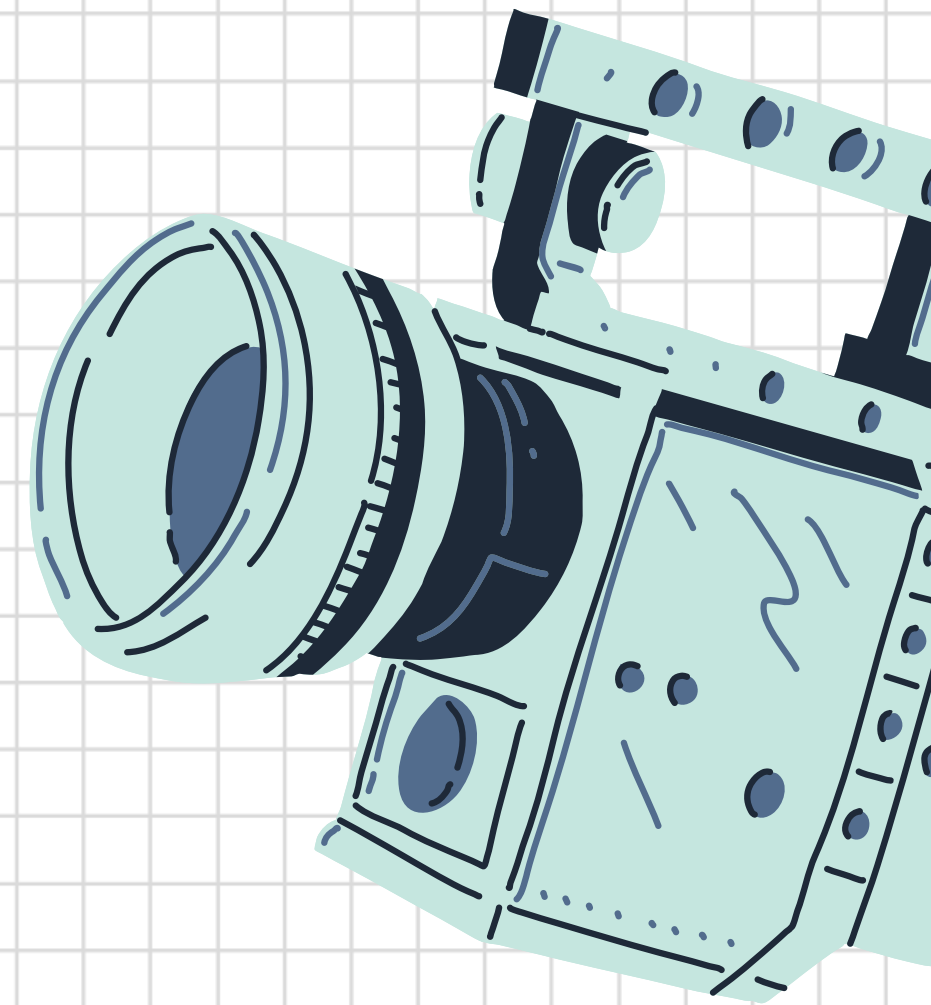
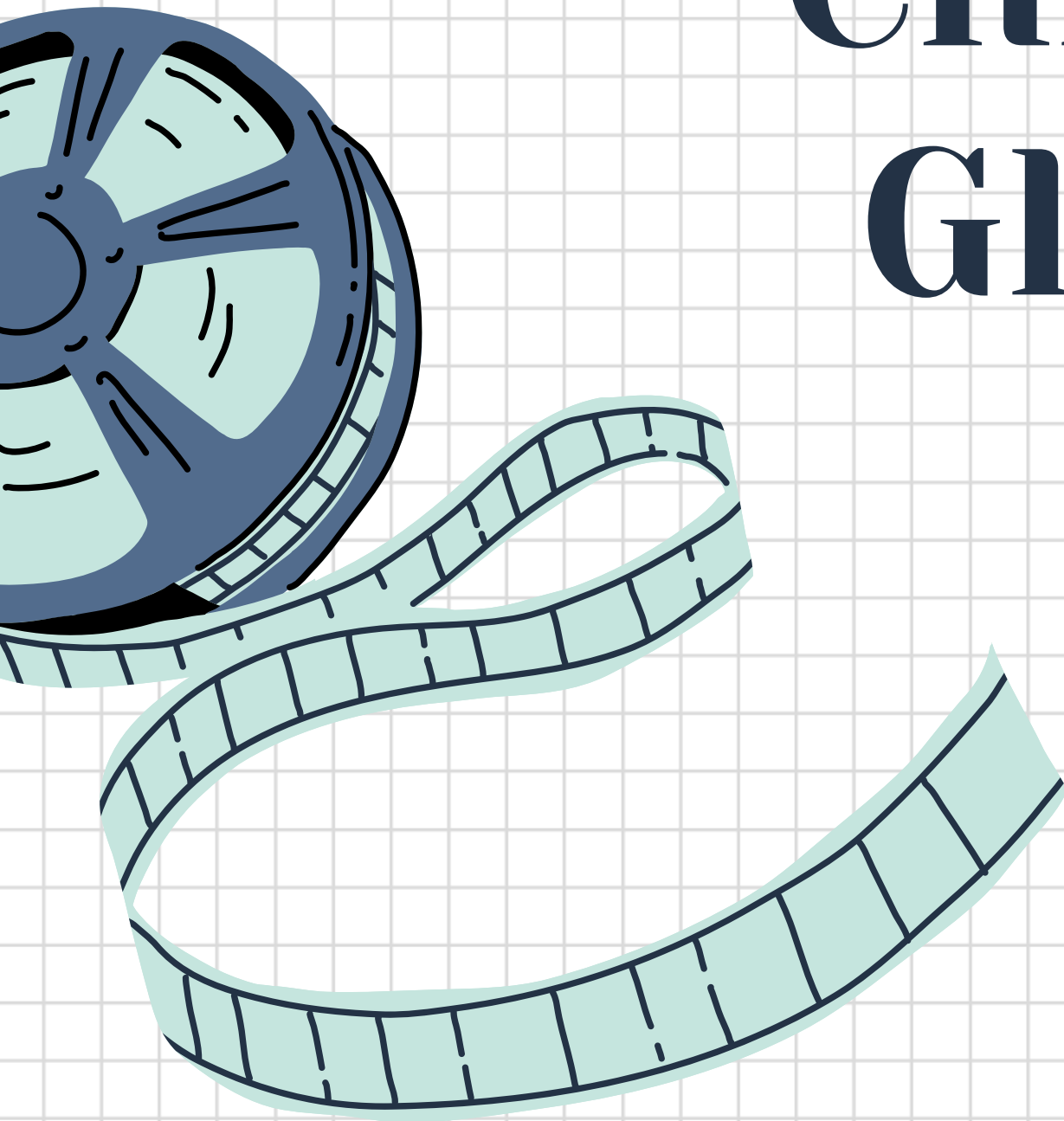


Chinese Firms in Global Markets

Round 7

Soft Power
Chinese Film Industry
Wanda



Your Presentations

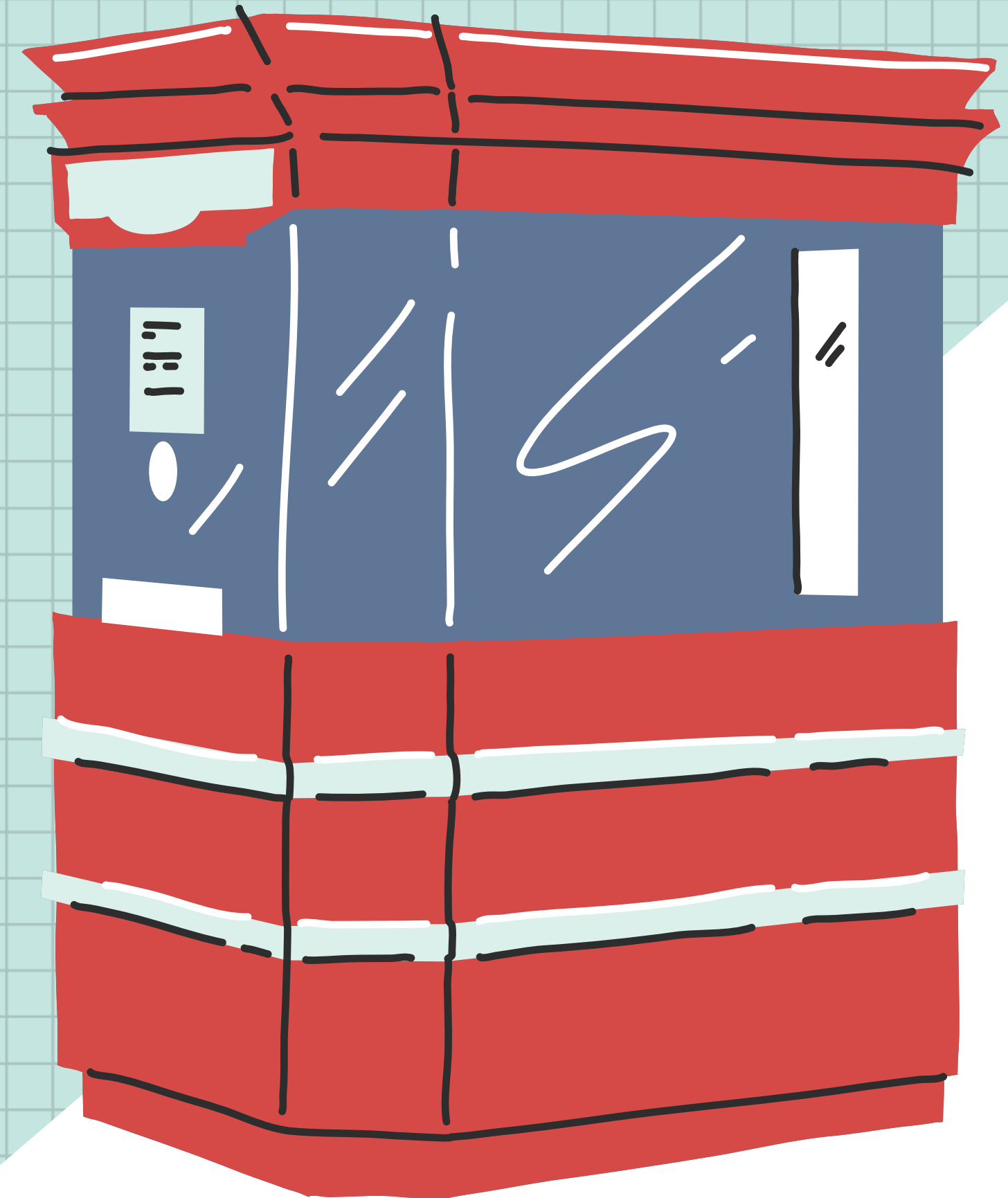
04.07.	Andres & Oleksandr	Xiaomi
04.07.	Hannah & Melanie	Miniso
04.07.	Jonathan & Miguel	
04.07.	Gideon & Robin	Mixue

Your Presentations

11.07.	Nina	Temu
11.07.	David & Melchior	DJI
11.07.	Tiago	
11.07.		

Agenda

- 1 Soft Power Theory
- 2 Soft Power in China
- 3 Chinese Film Industry
- 4 WANDA



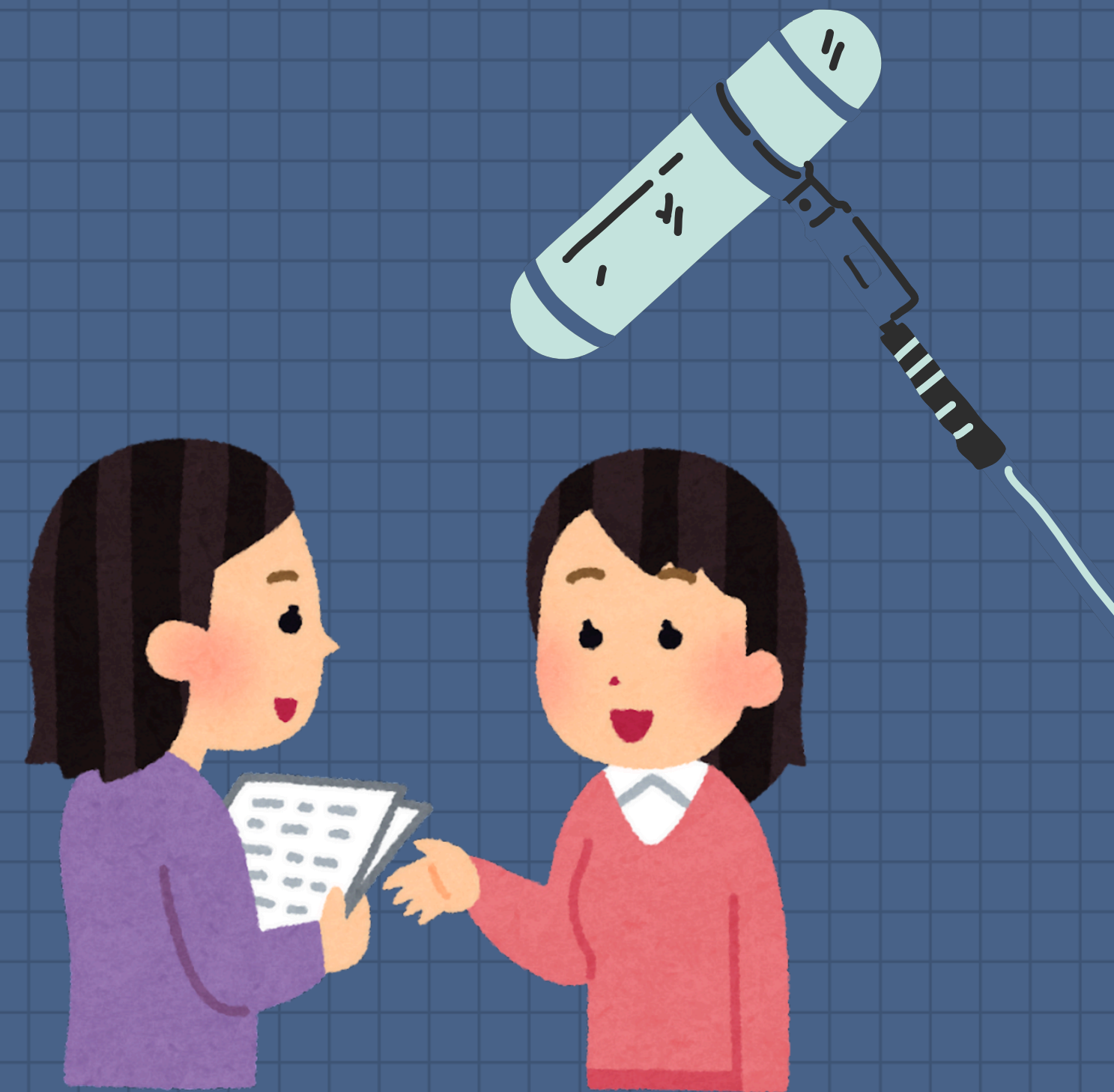
Quiz
Time!

Please scan the code to
enter the Socrative room



Why did you decide to focus
your studies on China?

Was it cultural interests,
personal connections,
economic foresight, or
something else entirely?



Soft Power

Term coined by Joseph Nye

Soft power: “the ability to get what you want through attraction rather than coercion or payments. It arises from the attractiveness of a country’s culture, political ideas, and policies”
(Nye, 2004)

It is dependent on a country's image and international prestige

Hard power, on the contrary, is used when a country forces its will on others through threats or coercion

Soft Power Triad

- Culture
- Policies
- Political Ideology

Soft Power Resources

Tools to produce attraction for a company or country

Outcome hard to predict

‘Soft Disempowerment’ refers to a soft power strategy gone wrong

Occurs when policies, culture, or values repel rather than attract

Effects of resources can take a long time to materialize

Soft Power

Hard to measure due to longevity of soft power campaigns

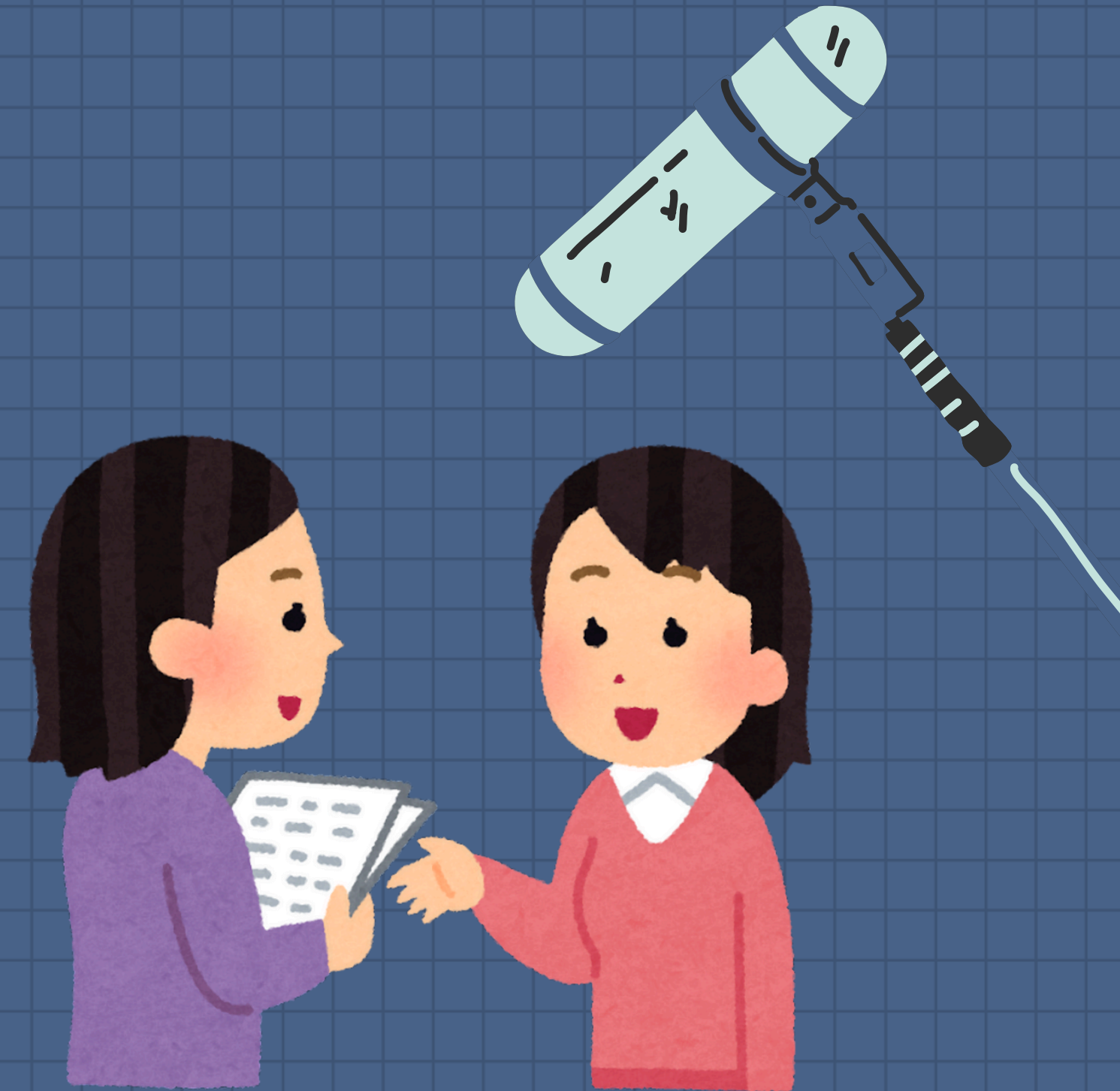
Institute for Government and Monocle publish annual index

Highly subjective results and metrics (cultural exchanges, Olympic medals, quality of architecture, businesses, and brands)

Popular culture, language, and mass media are important as well

Controlling communication channels is essential

What countries would you
expect to rank in the top
10 in terms of soft power?



Soft Power

Brand Finance's
Global Soft Power 2025^[28]

Rank ↕	Country ↕
1	 United States
2	 China
3	 United Kingdom
4	 Japan
5	 Germany
6	 France
7	 Canada
8	 Switzerland
9	 Italy
10	 United Arab Emirates

ISSF's
World Soft Power Index
2023^[29]

Rank ↕	Country ↕
1	 United States
2	 France
3	 United Kingdom
4	 Japan
5	 Germany
6	 Switzerland
7	 South Korea
8	 Spain
9	 Canada
10	 China

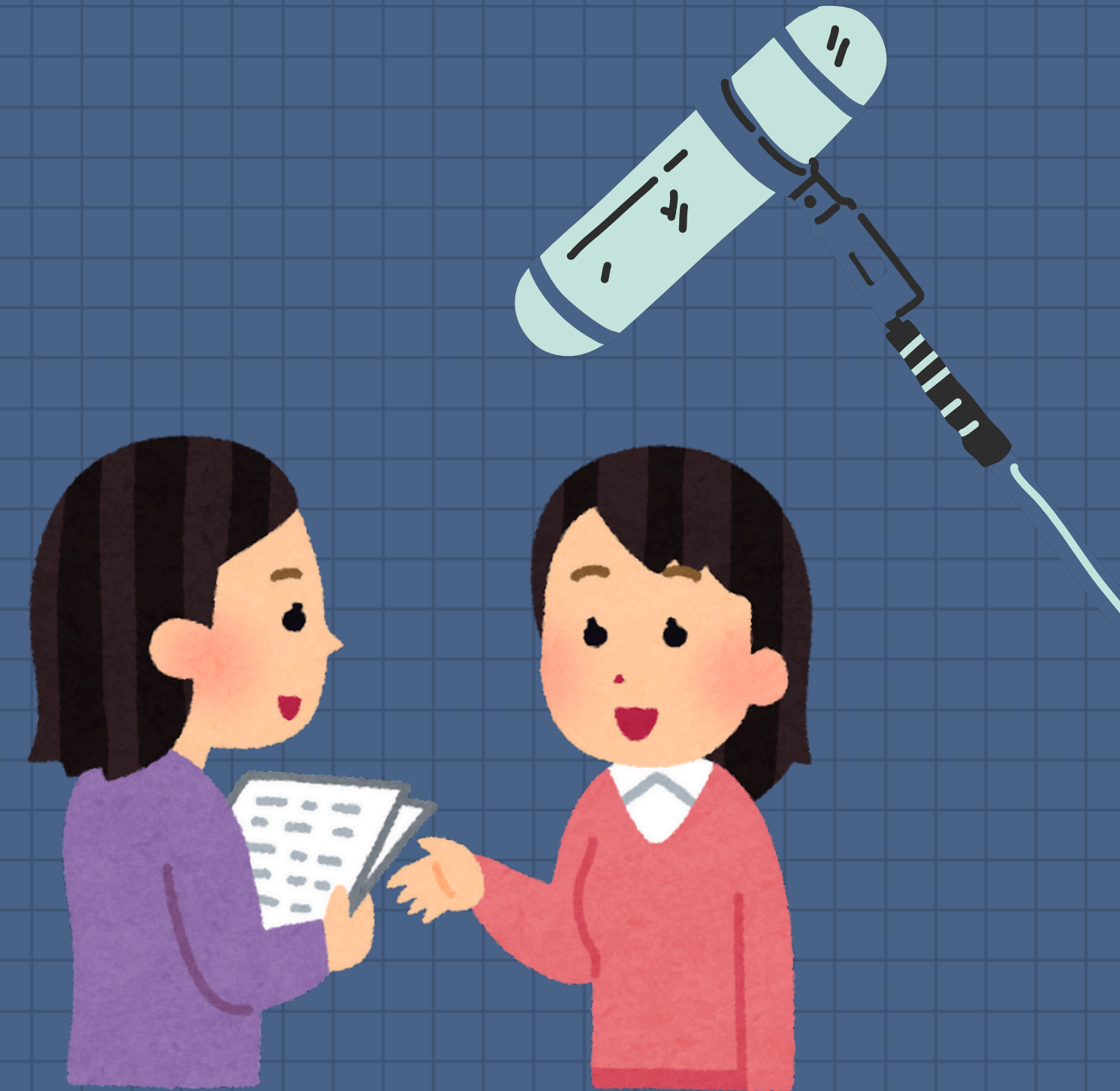
Monocle's
Soft Power Survey 2022^{[30][31]}

Rank ↕	Country ↕
1	 United States
2	 Denmark
3	 France
4	 South Korea
5	 Switzerland
6	 Japan
7	 Germany
8	 United Kingdom
9	 Italy
10	 Ukraine

IMF
Global Soft Power Index
2021^[32]

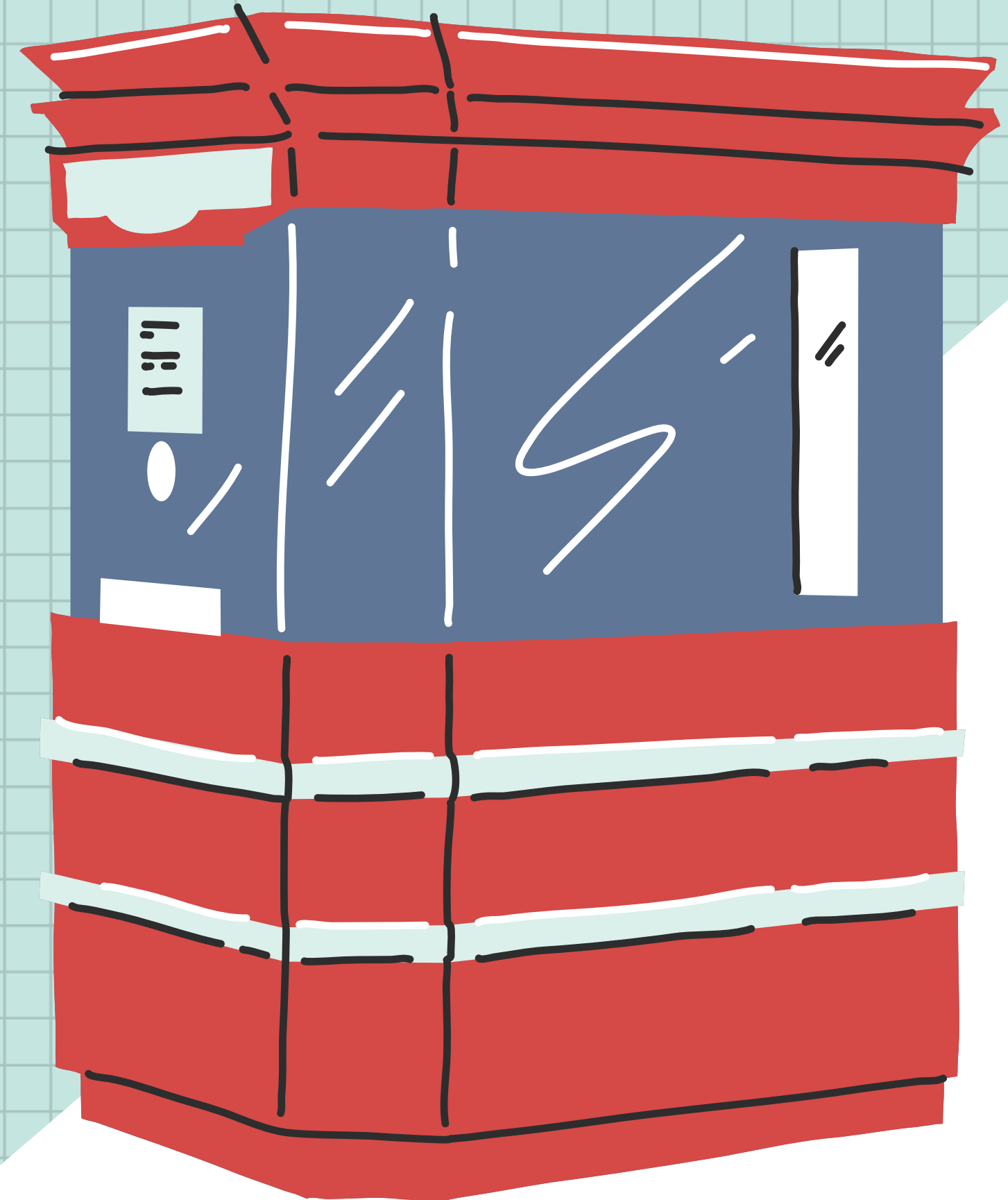
Rank ↕	Country ↕
1	 South Korea
2	 Japan
3	 Germany
4	 China
5	 Italy
6	 France
7	 United States
8	 United Kingdom
9	 Spain
10	 Switzerland

Are you aware of any
explicit soft power
campaigns by any
country of your choice?
Did it work out, or would
you regard it as a failed
initiative?



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China's Definition of Soft Power

Nye deliberately excludes investment, aid, and diplomacy

To understand Chinese soft power, a broader definition is needed

China includes policy, culture, and values, but places great emphasis on investment, aid, and diplomacy

China is blurring the definition between soft and economic power

Shambaugh argues that China's most effective tool is money

China's Soft Power Resources

Mainly outward investment and aid: BRI, African infrastructure projects, Covid aid

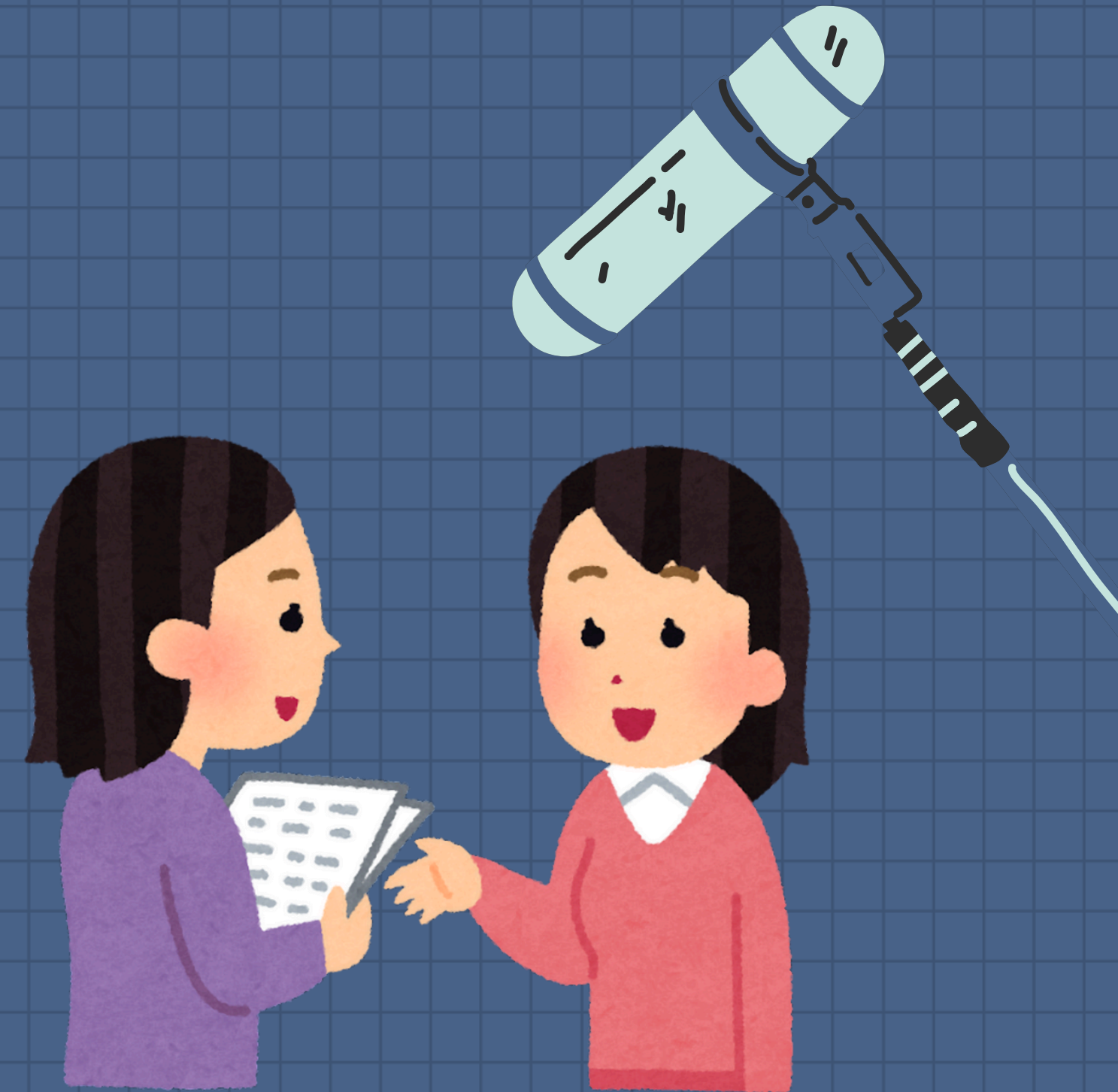
Countries have proven receptive to China's economic outreach, but Chinese culture is having a hard time establishing itself

Puzzle: one would expect with economic and political aid expansion, Chinese culture would also become more prominent

Film an industry that targets cultural dimensions of soft power

Why is Chinese culture
less adopted here than
American culture?

What obstacles does
Chinese culture have to
overcome in your home
country to be accepted?



International Culture Struggle

Cultural Revolution tried to destroy everything 'old'

The 1990s revitalized Confucian traditions formerly lost and a discussion about culture as a soft power tool started

Hu Jintao's 'Harmonious Society' eased international tensions

China joined the soft power game very late

Recent Soft Power Drive

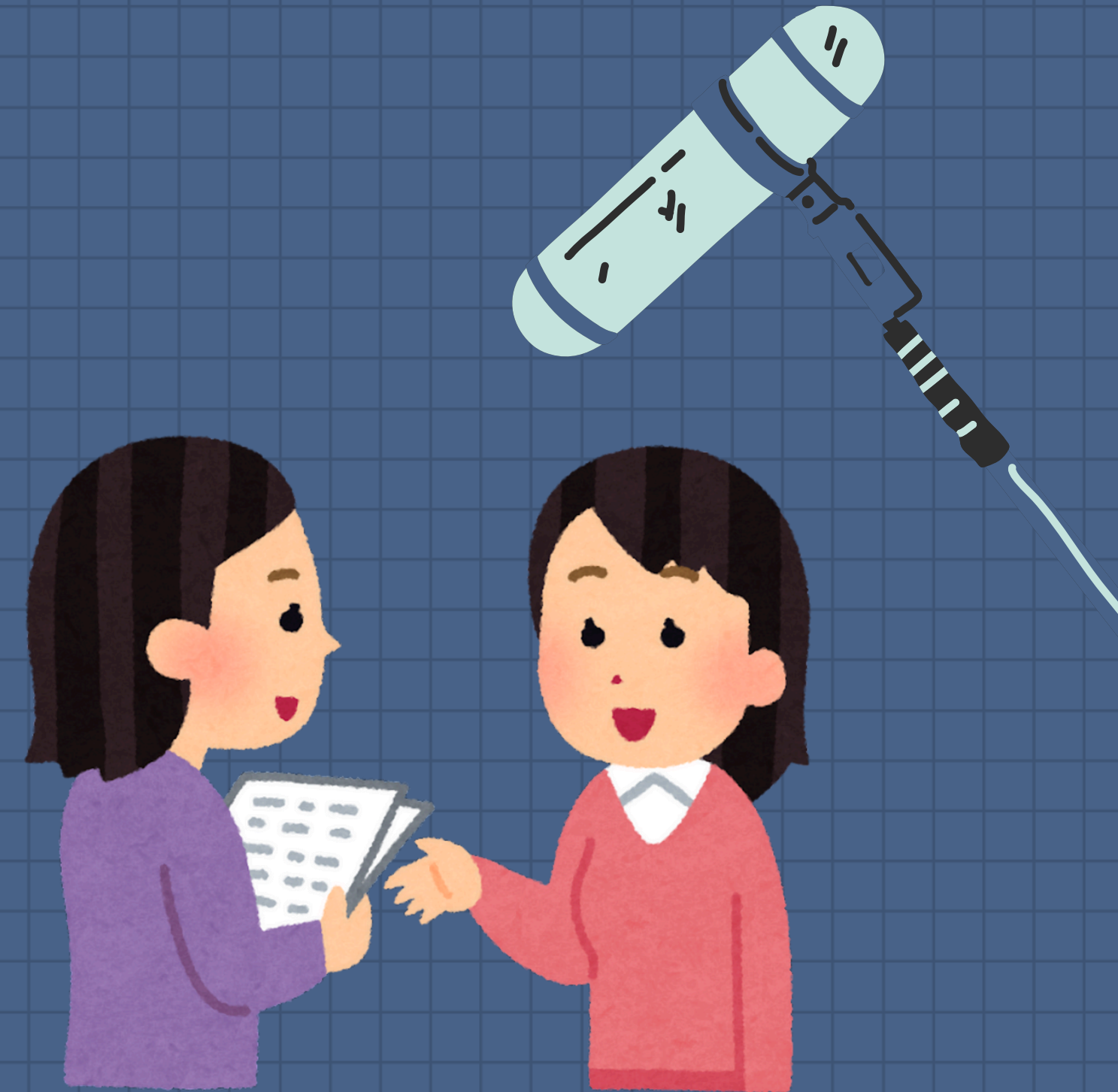
Xi: “We should increase China’s soft power, give a good Chinese narrative, and better communicate China’s message to the world“
(Feith, 2015)

China does well in some categories, like economy and diplomacy, but badly in others, like culture

Questions over accuracy and validity of soft power rankings

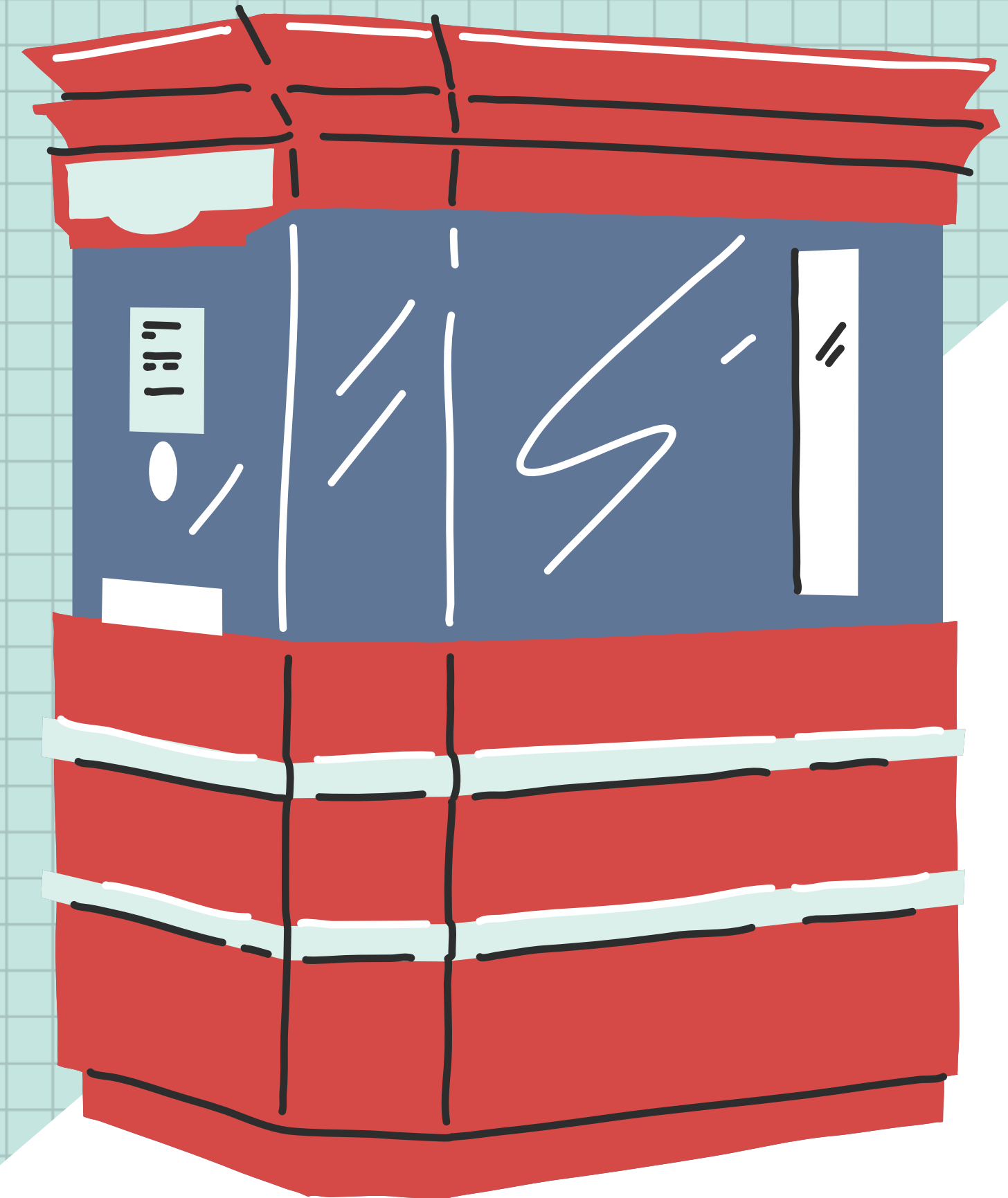
Do Chinese films, music, language, food, or sports have many affectionadors abroad?

How regularly do you
watch Chinese films?
What Chinese films can
you recommend, and why
do you find them
appealing?



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Chinese Films Abroad

Recency is a problem in Chinese cultural soft power drive

Only started to consider cultural soft power in the 2000s

Films from China may become more popular in the future

Number of Chinese films skyrocketed (91 in 2000; 902 in 2018)

Top-20 grossing Chinese films since 2005: only one percent of revenue generated abroad

Barriers for Chinese Films Abroad

Yes, language, but then how come some Chinese films have done well in the past

Films that do well are often banned in China ('Farewell my Concubine' or 'To Live')

Martial arts category certainly the most popular

Disparity in tastes?

Foreign Films in China

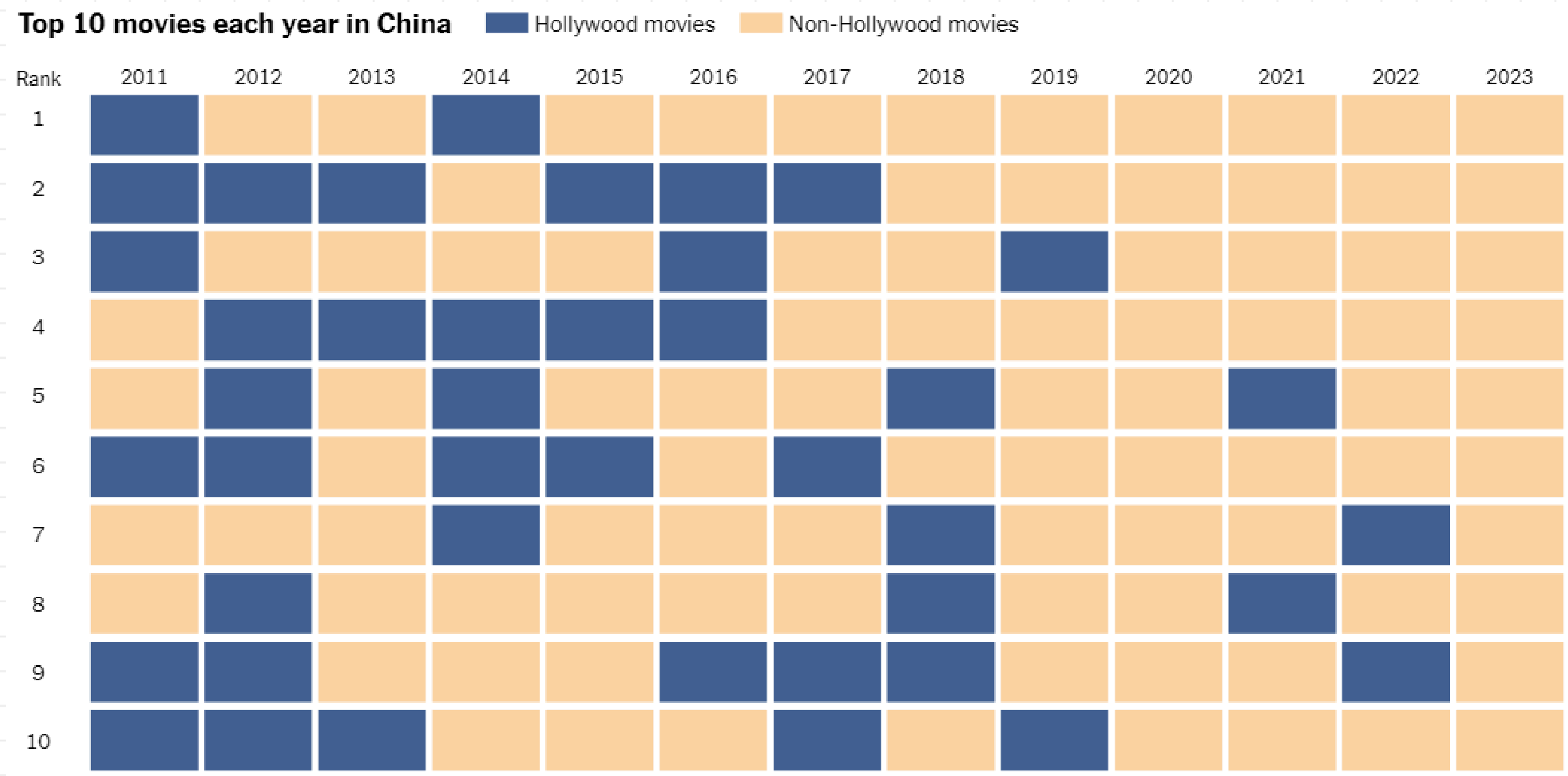
Highest grossing foreign film in China is 'Avengers: Endgame', which did well everywhere

China only allows 41 foreign films a year to be released in cinemas

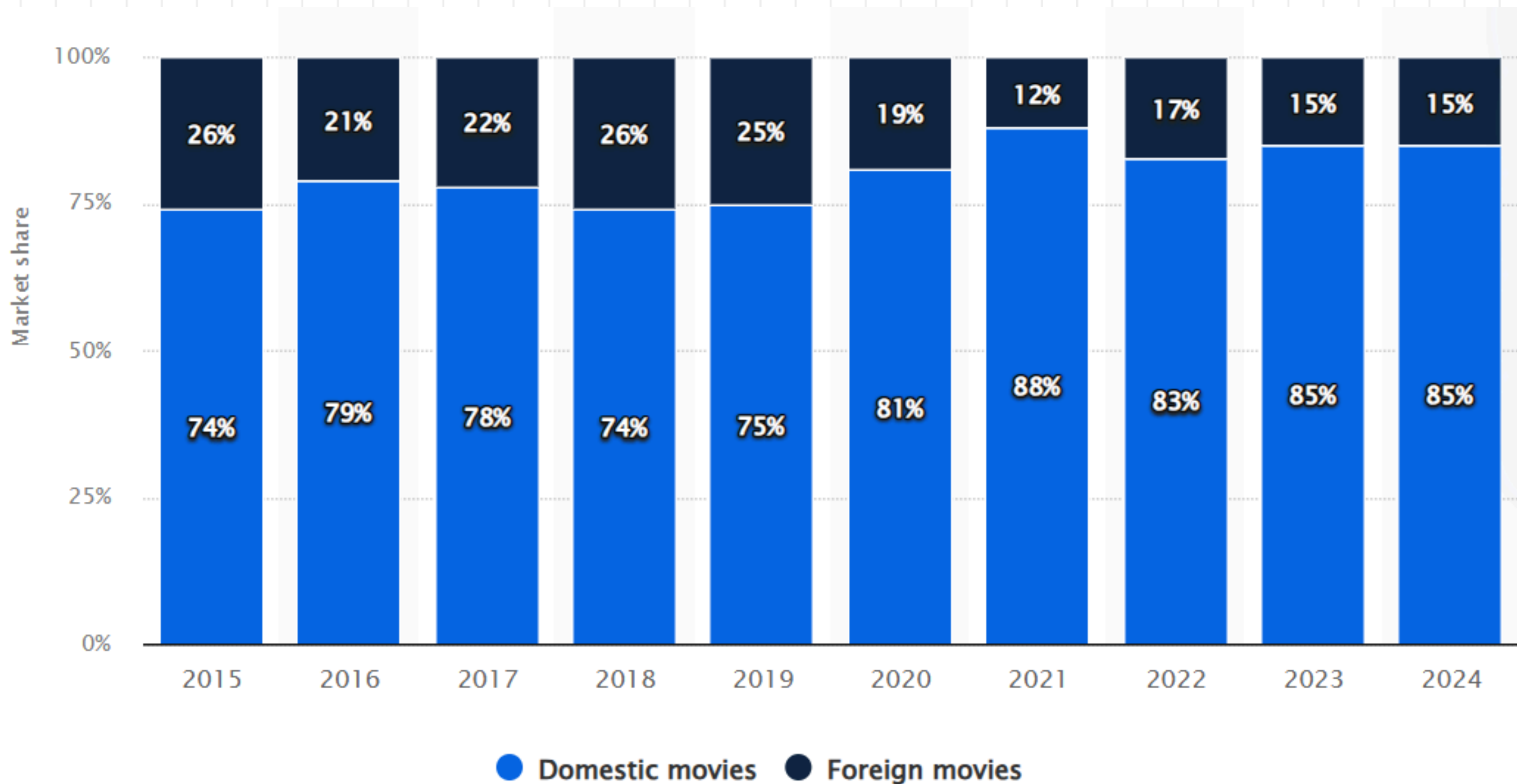
Foreign films can be excepted from the quota, but must sell distribution rights to a Chinese company

Does protectionism work for the Chinese film industry?

Foreign Films in China



Foreign Films in China



Hurdles for Chinese Producers

Must please the censors

Means they have to be careful when writing scenes containing:

[...]

This takes away most things that make films interesting

Hurdles for Chinese Producers

Must please the censors

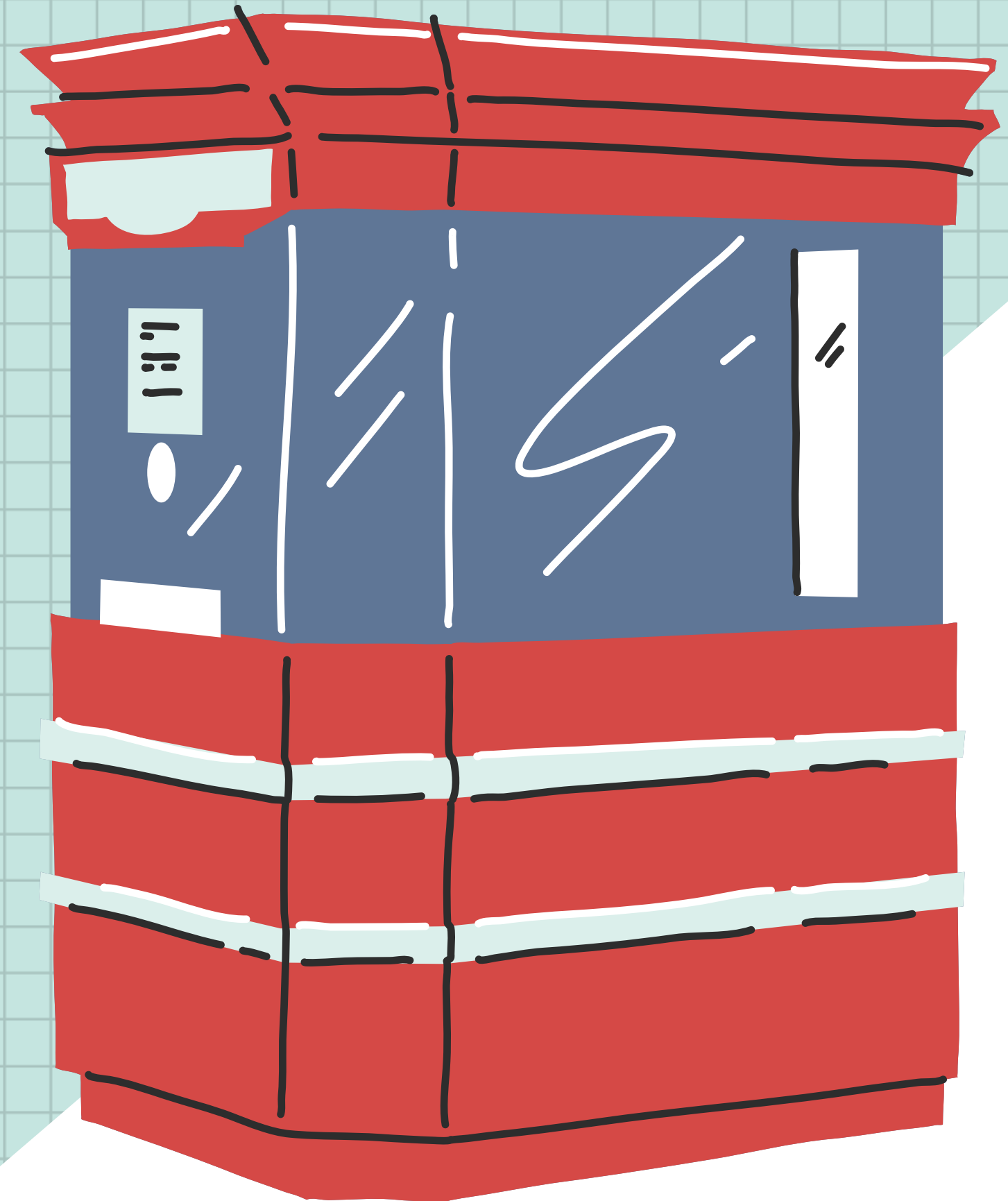
Means they have to be careful when writing scenes containing:

- drug abuse
- violence
- politically sensitive topics
- romance
- nudity

This takes away most things that make films interesting

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Alternative paths for Chinese Film

Can acquire film companies in countries with less strict regulation

To do well in China, they must still please the censors

Wanda purchased Legendary Entertainment, AMC, and Starplex Cinemas

Chinese investors spent more than five billion USD in the US film industry between 2014 and 2020

Other Notable Investments

Tencent invests in IM Global

Fosun in Studio 8

Hunan TV finances Lionsgate

Bona Film Group provides capital for 20th Century Fox

Alibaba backs Steven Spielberg's film production outfit

Other Notable Investments

Difficulty to replace Hollywood in China

Wanda tries to propagate a Hollywood equivalent in Qingdao

OFDI in film allows Chinese companies to gain experience, but
Chinese OFDI in Hollywood films comparatively small

Hollywood studios cater to Chinese censors on their own,
Chinese expertise in pleasing censors welcome

Wanda and AMC

Political decisions in China can affect funding

The government crackdown on non-essential OFDI also affected the film industry directly

Chinese companies started pulling out of Hollywood investments

Huahua Media's deal with Paramount and Wanda's involvement in AMC Theatres have been stopped

Problems for Hollywood

Wanda bought cinema chain AMC for 2.6 billion USD in 2012

Represented the largest Chinese acquisition of an American company at the time and Wanda became largest cinema operator in the world

Wanda changes AMC's image, ticket sales skyrocket

Wanda sells all but 10 percent of stakes in the chain after abandoning deals for Dick Clark Productions

Wanda and Legendary

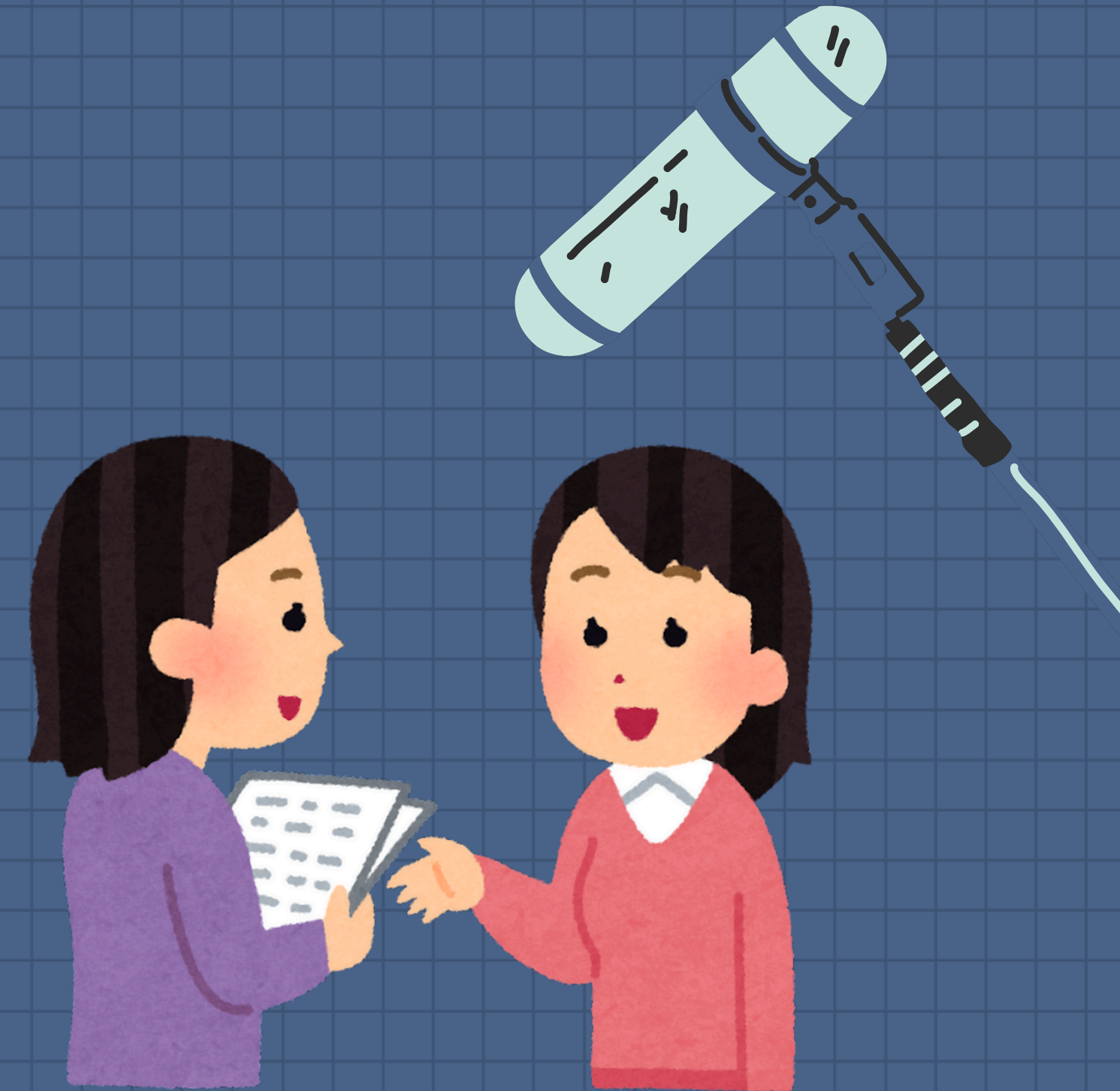
Wanda acquired Legendary Entertainment in a 3.5 billion USD deal in 2016

First time an American studio capable of producing blockbusters comes under Chinese ownership

Legendary films before the take-over include 'The Dark Knight', 'Interstellar', 'The Hangover', and '300'

One of the first films released under Wanda is 'The Great Wall'

Will Wanda be able to
cultivate the soft power
that Chinese companies
often lack by building a
domestic Hollywood replica
and acquiring foreign film
studios? Do you see
dangers of 'soft
disempowerment'?



Homework

Read the text for the next
lesson, you will be
quizzed at the start of
the lesson!



References

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