (D'Este, 2005; Hatten & Schendel, 1977; Noda & Collis, 2001). Through the tea drinking philosophy, philosophy of living is shared between generations through drinking tea together. By designing cute version of Gods in people's religious belief, these products become an intermediate material that can communicate thoughts and stories between generation. These are example efforts that may last the value (co-)creation of CCI longer.

Overall, the new thoughts on Taiwanese CCI should be started from a value co-creation perspective (Prahalad & Ramaswamy, 2004; Vargo *et al.*, 2008). Governmental units and its key stakeholders can also do more. The structure of the Taiwanese CCIs should not be sketched as a hierarchy; rather it is a flexible innovation system incorporating communities of policy-makers, firms, consumers, third-party agent and other stakeholders. Such system sets to created values of many aspects beyond economic ones (e.g., social, technological, psychological). The mode of such value creation has now gradually transformed from traditional, static product creativity to more dynamic, open service innovation (Chesbrough, 2011). Hence, triple helix or even quadruple helix networks or organizational partnerships (Carayannis *et al.*, 2008; Etzkowitz & Leydesdorff, 2000; Leydesdorff, 2000; Leydesdorff & Fritsch, 2006; Leydesdorff & Meyer, 2006) can stimulate cross-disciplinary interactions and new knowledge creation, which can be further utilized in product and service R&D and commercialization in CCIs. Creative cities or regions may become basic units of analysis, and implementation, that integrate macro- and micro-level resources for CCIs and their consequent influences on life quality and happiness (Almeida & Kogut, 1999; Etzkowitz & Klofsten, 2005; Leydesdorff & Fritsch, 2006; Muller & Zenker, 2001; Smith & Bagchi-Sen, 2010). Put differently, the sound dynamics of CCIs in Taiwan depend on multi-party networking and resource orchestrating (Johanson & Mattson, 1987; Orsenigo *et al.*, 1999; Walker *et al.*, 1997; Williams & Lee, 2009). Meaningful dialogues and collaborations among key stakeholders are also helpful (Bridoux & Stoelhorst, 2015; Roos & Jacobsen, 1999). After all, beauty in terms of physical products or intangible experiences may both be in the eyes of stakeholders.

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