

Cultural Dynamics and Challenges in Chinese Co-produced Films at Regional and Global Levels

区域与全球层面中国合拍电影的 文化动态与挑战

Na LI¹

Schulich School of Business, York University, Canada

Centre for Multidisciplinary and Intercultural Inquiry, University College London, U.K.

lina123@schulich.yorku.ca, uc2lnl0@ucl.ac.uk

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Abstract The rapid regionalization and globalization of the film industry have intensified interactions among various cultures, particularly through co-produced films between China and other nations. This paper examines the evolution of Chinese co-productions, focusing on their regional influence in East Asia and their global partnerships, particularly with Hollywood. The analysis highlights the role of co-produced films in navigating economic, cultural, and political complexities, demonstrating both integration and tension. By juxtaposing regional and global examples, this study aims to shed light on the nature of cross-cultural collaboration within the Chinese film industry. Co-productions reflect China's ambitions and challenges in cultural diplomacy and identity within an increasingly interconnected global media landscape, from favorable policies to ideological conflicts and restrictions.

Keywords Chinese Co-produced Films; Regionalization; Globalization

1. Introduction

Globalization has seen significant growth in recent years, presenting opportunities and challenges for developed and developing nations. While globalization has been widely studied, it is not a new concept. Roland Robertson defines it as “the compression of the world and the intensification of the consciousness of the world as a whole” (Robertson, 1992), while Anthony Giddens describes it as “the intensification of worldwide social relations that link different localities, such that local happenings are shaped by events many miles away and vice versa” (Giddens, 1999). Despite ongoing debates about its definition, globalization fundamentally involves networks that transcend ethnic, linguistic, economic, and political boundaries.

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Author: ¹ Na LI (李娜) is currently enrolled in a research program in the Schulich School of Business, York University, Canada, and obtained her MA degree in the Centre for Multidisciplinary and Intercultural Inquiry, University College London, UK.

In China, the past 40 years of Reform and Opening-Up have integrated the country into global networks, transforming it into “a capitalist juggernaut retaining elements of a socialist planned economy” (Rojas et al., 2018). While globalization has lifted China from poverty, it has also introduced challenges, including regional economic disparities, rural-to-urban migration, and concerns about human rights and free speech.

These dynamics extend to cultural sectors like film, particularly in co-productions where transnational interactions reveal both collaboration and conflict. In East Asia, cultural exchanges among Mainland China, Japan, South Korea, Taiwan, and Hong Kong intersect with global co-productions of films, TV dramas, music, and other cultural products. Regional cultural collaborations are often viewed favorably, but Choi critiques globalization as a “memory-less event” that exaggerates “human affection and sympathy” in global media narratives (Choi, 2010). Nonetheless, transnational co-productions—whether regional or global—are integral to the nature of film and television, encompassing storytelling, editing, character creation, and thematic elements (Hilmes, 2014). This analysis distinguishes between regional and global co-productions to explore these dynamics.

2. Conceptualizing Chinese Co-produced Films

Cross-border cultural collaboration has played a significant part in the trend of neoliberalism and globalization. Co-produced films are among the most dynamic forms of interaction, interconnected with the economics, politics, and cultural identities of various communities. Recent decades have seen co-productions play a considerable role in both regional and global cultural industries. According to Telefilm Canada, Canada has signed nearly 60 co-production treaties (Telefilm Canada, 2018) and has become one of the most dynamic arenas for global filmmakers. Oliver Hilmes, author of *Berlin 1936*, claims that co-production is the “natural state of film and TV” (Hilmes, 2014).

As for the definition of co-production, it must be acknowledged that it remains under discussion. Generally, co-productions can involve two or more parties, where the primary producer collaborates with one or more secondary or delegated co-producers. These co-producers contribute varying degrees of financial resources, expertise, and creative input, thereby assuming different levels of risk (Yang, 2024). For Chinese co-productions, they refer to films produced by companies from at least two different countries. Legally, this concept is grounded in the *Regulations on the Administration of Chinese and Foreign Cooperative Films*, formulated by the State Administration of

Radio, Film, and Television (SARFT) in 2004. According to this official document, Chinese co-produced films are divided into three types: co-produced films (narrowly defined), assisted films, and entrusted films. Co-produced films (narrowly defined), which are the main subject of this dissertation, involve joint investment (including funding, labor, and materials) from different producers who share benefits, risks, and copyright. In assisted films, Chinese companies provide settings, locations, facilities, and labor at the expense of foreign producers. For entrusted films, Chinese teams complete all production work at the expense of foreign producers. Copyright for both assisted and entrusted films does not belong to Chinese companies, and these two types must undergo importation formalities.

In recent decades, co-productions have gained considerable influence in national, regional, and global cultural industries (Morawetz et al., 2007). For example, in Chinese co-production, 84 projects were approved by SARFT in 2017, and 20 official co-production agreements had been signed by then. The preferential policies for Chinese co-produced films might significantly influence these statistics. Treated as Chinese domestic films, co-productions enjoy greater advantages than foreign films imported into China. First, co-productions are exempt from the annual quota of 34 foreign films allowed into the Chinese market, which does apply to imported films. Second, co-producers enjoy a higher benefit-sharing proportion. According to the “Guidelines on Adjusting the Benefit Sharing Proportion of Domestic Films,” the benefit-sharing proportion for domestic and co-produced films is over 43%, while cinema takes less than 50%. In contrast, foreign producers of imported films generally receive 13%. These preferential policies, therefore, offer distinct advantages for co-produced films compared with assisted, entrusted, and imported films.

Despite robust cultural collaboration and policy support, there remains a deep-seated divergence in self-recognition and mutual understanding between China and other cultural identities, often attributed to its unique history. Following the end of the Cultural Revolution in the 1960s and 1970s, the PRC made a belated effort to participate in regional and global cultural communication, realizing the vast potential of Chinese film production and consumption, especially after joining the WTO in 2001. Nevertheless, China’s engagement in regional and global cultural interaction is frequently viewed as unstable and controversial due to centralized state power, ideological control, and stringent censorship of cultural products (Voci & Luo, 2017). For instance, few other countries restrict foreign investment in the media industry as

much as China, due to strict regulations enforced by the government (OECD FDI Regulatory Restrictiveness Index, 2018).

To address the complex landscape of transnational cultural interaction, Choi suggests that it can be analyzed at both regional and global levels, highlighting an attraction to both foreign and familiar elements (Choi, 2010). Regional and global co-productions often occur simultaneously and are interwoven, as illustrated by the 20 official co-production agreements China has signed, involving South Korea and Japan regionally and the UK, France, and Italy globally. There is a prevailing misconception in Chinese film academia that it is advantageous for filmmakers to follow a specific order when engaging in co-productions, progressing from domestic to global markets. For instance, Rao Shuguang, Secretary-General of the Chinese Film Association, argues in *Chinese Film Development and International Communication* that Chinese co-productions should expand in stages from domestic markets to international ones, rather than prioritizing the North American market (Rao, 2013). However, this static approach might prevent producers from exploring flexible or innovative cross-cultural communication strategies, even if it strengthens appeal in targeted markets (DeBoer, 2014). Berry and Farquhar also argue that “transnational” should not be seen as a higher order but rather as a specific connection among various cultural identities with broader differences (Berry, 2005). This indicates that national, regional, and global levels influence each other through collaboration and opposition. Consequently, this dissertation discusses regional and global directions in parallel, reflecting different cultural identities rather than a hierarchy of importance.

3. Chinese Co-produced Films at the Regional Level

Co-produced cultural works are not simply products of economic convergence and exchange but rather expressions of interrelationships arising from cultural encounters. Regarding East Asia’s cultural self-magnetism, negotiations among cultural identities at the regional level are often “uneven and ever-shifting” (DeBoer, 2014), where forces of both cultural convergence and separation coexist, shaped by historical and contemporary factors.

Within the rise of the “new Asia,” Japan is often seen as a leading power in East Asia’s cultural sphere, attributed to its reputable quality standards and prolific film production and exportation. However, Japan shows relatively little interest in importing films from other East Asian countries, perhaps due to Japanese audiences’ reluctance to accept that Japan shares the “same temporality”—such as colonization, the Cold War,

and nostalgia (Iwabuchi, 2005), as well as different lifestyles. One of the Sino-Japanese co-productions is *Last Letter*, written and directed by renowned Japanese filmmaker Shunji Iwai in 2018, with a global box office gross of \$5,663,972. In Japan, paper letters still hold an irreplaceable status to this day, making their use as a narrative device in a Japanese film entirely appropriate. However, when placed in the context of China, this concept becomes entirely implausible. At the same time, some audiences have pointed out that almost all the dialogue and even some of the acting styles in *Last Letter* are heavily infused with a distinctly Japanese aesthetic, making it essentially a Japanese film disguised in a Chinese setting.

Similarly, South Korea's emphasis on film exports is paralleled by a significant focus on popular culture, known as "Hallyu" (the Korean Wave), which gained regional and global attention, especially in China, after 1997. Recently, "Hallyu 2.0," the rise of social media, has driven new patterns of cultural propagation and consumption (Lee, 2015). On top of that, since the signing of the Co-production Agreement in 2014, there has been a significant trend of collaborative filmmaking between China and India, exemplified by films such as *Xuan Zang* (Jianqi Huo, 2016), *Kung Fu Yoga* (Huatai Tong, 2017), and *Buddies in India* (Baoqiang Wang, 2017). Co-production has become an integral aspect of bilateral diplomatic strategy, aligning the film industry with China's broader statecraft goals. This approach offers a perspective that extends beyond the usual cultural and financial motivations for co-production (Yang, 2020).

Regarding Hong Kong and Taiwan, film producers in these regions work in Chinese-language film production and promotion. Yet, despite using the same language, Hong Kong and Taiwan experience both commonalities and distinctions from Mainland China, influenced by historical, political, and economic factors. Gina Marchetti identifies potential tensions and divergences within Chinese transnational films between Mainland China and the overseas Chinese diaspora in *Chinese and Chinese Diaspora Cinema* (Marchetti, 1998). She suggests that the notion of a "Greater China community" can be overly simplistic, especially concerning the political and nationalist issues tied to Hong Kong and Taiwan. Although the PRC has experienced significant economic growth, it faces problematic issues that limit cross-cultural communication. While China has extensive cultural resources and a considerable market, reducing ideological control and restrictions on free speech remains unlikely, as politics is a "determinant situation in the cultural imaginary" of China (Chen, 2000), especially considering the establishment of a National Security "Red Line" in film censorship

under the Hong Kong National Security Law. Nevertheless, while China's box office has been recovering rapidly since the pandemic, not a single Hong Kong-China co-production made it into the country's top 20 films in 2023 (Shackleton, 2024).

Historically, the dynamic cultural flow in East Asia reflects not only distinct cultural characteristics but also a shared Asian identity shaped by a long-term process of self- and mutual recognition and alignment. In co-production, this shared Asian identity often serves as a fundamental "motivator and explanation" of how East Asian cultural exchanges transcend national boundaries (DeBoer, 2014). Macgregor Wise demonstrates the creative process of East Asian co-productions, wherein co-producers select film and media elements reflecting shared Asian identity, creating a new cultural pattern. For audiences, understanding co-produced films involves viewing them within their cultural and historical contexts, transcending national identities and cultural norms to appreciate the co-producers design of backdrop, plot, characters, themes, and mise-en-scène. This process sometimes leads to the films being "reabsorbed into an idea of East Asia" and a shared Asian identity (Chua, 2006). An example is *The Last Comfort Woman* (Lin Rui, 2015), a Chinese-Korean co-production that evoked strong reactions in both countries by addressing national trauma and shared regional history and experience.

While historical forces have often fostered a common Asian identity, the legacies of colonization and the Cold War have also introduced underlying forces of division, impacting the complex political, economic, and cultural relationships among East Asian countries, particularly Japan, South Korea, and the PRC. During the Cold War, East Asia was pressured by ideological incompatibilities between communism and capitalism, supported by superpowers, and the fierce conflicts and hostilities of these ideologies limited mutual understanding, particularly between the PRC and Japan. These tensions persist even in the post-normalization period of Sino-Japanese relations. Although China and Japan share political, economic, and diplomatic interests, they still lack enduring "icebreaking" cultural collaborations, at both official and unofficial levels, largely due to historical trauma and deep-seated caution against ideological penetration.

In addition to this historical backdrop, contemporary East Asian cultural producers are striving to "de-imperialize" by negotiating Cold War-era patterns, as Chen Kuan-Hsing suggests. Additionally, co-producers are discovering and promoting cultural interactions that reveal both unique differences and commonalities. "Asianwood," a

concept representing a shared goal and interest, often features in East Asian co-production, distribution, and promotional activities, addressing “Western Orientalist culture othering in the Asian context” (Choi, 2010). “Asianwood” is largely grounded in cultural and geographical proximity, which drives these collaborations. Specific practical complementarities also come into play; for instance, the vast Chinese film market is attractive to South Korean and Japanese production companies, while the latter excels in advanced audiovisual technology, storytelling, and international promotion, as seen in *The Assembly* (Feng Xiaogang, 2007) and *Double Exposure* (Li Yu, 2012), where South Korean digital teams contributed to the films’ artistic and box-office success.

Beyond shared goals and complementarities, financial interactions are emerging in the East Asian entertainment industry. Sino-Korean financial cooperation provides a notable example: in 2016, Chinese film company Huayi Jiaxin acquired a major share in South Korean film company Signal Entertainment Group, becoming its largest single shareholder with an investment of 21.45 billion won (1.1797 million yuan). In the same year, South Korean entertainment company S.M. collaborated with Alibaba in music and e-commerce, with Alibaba acquiring a 4% stake in S.M. Entertainment. Sino-Japanese cultural collaborations are also significant. In 2016, Chinese company Enlight Media distributed the Japanese animated film *Your Name* (Makoto Shinkai, 2016) in Chinese cinemas, where it earned 577 million yuan. Similarly, *The Legend of the Demon Cat* (Chen Kaige, 2017), which earned 500 million yuan in China and 1 billion yen in Japan, underscores the commercial and cultural potential of Sino-Japanese co-productions. Despite obstacles such as language barriers, varying creative preferences, strict Chinese censorship, and volatile political relationships, robust cross-border cultural and economic exchanges continue to support the concept of an East Asian Popular Centre (Chua, 2006). Therefore, despite these challenges, the outlook for regional cultural collaboration remains dynamic and promising.

4. Chinese Co-produced Films at the Global Level

Mediated cultural encounters have emerged not only in regional collaboration but also play a significant role globally. Similarly, negotiations and competition in the global cultural arena remain uneven and contingent, reflecting the disparate economic, political, and cultural power dynamics within Chinese co-productions.

In the context of global co-productions, Sino-American films provide a representative example. Recent years witnessed increased collaboration between China

and the U.S., especially in film promotion. According to a 2018 report by the Chinese Film Association, nearly 3,000 North American theaters screened Chinese co-produced films, including *Meg 2: The Trench* (Ben Wheatley, 2023), *Mulan* (Niki Caro, 2020), *Wish Dragon* (Chris Appelhans, 2021), *The Great Wall* (Zhang Yimou, 2016), *Born in China* (Lu Chuan, 2016), and *Tibetan Rock Dog* (Ash Brannon, 2016), co-produced by China and the U.S., as well as *The Foreigner* (Martin Campbell, 2017), co-produced by China and the UK. Box Office Mojo data shows that Chinese co-productions dominated North America's top 10 box office list for Chinese-language films. Notably, *The Great Wall*, *The Foreigner*, and *Born in China* ranked as the top three, earning \$45.54 million, \$34.39 million, and \$13.87 million, respectively, highlighting the substantial role of Sino-American films in overseas distribution and promotion compared to domestic Chinese films.

Further economic cooperation between China and the U.S. in the film industry underscores this trend. In 2016, IMAX reached an agreement with the Dalian Wanda Group's entertainment division to build 150 new cinemas in China by 2022. Dalian Wanda Group, which owns Legendary Pictures, AMC Entertainment, Carmike Cinemas, and Hoyts Cinemas (Australia), exemplifies the American capital's penetration into the Chinese market. Disneyland's establishment in Shanghai in 2016, backed by a \$5.5 billion investment that included the Disney English School and Shanghai Disney Resort, further illustrates this collaboration. Sino-American cultural partnerships therefore exemplify Chinese productions' influence on the global stage.

In these cross-border cultural exchanges, the U.S. has shown a strong interest in co-productions with China to expand its global film market share. Variety reported that the Chinese box office reached 20.2 billion RMB (approximately \$3.17 billion) in the first quarter of 2018, surpassing North America's \$2.85 billion, making China the largest film market worldwide. However, there exists an underlying cultural deficit for Chinese productions within these co-productions. When Chinese audiences view Sino-American films, the "Hollywood blockbuster brand" is often received more positively than the "Chinese co-produced film brand," despite these films being "Hollywood made in China" (Kokas, 2017). The 2018 report by the Chinese Film Association identified three main models of Sino-American film collaborations. In the first, Chinese film companies or investors fund American films, such as *Furious 7* (James Wan, 2015) and *Transformers 4: Age of Extinction* (Michael Bay, 2014), which incorporate limited Chinese cultural elements with minimal impact on core narrative or thematic aspects.

In the second, Chinese co-producers dominate film creation, with American teams providing digital or technological services, as seen in *Wolf Warrior 2* (Wu Jing, 2017). However, such films often see limited success at overseas box offices and festivals, suggesting lower global audience reception. In the third model, Chinese and American film industries strive for deeper cultural cooperation in films such as *The Great Wall* (Zhang Yimou, 2016), *The Flowers of War* (Zhang Yimou, 2011), and *The Forbidden Kingdom* (Rob Minkoff, 2008). However, these works often focus on the “spectacles” of Chinese culture to meet American filmmakers’ expectations (Kokas, 2017), yet they frequently underperform internationally compared to the investment and cultural expectations.

To address this cultural deficit, SARFT revised the Chinese Co-produced Film Regulation in 2017, introducing stricter criteria for “Sino-foreign co-produced films.” Firstly, the main plots and characters in co-productions must relate to Mainland China. Secondly, the recruitment of foreign film workers requires SARFT approval, and at least one-third of the cast must be from Mainland China. Due to these restrictions, films like *Cloud Atlas* (Tom Tykwer, 2012), *Looper* (Rian Johnson, 2012), and *Transformers 4: Age of Extinction* (Michael Bay, 2014) were unable to gain SARFT’s approval, entering the Chinese market as “imported films” instead. Consequently, these regulations have somewhat curtailed US-to-China cultural and economic penetration. However, this approach may not directly enhance Chinese film creativity or significantly expand cross-border cultural communication.

However, geopolitical tensions and the COVID-19 pandemic have caused a decline in collaborations between China and the United States. Unlike earlier research suggesting steady growth, the partnership experienced a sudden disruption with the emergence of the trade war and the pandemic, raising concerns about its future viability (Yang, 2024). The global outbreak of the COVID-19 pandemic in December 2019 intensified these trends, as audience preferences increasingly shifted from physical cinema experiences to online streaming platforms. Persistent geopolitical tensions and the pandemic have intensified the difficulties Hollywood faces in the Chinese market, including declining investor confidence in Sino-US partnerships and heightened challenges with distribution and censorship (Yang, 2024).

In these complex cultural negotiations, Chinese co-productions in East Asia often reflect a cultural “self-magnetism,” rooted in shared geography, ethnicity, and proximity (Choi, 2010). Simultaneously, curiosity and ambition are heightened within

global cultural collaboration, with cooperation and competition shaped by intersecting historical and contemporary forces. Despite these challenges, Chinese co-productions have a transformative potential within these mediated cultural encounters, fostering cross-cultural communication and interaction.

5. Conclusion

Chinese co-produced films serve as a microcosm of the country's broader interaction with globalization, embodying both collaboration and conflict. Regionally, these co-productions underscore shared cultural identity and historical links across East Asia, facilitating a nuanced exchange within the region. Globally, the relationship with Hollywood exemplifies the attraction and friction inherent in China's cross-cultural exchanges. Economic incentives and shared resources bolster partnerships, but cultural differences and regulatory controls reflect the difficulties in creating truly harmonious global co-productions. Such films often grapple with issues of representation, national identity, and creative control, revealing the broader political and cultural implications of these collaborations. Despite challenges, Chinese co-produced films have cultivated a transformative cultural presence, contributing to the evolving landscape of transnational media and highlighting the ongoing negotiation between China's national aspirations and global cultural integration.

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