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**Popular Digital Platforms in the USA and China: A Comparative
Study of YouTube and Youku**

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Resumen

Bajo el rápido desarrollo de la globalización e Internet, el mundo ha visto grandes avances en el campo de la comunicación, especialmente las plataformas digitales. En los últimos años estas han ganado fuerza como una forma, cada vez más popular, entre la gente para comunicarse, participar y compartir sus conocimientos y ideas. Las plataformas digitales han atraído a un elevado número de usuarios y a través de los contenidos audiovisuales que ellos crean, el público en general es influenciando los cambios culturales, sociales, económicas y políticas en todo el mundo. YouTube y Youku, dos de las plataformas digitales más importantes y con más contenidos, generados principalmente por los usuarios en EE.UU. y China respectivamente, son ejemplos perfectos para estudiar este tema. Con la creciente importancia de China en el escenario internacional y su interdependencia con EE.UU., es interesante ver cómo Youku y YouTube comparten tanto similitudes como diferencias y analizar estas. En esta tesis, la autora introduce primero las dos plataformas para así poder analizarlas y compararlas en los servicios, el tipo de contenido de los canales principales, y la dimensión geográfica de cada uno de las plataformas.

Palabras clave: Economía global, Internet, China, Cultura participativa, Video participativo, YouTube, Youku

Abstract

Under the rapid development of globalization and the Internet, the world has witnessed the prosperous growth of communication industries, especially digital platforms. They have attracted a surging number of users as a popular way for people to communicate, participate, and share their life and ideas. Through the audiovisual content they created on the digital platforms, the general public is actually influencing the cultural, social, economic, and political changes around the world. YouTube and Youku, the most important and popular digital platforms of user-generated content in the USA and China respectively, are the two perfect examples to study this theme. With China's rising importance on the international stage and its interdependent relations with USA, it is interesting to find out how Youku shares similar and different characteristics with YouTube. In this thesis, the author will first introduce the two digital platforms, then make a comparative analysis of the aspects of services, the type of content on the main channels, and the geographic dimension of each platform.

Key words: Global economy, Internet, China, Participatory Culture, Participatory video, YouTube, Youku

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1. INTRODUCTION

1.1 Presentation of the Final Master Thesis

1.1.1 Subject/Object of Study

Subject:

With the accelerating globalization and development of Internet, digital platform has become a more and more popular tool for people to communicate, participate and share their stories and ideas. It has also evolved from only an entertainment platform to a participative and democratic place where people can freely demonstrate and express themselves. Meanwhile, the commercialization of digital platform has developed to a next level where people can see mergers of rival companies and regular international cooperation. The rising of digital platforms has brought tremendous changes in people's everyday life while what people do every day also influence the development of digital platforms. USA and China, as the two significant countries in the progress of globalization and Internet, have witnessed the boom of digital platforms in the communication industry. Two of the most popular and influential digital platforms from each country - YouTube and Youku, have caught people's eyes. Similar to one another, it is astonished to find out that YouTube and Youku have a lot of differences in various aspects like company situation, history, services, type of channels/contents, and geographic dimension, etc. What's more, China's rise in the international stage has brought more attention to Youku, a less well-known digital platform compared to YouTube around the world. How it works under the Chinese legislation, what kind of services it provides, and how different it is from YouTube have become a new fuss in the society.

1.1.2 Objectives of the Thesis

General Objective:

- Compare the two most popular digital platforms of user-generated content in the USA and China

Specific Objectives:

- Describe the principle characteristics of each platform
- Discover the relations of each platform with copyrighted content
- Compare the geographic dimension of each platform

1.1.3 Questions of the Thesis

- What are the main difference and similarities between the two most popular digital platforms of user-generated content in the USA and China?
- What are the principle characteristics of each platform?
- What is the relationship between the two digital platforms and copyrighted content?
- What is the geographic dimension of each platform? Is it national or regional or global?

1.1.4 Justification of the Thesis

As the progress of globalization and Internet speed up, digital platforms have started to play a more and more important role in people's everyday life. Though this phenomena enjoys global presence, it can't be truer in two countries - USA and China, which are interdependent as well as compete with each other. The study of the two most popular and influential digital platforms of user-generated content from each country is of great academic, social, economic and politic interests for both countries and the rest of the world.

Academically, though YouTube has been studied before by many students and scholars, there is not so much systematic study on Youku and its comparison with YouTube from various aspects. The thesis discusses in profound the main difference and similarities between YouTube and Youku under the digital environment, which will serve as a theoretical framework for further researchers who have interest in related themes.

Socially, with the rising popularity of YouTube and Youku, they have changed people's everyday life dramatically. The study of the two important digital platforms will provide better insight to the new social and cultural activities and will help promote the advancement of social and cultural values.

Economically and politically, the research also studies and compares the two digital platform from an economic and politic perspective, which will give better understanding of the current economic and politic situation related with audiovisual industry in the two biggest economies in the world and improve the efficiency of either economic or politic decision-making process in the related area.

1.2 Methodological Presentation of the Final Master Thesis

1.2.1 Definition of the Type of the Research

Descriptive, qualitative, comparative

1.2.2 Methodological design of the thesis

Comparative analysis of two digital platforms: YouTube and Youku

Hypotheses of the research:

- 1) Digital platforms encourage the participation of users through videos and tutorials that teach them how to upload video, and how to gain prestige and money with them.
- 2) YouTube is based on vast user-generated content while Youku emphasizes the distribution of copyright content.
- 3) YouTube has a global dimension while Youku focuses on the Chinese market.

Variables:

- 1) Type of services/support for the users – tutorials to help implement participation (yes/no)
- 2) Type of content/channels (copyright/ user-generated content)
- 3) Geographic dimension (national/regional/global)

1.2.3 Sample of the Research

In the research, the author has selected YouTube from the USA and Youku from China as the two digital platforms to conduct the analysis. The analysis is divided into three aspects: services for the users, copyright & user-generated content, and geographic scope.

Out of the many digital platforms in the USA and China, YouTube and Youku are chosen as the samples of the research because of several reasons. First of all, both YouTube and Youku are founded and evolved in the same digital era when their development are closely associated with latest technological, cultural and social changes brought by the globalization and Internet.

Second, besides offering a huge library of audiovisual content from different areas, YouTube and Youku both have innovative and interactive surfaces to expedite users' involvement on the website. In accordance with copyright law, they also provide strong

services and support for users who are dedicated to produce their original creative content to encourage more participation. Thus makes YouTube and Youku stand out as ideal examples of digital platform to promote and spread user-generated content as well as participatory culture.

What's more, as the most popular and competitive digital platforms in the USA and China, both YouTube and Youku have substantial users and views based in each country that can hardly be compared with. Developed more like a global digital platform, YouTube also enjoys a huge number of users outside of America. Although Youku's audience are mostly located in China, but it has cooperated with the most famous studios in the world to import foreign audiovisual content in China. As a result, YouTube and Youku's influence and potential is enormous and breathtaking.

2. Theoretical Framework

2.1 Global Economy and China

2.1.1 The Globalization and Global Economy

In the 21st century, globalization is nothing but familiar to most of us. No matter who you are and where you are, our life is deeply interrelated and interdependent by globalization. While people around the world benefit from the facility of access to a variety of low-cost goods marked with "made in china" at hand, they can also refresh themselves with a cup of coffee brought from Africa at the beginning of a day; while people all over the world enjoy the blockbuster Hollywood movies and billboard Pop stars, American culture has swept past different continent and influenced the behavior of our younger generation; while we are amazed by the economic growth in developing countries generated by western investment, enlarging inequality, environmental pollution and global warming have aroused global attention; while we get informed at home every minute of what is going on around the global, some people are organizing national-wide social activity or political voting and manifestation online thanks to the advance of communication and digital technology.

Then we've come to think what the definition of globalization is, what the most concise way to express it is. Globalization can never be defined within a set time frame and the definition of globalization can differ from different people, different time and different aspect. As it is said by the Ambassador Gérard Stoudmann and Dr.Nayef R.F. Al-

Rodhan (2006) that globalization keeps changing with the development of human society and it is evolutionary.

However there are two parts of definition according to the prestigious Cambridge Dictionary¹, one is the increase of trade around the world, especially by large companies producing and trading goods in many different countries and the other is a situation in which available goods and services, or social and cultural influences, gradually become similar in all parts of the world. And the global economy is defined as the system of industry and trade around the world that has developed as the result of globalization². That is to say, the global economy can be taken as a result of globalization and is closely related to it, which can never be talked about without it.

Corresponding to the definitions provided by the dictionary, the International Monetary Fund gives us a more or less common view about globalization:

“Globalization refers to the growing economic interdependence of countries worldwide through the increasing volume and variety of cross-border transactions in goods and services and of international capital flows, and also through the more rapid and widespread diffusion of technology.”³

Despite some scholars trace the origins of globalization in the European Age of Discovery with voyages to the new world or the Chinese Silk Road, the term globalizations has not increasingly used until the mid-1990s. As it is addressed by Majid Tehranian (1998):

“Globalization is a process that has been going on for the past 5000 years, but it has significantly accelerated since the demise of the Soviet Union in 1991. Elements of globalization include trans-border capital, labor, management, news, images, and data

¹ <http://dictionary.cambridge.org/dictionary/british/globalization>

² <http://dictionary.cambridge.org/dictionary/business-english/the-global-economy?q=global+economy>

³ International Monetary Fund, “World Economic Outlook, A Survey by the Staff of the International Monetary Fund”, “Meeting the Challenges of Globalization in the Advanced Economies”, in the World Economic and Financial Surveys, 1997, p. 45, see <http://www.imf.org/external/pubs/WEOMAY/Weocon.htm> (Chapter 3)

flows. The main engines of globalization are the transnational corporations (TNCs), transnational media organizations (TMCs), intergovernmental organizations (IGOs), nongovernmental organizations (NGOs), and alternative government organizations (AGOs).”⁴

Although the economic globalization is just one dimension of globalization, it still the most important and influential one. It is mentioned by Dr. Nayef R.F. Al-Rodhan and Gérard Stoudmann (2006), out of the 114 published definitions about globalization 67 of them are related to the economic dimension. We can catch a glimpse of the development of globalization by taking a look at the global economic development throughout the history.

From 1980 to the present, the economic globalization has gone through several stages and each stage has its own characteristics. The first stage is from 1980 to 1990 with the European Economic Community, the United States and Japan playing the major role. Given by IMF, European Economic Community, the United States and Japan are the top three economies with largest contribution to Global Economic Growth in nominal GDP and in GDP (PPP) from 1980 to 1990. The second stage is from 1990 to 2000 with the United States dominating the expansion, as the top economy that shares 41.6% contribution to global nominal GDP growth according to IMF. And the third stage is from 2000 to 2010 with the rising of developing economies like the BRICS (Brazil, Russia, India, China and South Korea). According to IMF, China, United States, Brazil, Germany are the top four countries with the largest contribution to Global economic growth in nominal GDP in this ten years and China, United States, India and Russia and Brazil are the top five economies with the largest contribution to global economic growth in GDP(PPP). The fourth stage is from 2010 to 2020, estimated by the IMF that China, United States, European Union and India will lead the economic progress. China will keep the crown until the year 2020 as the most influential economy to the global economic development.

Chronological coincide with a very interesting theory put forward by Wenshan Jia (2010) that the last three waves of globalization are Anglobalization,

⁴ George Modelski, “Globalization Texts, Concepts and Terms”, University of Hawaii, compiled by Fred W. Riggs, May 13, 1998, see <http://www2.hawaii.edu/~fredr/glotexts.htm#MODELSKI>

Ameriglobalization and Chiglobalization. Chiglobalization is the fourth wave of globalization which put China at the center of the international stage as it is defined by Jia (2010):

“Chiglobalization is the increasing global relevance, global presence, global influence, and global leadership of China in generating a fresh global vision form humanity, in creating a new model for economic development, in forging an alternative model of global and domestic governance, in creating a cosmopolitan culture characterized by multiculturalism, interculturalism and pragmatism.” (233:19)

Starts from the 2010, China gradually becomes the most potential and powerful player in globalization with its epic economic development, tremendous international trade and foreign exchange reserve, rising cultural and national influence, etc. However China is gaining more and more power in the international stage, the United States still holds its huge influence around the world which we can never neglect. Like Sujian Guo and Baogang Guo (2010) wrote:

“In the several decades ahead of us, the world will most likely be shaped, transformed and reconstructed by the tensions and interactions between Ameriglobalization and Sino-centric globalization, a dual process of ever deepening communication and reconstruction of the global reality.”(233:10)

In the following part, we will talk about the economic development and change under globalization that took place in China and China’s relationship with the United States since China stepped on the global stage.

2.1.2 China's Participation in the Global Economy

Ever since the establishment of the People's Republic of China, not only has China witnessed a tremendous change in its economic development but also the world has seen the growing importance China holds in the global economic stage.

According to International Monetary Fund, China is the world's second largest economy behind the United States with the GDP of 10.35 trillion U.S. dollars in 2014. As a member of the WTO, China is by far the world's largest trading power with a total international trade value of 3.87 trillion U.S. dollars in 2012.⁵ According to the European Commission Directorate-General for Trade and U.S. Census Bureau, China is both the European Union and the United States' second largest trading partner. In addition, China is a dominant trading partner of many other countries including Japan, South Korea, Brazil, Russia, Australia, and Chile. Moreover, China is the world's largest recipient of inward foreign direct investment (FDI), attracting 253 billion U.S. dollars in 2012.⁶ What's more, China is doing well in world's largest corporations. Based on Fortune's Global 500 list in 2014, Chinese companies take up 95 places, among which includes Sinopec Group (the oil and gas producer), State Grid (largest state-owned energy company) and Industrial & Commercial Bank of China (the world's largest bank by asset size).

Changing from a relative isolated country to actively participate in the international system is not easy. In 1842, China was forced to open up by military power. After the first Opium war, China was forced to sign the unequal Treaty of Nanking which granted the opening of five treaty ports and the cession of Hong Kong Island to Britain. Thus marked the beginning of modern Chinese history. Nevertheless, a century and a half later, China's re-engagement with the global economy is somewhat subjective, led by Chinese policies and strategies. The Chinese leadership pursued a very simple and logical strategy – trade and investment was encouraged where it was deemed beneficial, and was resisted where it was perceived to threaten domestic Chinese producers (Shaun Breslin, 2007). However, it doesn't mean China has the complete control of how it can engage with the global economy. As Shaun (2007) argues that the original logic for participating in the global economy has created new logics, interests, and power

⁵ White, Garry. (2013). China trade now bigger than US. *Daily Telegraph (London)*.

⁶ OECD. (2013). *FDI in Figures*.

relationships that influence the way how China's re-engagement in the international economy has evolved.

Despite China's successful re-engagement with the global economy, big achievement also brings alerting problems such as environmental pollution, rise of inequality and high inflation, etc.

The following part will continue to discuss China's re-engagement with the global economy from a historical perspective. It will give a breve description about how China's opening policy has evolved from the ever beginning to the 21st century.

2.1.2.1 The Maoist Period

Mao Zedong, the first president of People's Republic of China as well as the founding father of new China, who is considered a hero in the history of China by many people. However whether his vision, ideology and political viewpoint are good for the development of China or not is one of the most controversial topics. Despite some great political and literary achievement he has made, china missed a good opportunity to better embrace the global economy due to Mao's political mistakes and unpractical ideology. As it is addressed by Tu Wei-ming (1996):

“The Maoist assault on the body politic so fundamentally shook the rigid structure of state socialism that, without the resiliency of Zhou Enlai⁷'s government apparatuses, the People's Republic might have degenerated into a lawless anarchy.”

This kind of ideological idea laid foundation of the later tragic Great Leap Forward and Cultural Revolution.

During the Maoist period, instead of participating in the global economy, China tried to solve its domestic problems on its own. It followed up the Soviet model and made its

⁷ Zhou Enlai (1898 – 1976) was the first Premier of the People's Republic of China. He served under Mao Zedong from October 1946 until his death in January 1976.

own first Five-Year Plan in 1953, which emphasized the heavy industry in China. And by nationalization of industry in 1955, the state basically controlled every important sector of Chinese modern economy.

From the year 1958 to 1961, the Second Five-Year Plan was abandoned and in its place, the central government followed Mao's utopian idea by relying on natural heroic efforts of the entire population to produce a gigantic "great leap" in production in every sector of the economy. This unthoughtful movement ended in Great Chinese Famine, causing tens of millions of death. It is estimated that the death toll ranging from 18 million to 32.5 million (Gráda, 2011). The Great Leap Forward also caused the great economic regression that reversed the economic development in China. The failure of Great Leap Forward meant the failure of Mao's idea to rapidly transform the country from a farming economy into a socialist society through hasty industrialization and collectivization.

The persecution of intellectuals and party members during the Cultural Revolution from 1966 to 1976 after the Great Leap Forward was another unscientific decision led by Mao in the fear of nationalist invasion. Although it was meant to be a cultural revolution to purify people's ideas, it ended in momentous damage on China's economy and society. As a result, the economic stagnation and political cruelty prevailing in China made the people lost hope with the ultimate repayment of Mao's ideas and plans and Mao's revolutionary enterprise had lost the majority support in his last years.

Due to these big political and strategical mistakes in the first thirty year of the People's Republic of China and highly centralized control of the economic development, China did not make much growth in the international trade volume. It is estimated that during the 1950s and 1960s, the total value of foreign trade was only about 2 percent of the gross national product (GNP). As it is noted by Howell (1993), by the end of 1971, total Chinese trade was a meagre 4.8 billion US dollars and in 1978, the amount was still only 20.6 billion US dollars.

Although from 1945 to 1978, the economic system in the People's Republic of China was a Soviet-style centrally planned system, the Maoist period is not a closed economy as Zhang Yongjin (1998: 26-31) has pointed out, while China did look to self-dependence wherever possible in economic development, foreign trade also played a part in the Chinese economy. Nevertheless, foreign trade did not share a large portion of

the Chinese economy for the first thirty years of the people's republic of China. It is pointed out by Shaun Breslin (2007) that regardless of the fact that trade increased after 1949, China was still not an important player in the global economy during the Maoist era.

2.1.2.2 Post-Mao and Deng Xiaoping Period

Shanghai, 2015 — When sipping a glass of wine and sitting in one of the bars beside the Hangpu River, one can't help but see how dramatic the changes have taken place in China over the past three decades thanks to the economic reform. Putong, once an area of nothing but vacant fields and several old buildings, now is home to the Lujiazui Finance and Trade Zone and the Shanghai Stock Exchange as well as many world famous buildings, such as the Oriental Pearl Tower, the Jin Mao Tower and the future Shanghai Tower, which is said to be second-tallest building in the world (Shenzhen's 660-mere Ping An Finance Centre will surpass the Shanghai Tower in 2016).

After the death of Mao, in 1978, Deng Xiaoping regained his leadership in the CPC (Communist Party of China) in the Third Plenum of the 11th Central Committee Congress. As the core of the second-generation leaders, Deng realized the urgency of changing the current national state left by the "Great Cultural Revolution". As it is described by Doug Guthrie (2009):

"Mao's death brought an end to Cultural Revolution. But the chaos of the years since 1957 (when the Great Leap Forward began) had crippled the country economically. Under the terror that swept the country during the Cultural Revolution, a generation of students had lost the opportunity for high school and college education, as they were sent down to the countryside for ideological reeducation; industrial production declined precipitously during this era; and the country had become dramatically isolated from the rest of the world...A pragmatist, Deng believed that economic reform was necessary and developed his political power through advocating reform." (367: 35-36)

The economic reform lead by Deng began in 1978 and can be divided into two periods. The first period, in the late 1970s and early 1980s, included the reform in agriculture,

open to foreign investment by creating a series of special economic zones and permission for entrepreneurs to start their own businesses. The second stage, in the late 1980s and 1990s, involved the privatization and contracting out of much state-owned industry while the main sectors like banking and petroleum remained state-controlled.

Deng's bold reform & opening up policy has come out with rewarding fruit. China's economy starts to develop at an amazing speed as it is put out by Doug Guthrie (2009):

“... China has had the fastest growing economy in the world, sustaining double-digit growth figures for much of the 1980s and 1990s...throughout the 1980s, China's real gross domestic product (GDP) grew at an average annual rate of 10.2 percent, a level that was only equaled by the growth rate in Botswana. From 1990 to 1996, the average annual rate of growth for real GDP was 12.3 percent, the highest rate of any country in the world for that period.” (Doug Guthrie, 367:3-4)

Increased inner-need and the openness of a market-focused economy play a crucial role in attracting foreign investment. Multinational companies like Coca-Cola, General Motors, Kodak, etc. start to invest in this billion-person marketplace. Along with the foreign capital, advanced technology and management skills have also been introduced to China. Due to lack of experience and ideological difference, China follows a gradual augmenting route with Foreign Direct Investment (FDI) as it is addressed by Yingqi Wei (2002, 44:4) that “during the early stages of China's economic reforms and opening up to the outside world, FDI inflows were not significant. Its growth increased significantly in the mid-1980s and gained momentum in the early 1990s. Since the mid-1990s, China has become a major host of FDI in the world.” As it is mentioned by Doug Guthrie (2009) since 1993 china had become the second-largest recipient in the world of FDI and until 2002 China surpassed the United States as the world's largest FDI receiver. The table bellows shows how FDI flowed in China from 1980 to 2001 as it developed slowly in the first five years of the economic reform reached 9.16 million US dollars in 1983 and maintained a high speed of improvement from 1992 to 2001 with a growth of about 110 million US dollars to 470 million US dollars.

Table I. China Foreign Direct Investment (FDI) Inward from 1980 to 2001

Unit: US\$100 millions

Year	No. of projects	Contractual value	Realized Value
total	594.445	14,979.28	7,039.74
1979-1982	920	49.58	17.69
1983	638	19.17	9.16
1984	2,166	28.75	14.19
1985	3,073	63.33	19.56
1986	1,498	33.3	22.44
1987	2,233	37.09	23.14
1988	5,945	52.97	31.94
1989	5.779	56	33.93
1990	7,273	65.96	34.87
1991	12,978	119.77	43.66
1992	48,764	581.24	110.08
1993	83,437	1,114.36	275.15
1994	47,549	826.8	337.67
1995	37,011	912.82	375.21

1996	24,556	732.76	417.26
1997	21,001	510.03	452.57
1998	19,799	521.02	454.63
1999	16,918	412.23	403.19
2000	22,347	623.8	407.15
2001	26,140	691.95	468.78

Source: Foreign Investment Department of the Ministry of Commerce of China, 2007

Meanwhile, China's outward investment also started to develop from the mid-1980s and quickly increased in the 1990s. It is pointed out by Largy (2002) that from 1992 to 1993, China had become one of the eight most important suppliers of outward investments worldwide and the largest outward investor among all the developing countries.

The major reasons that behind China's rapid growth of China's outward FDI is not only because of the growing economic strength but also because of the increasing integration of China's economy into the global community, particularly with neighboring countries (Doug Guthrie, 2009). Another evidence that shows China's increasing integration with the global economy during this period is its growing trade. As it is showed in the table below, within a decade China's total trade volume increased from about 115 billion US dollars in 1990 to about 510 billion US dollars in 2001, becoming the sixth largest trading country in the world behind United States, Germany, Japan, France and United Kingdom. Both the imports and exports sector of China had witnessed a huge expansion, among which the export volume increased from 62.1 billion US dollars to 266.2 billion US dollars and the import volume augmented from 53.4 billion US dollars to 243.6 billion US dollars.

Although the costal preference opening-up strategy contributes to the surging inflow of Foreign Direct Investment, it has also caused huge developmental gap between costal area and inner regions in China.

Table II. The ten largest trading countries in the world, 2001 (US\$, billions)

Country	1990			2001		
	Total	Imports	Exports	Total	Imports	Exports
United States	910.6	517.0	393.6	1911.0	1180.2	730.8
Germany	756.3	346.2	410.1	1056.8	486.3	570.5
Japan	523.0	235.4	287.6	752.6	349.1	403.5
France	451.0	234.4	216.6	586.6	292.5	294.1
United Kingdom	409.7	224.4	185.3	588.3	321.0	267.3
China	115.5	53.4	62.1	509.8	243.6	266.2
Canada	250.9	123.3	127.6	487.2	227.3	259.9
Italy	352.5	182.0	170.5	474.9	236.6	238.3
Netherlands	258.3	126.5	131.8	410.5	194.4	216.1
Mexico	84.2	43.5	40.7	341.2	182.7	158.5

Source: *Statistical Yearbook of China*, 2002.

2.1.2.3 Joining the WTO 2001

Despite many different voice about China's entry in Word Trade Organization (WTO), not only Chinese people but also the world is enthusiastic about China's triumph at Doha. The BBC news (2001) reported that "But it comes after a long set of negotiations in which China has had to satisfy its trading partners, notably the United States and the European Union, that it is doing enough to open its economy to international competition."⁸ However nobody had ever imagined that this diplomatic journey could have gone so long of 15 years' trying, struggling and negotiation before it finally got its legal seat on 11th of November, 2001.

The successful union of China with the WTO is just as excited for China as for the rest of the world as it provides both opportunities and challenges on a global base. After WTO successfully concluded negotiations on China's terms of membership of the WTO in September, 2001, Mike Moore, WTO Director-General, said at the Working party on China's accession "With China's membership, the WTO will take a major step towards becoming a truly world organization. The near-universal acceptance of its rules-based system will serve a pivotal role in underpinning global economic cooperation."⁹

By becoming the 143rd member of the WTO, China has to make several commitments as it is illustrated below (WTO NEWS, 2001)¹⁰:

- China will provide non-discriminatory treatment to all WTO Members. All foreign individuals and enterprises, including those not invested or registered in China, will be accorded treatment no less favorable than that accorded to enterprises in China with respect to the right to trade.
- China will eliminate dual pricing practices as well as differences in treatment accorded to goods produced for sale in China in comparison to those produced for export.

⁸ China joins the WTO – at last. *BBC NEWS*. 11 December, 2001.
<http://news.bbc.co.uk/2/hi/business/1702241.stm> (2015-05-05)

⁹ WTO NEWS (2001). WTO Successfully concludes negotiations on China's entry. Press/243.
https://www.wto.org/english/news_e/pres01_e/pr243_e.htm

¹⁰ https://www.wto.org/english/news_e/pres01_e/pr243_e.htm

- Price controls will not be used for purposes of affording protection to domestic industries or services providers.
- The WTO Agreement will be implemented by China in an effective and uniform manner by revising its existing domestic laws and enacting new legislation fully in compliance with the WTO Agreement.
- Within three years of accession all enterprises will have the right to import and export all goods and trade them throughout the customs territory with limited exceptions.
- China will not maintain or introduce any export subsidies on agricultural products.

By committing to the related regulations and terms of the WTO, China provides a more pleasant and transparent economic and political environment for doing business with China. By 2010 China's overall tariff level had dropped to 9.8 percent – 15.2 percent in the case of agricultural products and 8.9 percent in the case of industrial products¹¹. China has also opened the telecommunication sector to more foreign competition as it is addressed by Doug Guthrie (2009): “China has also agreed to sign the WTO Information Technology Agreement, which will result in elimination of all tariffs on telecommunications equipment, semiconductors, computers and computer equipment, and other information technology products.”(p.300)

Some scholars are afraid that China's entry to the WTO will affect the development of Chinese domestic product, jeopardize Chinese jobs and income and more importantly will make China subject to the US hegemony. However, the advantages of joining the WTO outdo the disadvantages. With the membership of WTO, China can use legal and effective ways to protect its own trade interests, as well as enlarge and stimulate its production and innovation ability, and can have a voice in international economic negotiations and rules making. Within a decade after China officially joined the WTO, China became the largest export country in 2009 and the second largest economy in

¹¹ <http://www.china-embassy.org/eng/zt/bps/t943740.htm>

2010 (Brett Berger, Rober F. Martin, 2011)¹². It is estimated that from 2001 to 2010, China's exports improved almost 6 times to roughly \$1.57 trillion while imports rose to \$1.39 trillion. As Lamy Pascal said on the 10th anniversary of China's World Trade Organization entry, it is hard to calculate the influence China's WTO membership have on its remarkable economic and trade growth but undoubtedly its contribution to China's growth has been irreplaceable and significant.¹³ What's more, China actively participate and conduct different regional and international meetings. China is now a member of six groups in the negotiations, including Asian developing members, APEC, RAMs, G-20, G-33 and "W52" sponsors.

2.1.3 Sino-US Relations

The relations between China and the US can be described as love and hate, like in a marriage where there are ups and downs, twists and turns. From the establishment of People's republic of China, the Sino-US relations have evolved from the tense standoffs, to a complex mix of escalating diplomacy, growing international rivalry and increasingly interdependent economies.

From the late 1940s to 1950s, China was blocked, besieged and looked upon with hostility by the United States. First, when Chinese Communist Party leader Mao established the People's Republic of China after defeating the Nationalist government of Chiang Kai-shek in 1949, the United States backed Chiang's exiled Republic of China government in Taipei. Then the United States confronted China in the three-year Korean War from 1951 to 1953.

This frozen relationship had not changed until 1970s when both countries were seeking new relationship and strategies to meet new challenge. President Nixon's 1972 visit to China marked the end of 20-odd years' confrontation between China and the US. In 1979 Sino-US relations were finally normalized when U.S. President Jimmy Carter gave China full diplomatic recognition agreeing to the "One-China" policy hold by the

¹² <http://www.federalreserve.gov/pubs/ifdp/2011/1033/ifdp1033.pdf>

¹³ <http://www.chinabusinessreview.com/chinas-role-in-the-wto/>

People's Republic of China. The 1989 Tiananmen Square Massacre¹⁴ once again made the US freeze relations with China by suspending high-level official exchange with People's Republic of China (PRC) and weapon exports as well as certain trade and investment programs in mainland China.

The beginning of the 21st century marks a new chapter of Sino-US relationships. U.S. President Bill Clinton signed the U.S.-China Relations Act of 2000, granting China permanent normal trade relations with the United States, which paves the way for China's entry to the World Trade Organization a year later. According to US census government data, from 1980 to 2004, U.S-China trade rises from \$5 billion to \$231billion¹⁵. In 2006, China becomes the United States' second principal trade partner right after Canada. In 2008, Sino-US relations becomes one step closer with China surpassing Japan as the biggest holder of U.S debt of about \$600 billion. Later in 2010, China surpasses Japan as the world's second largest economy behind the United States. Many experts say that China will soon surpass U.S as the world's biggest economy. Some predict China will surpass U.S in 2019 while others predict in 2021, which is just a matter of time. As it is wrote by S.R and D.H on *The Economist* (2014)¹⁶:

“Less than two centuries ago, China was far and away the world's biggest economy...Its share dwindled in the 19th century as the industrial revolution propelled Europe and America rose up. The 20th was even less kind to China, riven by invasion, civil war and a lurch to communism. Thanks to a furious 35 years of market reforms, it is only a matter of time before China reclaims its spot as the biggest economy of all.”

Culturally speaking, the world has also witnessed China's rising soft power. It is undouble that people around the world are impressed by Chinese food, Confucius philosophy, and Chinese literature and history. Moreover, while the world is taken away by Chinese people's imitation ability, scientific and technological innovations have also

¹⁴ Tiananmen Square Massacre is also known as June 4 Massacre when troops with assault rifles and tanks inflicted casualties on unarmed students and other demonstrators which occupied seven weeks in Tiananmen Square against the slow pace of reform and demanded for liberalization, democracy and rule of law in Beijing.

¹⁵ “Foreign Trade – U.S. Trade with China”. Census.gov. <http://www.census.gov/foreign-trade/balance/c5700.html#2001>. (2015-04-28)

¹⁶ <http://www.economist.com/blogs/graphicdetail/2014/08/chinese-and-american-gdp-forecasts>

blossomed in China. As the number one innovative country in the world, US can never neglect the fact that more and more Chinese independent brand and company have gained international fame, like Alibaba Group (e-commerce), Lenovo (Consumer Electronics), Huawei Technologies (Telecommunications), Dalian Wanda (Entertainment & Commercial Real Estate), Bright Foods (consumer Goods), etc. It is predicted by Wenshan Jia (2010) that by 2100 China will lead the world by innovation in the second stage of cultural modernization.

While the competition between China and the U.S become more and more fierce, the ties between the two countries have also become even tighter. In the economic area, the two-way trade has almost quadrupled since China's entry to the WTO in 2001 and this economic interdependence is expected to be more profound. On the military side, the U.S. is committed to communicate and cooperate more with China on a sustained and substantive level. On global and regional issues, more cooperation on climate change, energy, and environmental protection are under consideration. Daniel R. Russel, assistant secretary of Bureau of East Asian and Pacific Affairs of U.S, made a remarkable speech on the future relations of U.S and China before the Senate Foreign Relations Committee on June 25th, 2014¹⁷:

“Yet there is still enormous potential for progress in the U.S. –China relationship...There areas include economic prosperity, a denuclearized Korean Peninsula, peaceful resolution of the Iranian nuclear issue, and a reduction in the emission of greenhouse gases. Where they diverge – and we have significant and well-known areas of disagreement – we will work to ensure that our differences are constructively managed.”

Agreed with global communication scholar Wenshan Jia (2010), in the next few years to come, China and U.S will inevitably go hand in hand in the confluence of two concurrent waves of globalization – Ameriglobalization and Chiglobalization, conducted by the two countries.

¹⁷ <http://www.state.gov/p/eap/rls/rm/2014/06/228415.htm>

The rapid development of global economy and globalization in the late twentieth century can never do without the glorious technological revolution of Internet. The following chapter will talk about the emergence and development of Internet, especially the Internet situation in China to give readers a better insight about the theme.

2.2 Internet and China

2.2.1 Internet – The name of democracy and participation

Living in the 21st century, the so-called “information age”, it is hard to imagine our life without Internet since we are so accustomed to it in our daily life. Every day we follow the latest topic on twitter, we connect with our friends on Facebook, we watch the hottest video on YouTube, and we can even have class, work and shop online. Our life has been changed completely since the emergence of Internet. The innovation of mobile Internet makes it possible for us to connect with the world wherever and whenever we want. While the Internet brings us so many convenience, information and entertainment, some people argue that it also reduces real interpersonal communication and increases the chances of loneliness, feelings of alienation, and can even lead to depression.

The first computer network, the ARPANET, went on-line on September 1, 1969 in the United States. And the size of it was as big as a room, now the size of it is a full stop and it keeps getting even smaller. Distinct from its general usage today, the reason for inventing it is not for personal use but for a military purpose. Manuel Castells reckons (2000): “The creation and development of the Internet in the last three decades on the twentieth century resulted from a unique blending of military strategy, big science cooperation, technological entrepreneurship, and countercultural innovation.” (p. 45)

Started in the United States, the Internet spread rapidly to Europe and Australia in the mid-1980s to late-1980s and in the late 1980s¹⁸ and early 1990s it is presented in Asia¹⁹.

¹⁸ Ben Segal (1995). “A Short History of Internet Protocols at CERN”.
<http://ben.web.cern.ch/ben/TCPHIST.html> (2015-05-06)

¹⁹ “Internet History in Asia”. *16th APAN Meeting/Advanced Network conference in Busan*.
<http://www.apan.net/meetings/busan03/cs-history.htm> (2015-05-06)

This information technology revolution is of crucial importance to the development of global economy. It provides the basic infrastructure that accelerates international trade and globalization as it is put by Manuel Castell (2000): "...it was only in the late twentieth century that the world economy was able to become truly global on the basis of the new infrastructure provided by information and communication technologies, and with the decisive help of deregulation and liberalization policies." (p. 101) Before Manuel Castell, another scholar Stever, H.Guyford (1972) also points out that advances of telecommunication, especially the rise of telegraph and the Internet, are major factors in driving globalization, generating deeper interdependence of economic and cultural activities.

Not only has the Internet changed economies, but also it has transformed the society, culture and the state. The nature of Internet boosts it as a democratic medium. With a lack of centralized control, a low cost, fast speed, no capacity limits, and judgment free, people are encouraged to give free speech, share cultures, conduct communication communities, and participate in political activities. Within two decades, Internet has become an irreplaceable part for democracy in the western world especially in the United States where people regard the Internet as the main source of information gathering. Timothy Kirkhope, a member of the European Parliament, highly praised the democracy brought by the Internet: "The internet allows for greater freedom of expression, facilitating citizens' ability to challenge and criticise: a basic democratic right. These social media sites also have the power to actually bring democracy about - the Egyptian Revolution 2011 being a prime example."²⁰ Also in the study about relationship between Internet and Democracy by Michael L.Best and Keegan W.Wade (2009), they've concluded a positive relationship between democratic growth and Internet penetration.

Nevertheless, the development of Internet is uneven across the world. Unlike the high penetration of internet in western countries, in some developing and undeveloped countries where the penetration of Internet is still very low, people find it hard to benefit from this new technology to connect with the world. Also, far from the fact that it is

²⁰ Timothy kirkhope (2012). "How the Internet is transforming democracy?" *The Independent*. <http://www.independent.co.uk/voices/comment/how-the-internet-is-transforming-democracy-8411474.html> (2015-05-06)

used as an effective democratic tool in most western countries, people in authoritarian countries are still fighting to get rid of the Internet control. In the next part, the focus will shift to the Internet development in China. As a rising Internet giant country, the current situation of Internet in China, government's tight control of Internet and how people try to climb out of the "great firewall" are becoming a global fuss.

2.2.2 Internet Overview in China

Since the first connection of the mainland of China with the Internet was established on 20 September 1987 between ICA Beijing and Karlsruhe University in Germany, under the leadership of Prof. Werner Zorn and Prof. Wang Yunfeng, China has grown to host the largest base of net users in the world. Although the Internet Industry started late than most western country in China, the past 18 years of the development of Internet and Internet companies in China have witnessed tremendous changes in the social, economic, and cultural development in China. First of all, the fast growing of Internet and big Internet groups not only have a great influence on how people think and communicate but also on people's everyday life. Second, it plays an indispensable role in the huge economic and political changes in China. What's more, the development of Internet in China provides special experience and insight to the global civilized improvement. However, it also emerges some problems along with the fast growing of Chinese Internet Industry. Censorship, security, democracy and cultural competence are under big debate associated with the development of Internet in China.

The rapid growth of the Internet in China has produced some big changes both in the number of Internet users and the structure of Internet users.

From the perspective of the number of Internet users, first of all, it is estimated that the number of whole Internet users in China reached 649 million by the end of December in 2014²¹, maintaining the first place of the world with the largest number of Internet users, which is about 370 million more than the number in America and about

²¹ The China Internet Network Information Center (CNNIC), The 35th Statistical Report on Internet Development in China. CNNIC, founded as a non-profit organization on June 3, 1997 is an administrative agency responsible for Internet affairs under the Ministry of Information Industry of the People's Republic of China.

617million more than the number in Spain²². Second, a big characteristic of the Internet development in China is the huge increasing number of mobile phone Internet users. According to CNNIC, it has increased 56.72million than last year, which is more than the total number of Internet users in the United Kingdom. By the end of 2014, it reached 557million. Third, different province differs in the number of Internet users. Beijing, Shanghai, Guangdong is the three top provinces with the most number of Internet users.

From the perspective of the structure of Internet users in China, it has more men than women searching the Internet with a stable ratio of 56.4: 43.6. And the percentage of Internet users over 40 years' old is increasing while the percentage of teenage Internet users is decreasing. Also among all the Internet users in China, by the end of December 2014, the highest proportion of Internet users is student, accounted for 23.8%, followed by the self-employed or freelance ratio was 22.3%, and business or corporate managers and general staff accounted for 17.0%²³.

Currently, there are five major trends in the development of Internet in China in the area of instant messaging, searching engine, micro blog, e-commerce and online video.

The first trend of the Internet in China is the number of instant messaging users still holds the first place. By the end 2014, China's instant messaging users are up to 588 million, an increase of 55.61 million over the end of 2013, with an annual growth rate of 10.4%. Instant messaging service, as one of the most basic use of the Internet, along with the growing popularity of smart phones, the mobile terminal also has maintained a steady growth. China's mobile phone instant messaging users reached 508 million by the end of 2014, with an increase of 76.83 million than last year²⁴.

The second trend of the Internet development in China is that searching engine applications have the second highest use rate besides instant messaging applications. By the end of December 2014, the scale of China's search engine users reached 522 million, an increase of 6.7% than last year. And the number of mobile phones users reached 429

²² Global Internet Usage. Available at http://en.wikipedia.org/wiki/Global_Internet_usage.

²³ CNNIC (2015), The 35th Statistical Report on Internet Development in China.

²⁴ http://www.statista.com/statistics/321793/china_number_of_instant_messaging_users/

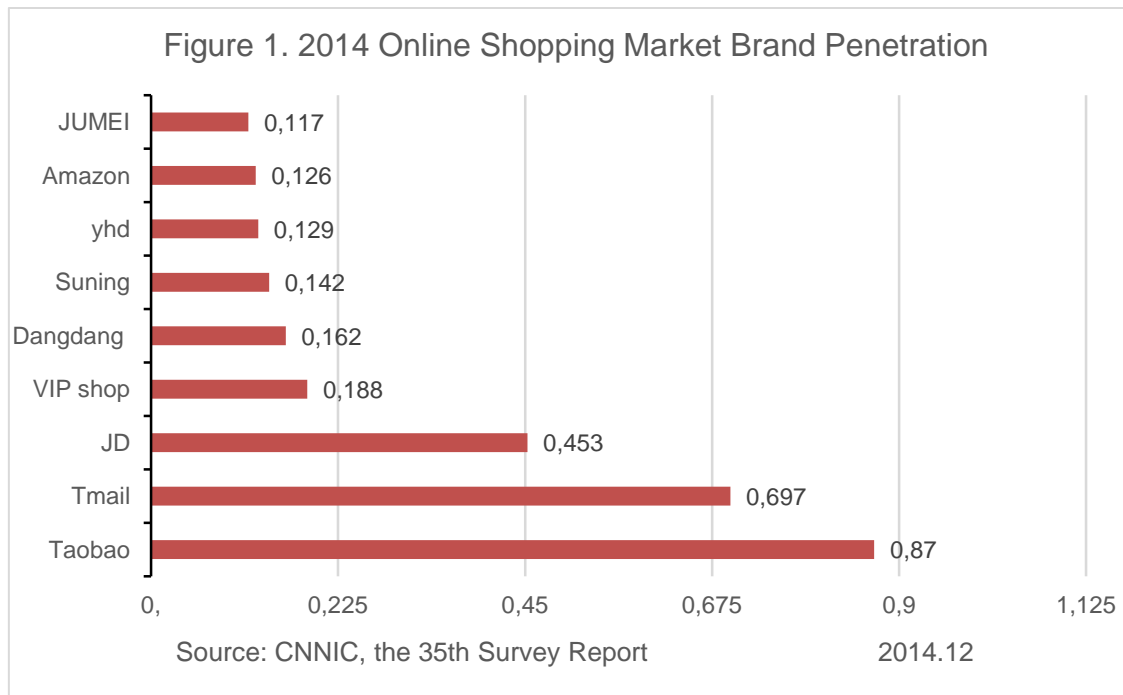
million, an increase of 17.6% than the year before²⁵. The more diversified products and services of searching engines is one of the reasons that attract more Internet users.

The third trend is the decreasing micro blog users. According to the latest report published on the third of February by the Chinese Internet Network Information Center, China has 249 million micro blog subscribers, dropped 7.1% compared to last year²⁶. However, the number of Sina Weibo users has recovered due to the drop back input of micro blog of other Internet companies such as Tencent, Wang Yi and Sohu, thus giving Sina Weibo a clear dominance place in micro blog in China.

The fourth most important trend is the fast growing of e-commerce, especially with a strong growing trend of online shopping. By the end of December 2014, China's online shoppers reached 361 million, an increase of 5953 million compared with the year before and the proportion of online shoppers increased from 48.9% to 55.7%.2014 with the successful launch of IPO of Jingdong, Jumeiyoupin and Alibaba, the structure of Internet retail market tend to be more stable. As it is showed in the Figure 1 below, two major brands of Alibaba Group Taobao and Tmail maintain the top brand penetration of 87% and 69.7% respectively, far ahead other competitors.

²⁵ CNNIC (2015), The 35th Statistical Report on Internet Development in China.

²⁶ <http://www.chinainternetwatch.com/tag/microblogging/>



The fifth trend is the thriving of online video programs including online TV series, movie, MTV, independent video, etc and online video viewers. China right now has 450million online video viewers, which is the largest in the world and accounted for nearly 80% of the internet-connected population. It is predicted that this number will grow to 700million by the year 2016²⁷.

2.2.3 Internet Control in China

With the introduction of Internet in China, it is anticipated that it will not only bring modernization to the Chinese society but also transform China into an open and democratic regime. However, unlike most western countries, after a decade and a half years ‘growth, the reality seems to be far lag behind the expectations. The Chinese government takes advantage of the new technology and uses it as an effective tool of control to facilitate its authoritarian governance over the country.

²⁷ <http://www.go-globe-com/blog/online-video-market-china/>

“The Chinese government has spent a huge amount of effort on making sure that its internet is different, not just that freedom of expression is limited but also that the industry that is built around it serves national goals as well as commercial ones.” Comments the Economist on an article of China’s Internet – A giant cage²⁸.

China is one of the countries with strict Internet censorship in the world. According to “Freedom on the Net 2014” by the Freedom House, an American independent organization that dedicated to expansion of freedom globally, China is the third most restrictive country in the world when it comes to Internet freedom, after Syria and Iran. More than sixty Internet regulations have been made in accordance with laws and administrative regulations in China, among which stands out the key content restriction Article 19, which forbids the following content²⁹:

- (1) Violating the basic principles as they are confirmed in the Constitution;
- (2) Jeopardizing the security of the nation, divulging state secrets, subverting of the national regime or jeopardizing the integrity of the nation’s unity;
- (3) Harming the honor or the interests of the nation;
- (4) Inciting hatred against peoples, racism against peoples, or disrupting the solidarity of peoples;
- (5) Disrupting national policies on religion, propagating evil cults and feudal superstitions;
- (6) Spreading rumors, disturbing social order, or disrupting social stability;
- (7) Spreading obscenity, pornography, gambling, violence, terror, or abetting the commission of a crime;
- (8) Insulting or defaming third parties, infringing on the legal rights and interests of third parties;

²⁸ A giant cage. The Economist. April 6th 2013. <http://www.economist.com/news/special-report/21574628-internet-was-expected-help-democratise-china-instead-it-has-enabled> (2015-05-05)

²⁹ “II. How Censorship Works in China: A brief Overview”. *Human Rights Watch*. <http://www.hrw.org/reports/2006/china0806/3.htm> (2015-05-06)

- (9) Inciting illegal assemblies, associations, marches, demonstrations, or gatherings that disturb social order;
- (10) Conducting activities in the name of an illegal civil organization; and
- (11) Any other content prohibited by law or rules.

Apart from rules for internet content censorship, there are also rules governing operations of the Internet service, and rules for the users of the Internet services as it is put forward by Yongnian Zheng (2008), a professor and head of research of The China Policy Institute in Nottingham University. On the way of exercising its control over the cyberspace, Chinese government has managed to carry it out both internally and externally.

Inside, Chinese government actively tightens its management by upgrading and controlling the content of its state-sponsored websites, especially the news websites like People's daily, China Daily, the Chinese News Agency, China International Broadcast, etc. Also, it tries to use alternative means to pressure independent Internet companies to obey the regulations and rules put forward by the central government. As it is mentioned by Yongnian Zheng (2008), in 2003 thirty Internet news and information provider signed an Internet News Information Service Self-Pledge to obey government administration and public supervision voluntarily. What's more, the government increased Internet arrests. The case of 2010 Nobel peace prize winner Liu Xiaobo has caused a big fuss. In 2009, Liu was put in prison for co-writing an online manifesto that calls for an end to authoritarian rule in China. In 2014, mainland courts sentenced online dissident Uighur and Ilham Tohti to life imprisonment, which is the harshest punishment ever related to online discord.

Outside, Chinese government blocks most international websites that contains politically sensitive information. While the rest of the world get free access to famous networking website YouTube, Facebook and Twitter, Chinese citizens don't have even have the chance to take a peek. Although there are blocked in China, their substitute Youku, RenRen and Sina Weibo have gained more and more popularity. In 2010, World Internet company giant google declaimed to drop out from the mainland China market due to censorship and intrusions by Chinese hackers. David Drummond,

Google's chief legal officer, had once posted on Google's official blog³⁰ about the difficulties of conducting self-censorship on Google: "Ever since we launched Google.cn, our search engine for mainland Chinese users, we have done our best to increase access to information while abiding by Chinese law. This has not always been an easy balance to strike, especially since our January announcement that we were no longer willing to censor results on Google.cn." Some people hold the opinion that because of the Internet censorship in China that has blocked International rivals from the market gives domestic Chinese Internet companies like Alibaba, Baidu, Youku to grow at a fantastic speed.

2.2.4 The Struggle against the Internet Control

Although the controlling and supervising system of Internet in China seems to be too sophisticated to break down, we are still able to see the growing potential of new technology employed by Chinese citizens to make government control less effective.

Sina microblog is a good example. Ever since its birth in 2009, Sina microblog not only has become a hot marketing spot for individuals, companies, educational institutes, NGOs and government officials, but also has become a perfect place to promote civil rights. As a blog can be easily created on any Chinese portal without verification for personal ID, a surging number of Chinese citizens show up on blog to publicize their social, cultural and even political opinions and ideas, among which some turn to be rather sarcastic and critical which might not be favored by the Chinese government. Though the Chinese government has managed to delete a lot of "inappropriate" speeches on Sina microblog, with the tremendous growing number of Sina microblog users, the government find it harder to exercise censorship as smart Chinese bloggers know how to avoid and replace censored words to avoid being deleted. In 2010, one of the most popular web phrase "My father is Li Gang!" also showed the power of micro blog to pressure the government to deal any irresponsible criminal actions with fair and just regardless of what "relations" the lawbreaker has.

Besides blogs, an increasing number of mobile Internet users and instant messenger users like QQ and Wechat have also added the difficulty of government's censor job

³⁰ <http://googleblog.blogspot.com.es/2010/06/update-on-china.html>

due to their feature of enabling people to connect and form networks on a large scale quickly.

Moreover, many Chinese people, particularly young high educated people know how to climb out of the “firewall” established by the government. Many university students, especially those who keep updated with the new technologies and information, tend to use a kind of “proxy” technology to log in Facebook or Twitter in China to find interesting international news as well as chat with her foreign friends. Professor Yongnian Zheng (2008) also describes the significance of circumventing in China:

“When Chinese users exchange information on how to work with information technology, a common interest is “proxy” technologies used to overcome the firewalls established by the regime...A significant portion of the users have learned to circumvent official blockages to access overseas websites. Such technological capabilities do not exist among users in a free society because they do not need them. The Internet technology has created a new game altogether in that the government is unable to use traditional methods to control information access.” (246: 94)

2.3 Participatory Culture and User-generated Content

2.3.1 What is Participatory Culture?

When we talk about the participatory culture, we should never neglect the interrelationship between participatory culture and the development of Internet. Before the new technologies of Internet arrive in every household globally, only a relatively small amount of privileged people can produce media content, such as broadcasting radio and television programs, publishing newspapers and magazines, creating encyclopedias and so forth. However, by the twenty-first century, the worldwide access to personal computer, smart phone and ubiquitous Internet gives general public the chance to create standard media production and distribute it freely. No matter if it is in a simple coffee shop, in the metro or an electric library, it is no hard to find people of all ages are actively engaged in online participatory networks. Everyday people around the global are creating and distributing a large amount of messages and media productions

via Internet at a fantastic speed. Equipped with inexpensive innovative tools of capturing, editing, recording, and uploading, more and more user-generated multimedia content is springing up like mushrooms after the rain.

In the twenty-first century, participatory culture is under hot study by a great number of students, professors and scholars. The most prestigious definition of participatory culture is described by Jenkins and co-authors Ravi Purushotma, Katie Clifton, Margaret Weigel and Alice Robison in a book entitled *Confronting the Challenges of Participatory Culture: Media Education for the 21st Century* (2009: 5-6):

“For the moment, let’s define participatory culture as one:

1. with relatively low barriers to artistic expression and civic engagement
2. with strong support for creating and sharing one’s creations with others
3. With some type of informal mentorship whereby what is known by the most experienced is passed along to novices
4. Where members believe that their contributions matter
5. Where members feel some degree of social connection with one another (at the least they care what other people think about what they have created).”

One leading character that makes participatory culture different from popular culture, consumer culture and other culture studies is its ability to enable broad participation in the production of culture, power, community, and wealth. Like Henry Jenkins’ definition of participatory culture specially highlights the participation process. Another prominent feature that makes participatory culture stand out is its ability to generate and stimulate creative intelligence which will be talked about more in the next part.

Differs from participatory culture, consumer culture and popular culture are also the two theoretic terms that frequently come up in academic or other type of readings. Here a short discussion of the meanings and characters of consumer culture and popular culture will be given, in order to distinct them from the participatory culture.

Consumer culture studies the consumption choices and behaviors from a social and culture perspective. As it is put forward by Arnould, E. J. & Thompson, C. J. (2005) that consumer culture theory talks about the vibrant relationships between consumer actions, the marketplace, and cultural meanings. When people buy products, the focus is not on money itself but on the happiness and cultural meanings behind the product. Ever since the industrial revolution made mass consumption possible, consumer culture has been closely tied with capitalism. The United States is a perfect example of a consumer culture as the country's economic growth is deeply dependent on consumer drive. Consumer culture reflects people's philological and cultural needs can be carried out by buying things. And it believes that it is the consumers who decide what goods should be made and consume instead of the producers. However when consumers' needs are being satisfied, some people argue that consumer culture enlarges the class division by promoting status symbols related to products.

Popular culture is a concept began in the 19th century and used to be associated with poor education and lower classes as opposite to "official culture". Following the major cultural and social changes brought by mass media after the World War II, the meaning of popular culture has changed and can overlap with those of consumer culture, image culture, media culture, etc. Generally speaking, popular culture includes all the cultural activities and phenomena that represent the mainstream in a given culture.

Though participatory culture is more known as a result of the prevalence of Internet, it has appeared before the emergence of Internet. The arising of the Amateur Press Association in the middle of the 19th century is a good example for old participatory culture. At that time, the major form of participatory culture is limited to hand typing and printing. Young people exchanged their hand letters or publication by mail (human delivery). Nowadays, with the technology of web 2.0, web 3.0 and smart phone, most of the APA activities have been replaced by the online communities for comic's lovers, music amateurs, artists, journalists, etc. Also with the rising and development of new digital technologies, the form of participatory culture has become more diversified. Numerous online platform like the popular Facebook, Twitter, YouTube, eBay, blogs, podcasts, wikis, etc. has made it easier and faster to communicate and share with the rest of the world. Indisputable, nowadays culture is becoming more and more participatory.

2.3.2 The Democratic Power of Participatory Culture

As it is mentioned about by many scholars the collective power generated by the participatory culture in our recreational life, it has also empowered the general public in democratic communication and decision making. Participatory culture has helped make shift of direct control by the government to engage civil society in collaborative governance.

With the participatory culture allows more people participate in the creation and circulation of information and media contents, more original information and media resources are being made. This leads to the diversification of media contents and has changed the media market dominated by several media giants or the central government in some cases. When there is only one single source of media, it is likely to be used by the in power party or group to make and spread information to influence the general public to their own benefits. This kind of media concentration gives more opportunity for corruption and autocracy. Participatory culture increases the quantity and quality of sources of information and makes it hard to control the flow of information to the will of a certain party or group. Thus helping reduce the inside corruption and empower the general public to generate more democratic communication. As it is put by Henry Jenkins (2006): “The current diversification of Communication channels is politically important because it expands the range of voices that can be heard: though some voices command greater prominence than others, no one voice speaks with unquestioned authority.”(308: 208)

In recent years, the concepts of participation and transparency and democratic decision-making have been discussed and promoted with the field of public administration. The transparent democratic decision tools used in the city of f Örebro in Sweden is a good example. In solving the problems concerned with the city, two interactive stages has been built as it is described in the book e-democracy: A Group Decision and Negotiation Perspective “The first one concerned the formulation and refinement of the extended problem and the interaction between politicians and civil servants, while the second stage dealt with communication with the public and the final processing in the council.” (David Ríos Insua, Simon French, 364: 269) This kind of process are expected to apply more in developing countries.

Another example happens in Argentina where a new model of state and society out of participatory culture is presented. A new software called DemocracyOS is invented by Pia Mancini and her colleagues as an open-source mobile platform to collect voice from the citizens and communicate it to their representatives. Accordance with this new platform, a new Net Party, El Partido de la Red, was formed in 2013 in the city of Buenos Aires to run candidates dedicated to legislate only as directed by citizens using online tools for participation. Pia Mancini promotes her revolutionary invention in a Ted talk in October 2014:

“DemocracyOS is an open-source web application that is designed to become a bridge between citizens and their elected representatives to make it easier for us to participate from our everyday lives. So first of all, you can get informed so every new project that gets introduced in Congress gets immediately translated and explained in plain language on this platform. But we all know that social change is not going to come from just knowing more information, but from doing something with it. So better access to information should lead to a conversation about what we're going to do next, and DemocracyOS allows for that.”

This is how democracy is promoted by the Internet and participatory culture. However the doubt lays on whether the general public is willing to participate or not. As it is put by Pia Mancini in her 2014 Ted talk it is whether going to make noise or silence, however noise is seen not only in Argentina, but also in Chile, Brazil, Mexico Italy, France, Spain, the United States. This new interactive political system inspired has brought radical changes to the rigid political system that last for 200 years. It is believed that more democratic power will be endowed in other areas as well as a result of the development of Internet and participatory culture in the future.

2.3.3 Participatory Video

As participatory culture paves way for large community-based ownership of various media content such as blogs, photos, music, newspapers, radio, etc., one type of media communication stands out – video.

Mostly recognized as a way to pursue entertainment, video can also be used for cultural, social, educational purpose and can even be used to help resolve conflicts and reach

common ground for collective action. The quick emergence of inexpensive and easy-to-learn digital tools make video-making accessible to the grassroots. Now the grassroots are not only consumers of video made by professionals or large corporate media company but also contributors to the whole circulation of video market.

The definition of participatory video can be concluded as “a set of techniques to involve a group or community in shaping and creating their own film,” as it is concluded by Nick Lunch and Chris Lunch (2006, 125:11): “The ideas behind this is that making a video is easy and accessible, and is a great way of bringing people together to explore issues, voice concerns or simply to be creative and tell stories. This process can be very empowering, enabling a group or community to take action to solve their own problems and also to communicate their needs and ideas to decision-makers and/or other group or communities.”

From a short video to send birthday wishes to distant families to a found rise video for leftover children after earthquake to a voluntary series video to cause public attention to defeat ALS(Amyotrophic lateral sclerosis) Syndrome, participatory video has become part of people’s everyday life. Launched in 2005, YouTube is by far one of the most popular video website in the world. On YouTube, the general public can watch as well as upload originally-created video anywhere at any time just with a PC connected with the Internet. According to the YouTube statistic, 300 hours of video are uploaded to YouTube every minute. Apart from YouTube, although American still holds the biggest number of notable video hosting services, many other video platforms have come out and arouse more attention, such as AfreecaTV in South Korea, Dailymotion in France, RuTube in Russia and Youku in China. The Chinese online video platform Youku has undergone a great transformation and has interesting factors coincidence with YouTube, which will be talk about more in the next chapter.


The power of participatory video can never be underestimated. In the recent 2013 Lushan earthquake in Sichuan Province, China, the villagers recorded and uploaded the first hand video of catastrophic scene in search for more aid. A few years earlier in 2009, in the investigation of Paul Lewis, an international journalist, he found a witness’ video to prove the direct connection of Tomlinson’s death and police, which lead to an internal police investigation. In his Ted speech Crowdsourcing the news, he put forward a new way of journalism, the so-called citizen journalism or collaborative journalism to let people not just be the “passive consumer of news but also co-producing news”.

When each cellphone can record video, everybody is a potential news source to help people in-need and to bring injustice to the society. The power and significance of participator video can be interpreted by Claudia Mitchell, E-J Milne, and Naydene de Lange (2012, 500: 67): “the value of generating grassroots knowledge to raise awareness that can help shift decision-making power; the importance of building local capacity and ongoing support for community members and stakeholders to act on this knowledge; and the need for people-centered advocacy as a vital component that can ultimately lead to social transformation.”

3. Development of the Investigation

3.1 Introduction of YouTube and Youku

3.1.1 YouTube and Its History

	
Type	Subsidiary
Industry	Internet/ Video hosting service
Founded	February 14, 2005
Headquarters	901 Cherry Avenue, San Bruno, California, United States
Area served	Worldwide(except blocked countries)
Key People	Steve Chen, Chad Hurley, Jawed Karim (founders) Susan Wojcicki (CEO) Chad Hurley (Adviser)
Parent	Independent (2005 – 2006); Google (2006 – present)
Slogan	Broadcast Yourself
Alexa rank	3 (May 2015)
Registration	Optional (required for upload, comment on videos and other tasks)
Advertising	Google AdSense
Available in	61 languages
current status	active
Website	www.YouTube.com

YouTube, LLC is a video-sharing website with headquarter in San Bruno, California, United States. It was created by three former PayPal employees in February 2005. The current CEO of YouTube is Susan Wojcicki. YouTube remained independent until Google bought it in 2006 for US \$ 1.65billion. Unregistered users can search and watch videos while registered users can upload and share videos as well as making comments or engaging in dialogue with others about the videos. By 2015, YouTube has more than 1 billion users and 300 hours of video are uploaded to it every minute. It is localized in 75 countries and available in 61 languages.

YouTube – the world’s third most popular website after Google and Facebook³¹ was founded by Chad Hurley, Steve Chen, and Jawed Karim in February, 2005. Before the founding of YouTube, the three of them worked for PayPal after their graduation. In their school time, Hurley had studies design at Indiana University of Pennsylvania while Chen and Karim studies computer science together at the University of Illinois at Urbana-Champaign.³² In 2005, when the grassroots online video is growing rapidly, they realized a huge demand for services that make the video watching, uploading, and sharing easy and free.

On Valentine’s Day 2005, Hurley registered the domain name “YouTube.com”. On April 23rd, 2005, an 18-second clip “Me at the zoo” was upload on YouTube which marked its official debut in the public community. In November 2005, it received a founding of \$3.5 million from Sequoia Capital.³³

In October 2006, Google bought the company for US\$1.65 billion and YouTube continued operating independently.³⁴ By its fifth anniversary, YouTube had been the largest online video destination in the world and the third most visited website around the globe. The site received two billion views a day and every minute 24 hours of video were uploaded to the site.³⁵ The same year, *Time* magazine conducted its annual “Person of the Year” featuring a YouTube screen with a large mirror in recognition of the importance of YouTube in driving user-generated content.

³¹ According to Alexa Rank

³² <http://mediatedcultures.net/youtube/the-history-of-youtube/>

³³ <http://www.rev2.org/2006/10/02/youtube-the-complete-profile/>

³⁴ http://googlepress.blogspot.com.es/2006/10/google-to-acquire-youtube-for-165_09.html

³⁵ <https://sites.google.com/a/pressatgoogle.com/youtube5year/home/short-story-of-youtube>

From 2007 to the present, YouTube has maintained its fascinating growth. In 2007, YouTube Awards was initiated as annual awards for the best YouTube videos of the previous year voted by the YouTube community as it is wrote by Coyle (2007).

In 2008, YouTube worked with MGM, Lions Gate Entertainment, and CBS to post films and television episodes on the site with advertisement in a section called “Shows” for US viewers in order to compete with websites like Hulu³⁶.

In 2009, YouTube registered the domain youtube-nocookie.com for videos embedded on federal government websites of United States. And in the same year of November, YouTube launched the UK version of “Shows” which offers media content from over 60 partners.³⁷

In March 2010, YouTube began free streaming of certain content and the website launched a new design to simplify the interface and increasing time users spend on the site. At the same time, YouTube was serving for more than two billion video a day³⁸ and YouTube mobile ads was launched. According to data published by comScore in 2010 YouTube was the dominant provider of online video in the United States with a market share of nearly 43 percent³⁹.

In 2011, YouTube launched a new version of the site interface with video channels displayed in a central column on the home page and a new version of the YouTube logo with a darker shade of red. The same year, YouTube reported in its company blog that it received more than three billion views per day.⁴⁰

In 2012, YouTube streamed four billion online videos every day and most of the video were streamed globally for free.⁴¹ In October, 2012, YouTube provided a live stream of the U.S. presidential debate and cooperated with ABC News.⁴² In December, Korean

³⁶ Brad Stone, Brooks Barnes. (November 9, 2008). “MGM to Post Full Films on YouTube”. *The New York Times*. (2015-05-10)

³⁷ Allen, Katie (November 19, 2009). “YouTube launches UK TV section with more than 60 partners”. *The Guardian*. (2015-05-11)

³⁸ Chapman, Glenn (May 18, 2010). “YouTube serving up two billion videos daily.” *Sydney Morning Herald*. (2015-05-11).

³⁹ “comScore Releases May 2010 U.S. Online Video Rankings.” comScore. June 24, 2010. (2015-05-11)

⁴⁰ Shane Richmond (May 26, 2011). “YouTube users uploading two days of video every minute”. *The Daily Telegraph*. (2015-05-11)

⁴¹ <http://www.reuters.com/article/2012/01/23/us-google-youtube-idUSTRE80M0TS20120123>

⁴² “YouTube Partners With ABC News To Offer Its First-Ever Live Stream of the U.S. Presidential Debates”. *TechCrunch*. (2015-05-11)

music video Gangnam style became the first YouTube video that received more than one billion views.

In 2013, YouTube launched YouTube Comedy Week and the YouTube Music Awards which received different voices. And the number of YouTube users keeps increasing, reached 1billion by March 21, 2013.⁴³

The year 2015 marks the 10th anniversary of YouTube. According to YouTube statistics published on its official website, YouTube now has more than 1billion users and the hour people are viewing on YouTube each month is up 50% year over year. 300 hours of video are uploaded to the site every minute and about 60% of a creator's views comes from foreign countries. YouTube has its location in 75 countries and is available in 61 languages. More importantly, mobile devices come to play a bigger role in video viewing as half of YouTube views are from mobile devices and the revenue is up over 100% year over year. In ten years' time, YouTube not only has grown as the biggest video platform on the web but also one of the largest and most diverse collections of self-expression in history.⁴⁴

3.1.2 Youku and the Chinese Communication Industry

3.1.2.1 *The Most Relevant Internet Companies*

Along with the rapid growth of Internet in China, the communication industry is developing at an amazing spend. Since the Chinese communication industry is still less recognized from the outside world compared with the American counterpart, before enters the study of Youku, it is essential to take a look at the most representative Chinese Internet companies in the communication Industry in order to have a better understanding. In less than two decades, besides the old state-owned communication companies, hundreds of private Internet communication companies have been set up, among which five most important Internet groups Tencent, Baidu, Sina, Alibaba, and Youku stand out. They represent the most advanced technology and service in the online communication Industry in China. And their major business and development is closely related to the five current trends of communication development in China.

⁴³ "YouTube Reaches 1 Billion Users Milestone". *CNBC*. March 21, 2013. (2015-05-11)

⁴⁴ Celebrating 10 Years of YouTube. (May 1, 2015). <http://youtube-global.blogspot.com.es/> (2015-05-12)

Tencent's instant messaging QQ is the largest instant messaging software service in China. Since its first release in China in 1999, as of August 2014, Tencent QQ has 829 million active QQ accounts. It supports comprehensive basic online communication functions, including text messaging, video and voice chat as well as online (offline) file transmission⁴⁵.

Founded in 1998 in Shenzhen⁴⁶, China, Tencent is the fifth-largest Internet Company in the world after Google, Amazon, Alibaba, and Ebay as of October 2014. It also provides other services like online media, wireless Internet value-added services, Interactive entertainment service, Internet value-added service, Wechat, and online advertising service.

Baidu owns the world's largest Chinese-language search engine baidu.com for websites, audio files, and images. Baidu provides an index of over 740 million webpages, 80 million images, and 10 million multimedia files. It is the first company in China to offer Wireless Application Protocol (WAP) and personal digital assistant (PDA)-based mobile search⁴⁷.

Established in 2000 in Beijing, China, Baidu ranks fifth top site by Alexa around the world⁴⁸. It also provides services like Baidu Baike(similar to Wikipedia, an online collaboratively built encyclopedia) and Baidu PostBar(the world's first and largest Chinese-language query-based searchable online community platform), Baidu Knows(the world's largest Chinese-language interactive knowledge-sharing platform), etc⁴⁹.

Sina owns Sina Weibo, a Twitter-like microblog social network, which is the most popular Chinese microblog social network in China. Launched in 2009, Sina Weibo has 503million registered users as of December 2012⁵⁰ and about 100 million messages are

⁴⁵ <http://www.tencent.com/en-us/ps/imservice.shtml>

⁴⁶ Shenzhen is one of the four first-line cities in China (the others include Beijing, Shanghai, and Guangzhou), is situated in the south of Southern China's Guangdong Province, immediately north of HK.

⁴⁷ <http://en.wikipedia.org/wiki/Baidu>

⁴⁸ <http://www.alexa.com/topsites/global>

⁴⁹ <http://ir.baidu.com/phoenix.zhtml?c=188488&p=irol-homeprofile>

⁵⁰ Josh Ong(2013), "China's Sina Weibo grew 73% in 2012, passing 500million registered accounts".

posted each day on Sina Weibo⁵¹. It implements many features from Twitter. Users can post maxim 140-character, mention or talk to other people using “@UserName” format, follow other people to make posts appear in user’s own timeline, etc.

Founded in 1998 in Shanghai, China, Sina also operates three other major business lines: Sina Mobile, Sina Online, and Sina. net.

Alibaba Group is by now the world’s largest e-commerce company which owns the three largest e-commerce platforms in China, alibaba.com, Taobao, and tmail.com.

Alibaba.com is the primary company of Alibaba Group and the world’s largest online business-to-business trading platform for small businesses. It handles business between importers and exporters from more than 240 countries and regions⁵².

Similar to eBay.com, Taobao is China’s largest consumer-to-consumer online shopping platform⁵³. Launched in 2003, Taobao Marketplace provides shoppers with hundreds of millions of product and service listing. Tmail.com was introduced in 2008 as an online retail platform to complement the Taobao and became a separate business in 2011. Founded in 1999 in Hangzhou, China, The Group’s websites accounted for 80% of the nation’s online sales by September 2014⁵⁴.

As it is mentioned before in part 2.2, the fifth most important trend in today’s communication development in China is the booming of online videos. With the largest online video market and considerable revenue, China owns one of the most competitive online video industry in the world. “China’s online-video market is the largest and most innovative in the world. It is also the most competitive,” said the Economist in the article The Chinese stream (2013). China has 12 major video websites, among which Youku Tudou, Sohu, QQTV, Baidu (IQIYI), LeTV and PPTV are the most popular. (See Table III)

⁵¹ Cao, Belinda (2012). “Sina’s Weibo Outlook Buys Internet Stock Gains: China Overnight”.

⁵² “Alibaba Group Company Overview”. Alibaba Group Company Overview (Web Site).

⁵³ Einhorn, Bruce (2013). “Alibaba’s Jack Ma is Moving On, With an IPO Looming”. *Bloomberg Businessweek*

⁵⁴ Lianna B.Baker, Jessica Toonkel, Ryan Vlastelica(2014) “Alibaba surges 38 percent on massive demand in market debut”. *Reuters*.

Table III. Stars of the smaller screen

Chinese online-video services

Website	Traffic*(Sep 2013, m)	Hightlights
Youku Tudou	309	Merger of Youku and Tudou in Aug 2012
Sohu	254	Rumours that it may buy Kankan, another video service
QQ TV	251	Owned by Tencent
Baidu(iQiyi)	168	Bought PPS for \$370m in May, partnering to make a set-top box
LeTV	162	Developed a set-top box and internet TV
PPTV	137	Suning and Hony invested \$420m in Oct


Sources: iResearch;

Press reports

*Unique monthly visitors

Youku Tudou, as the most popular and largest online video platform in China, is a merger company of Youku and Tudou, two important online video companies in China. Youku bought Tudou in 2012 aiming at improving its competitive advantages. After the merger, Youku still runs its own online video platform separately from Tudou. In recent years, Youku's online video platform has attracted more and more visitors due to its fast overall growth and its unique characteristics. The significance and prominence of Youku has become indisputable as the leading online digital platform in China. Following more emphasis will be given to discuss the current situation of Youku and its developmental history.

3.1.2.2 Youku and Its History

	
Type	Public (NYSE: YOKU)
Industry	Internet
Founded	June 2006
Headquarters	Fifth floor of Sinosteel Plaza, Haidian District, Beijing, China
Area served	Mainland China
Key People	Victor koo (founder & CEO) Dele Liu (CFO) Jian Tao (CTO)
Type of Site	Video hosting service
Slogan	"The World is Watching"
Alexa rank	92 (May 2015)
Acquisition	Tudou in March 2012
Registration	Optional (required to upload and/or comment on videos)
Available in	Chinese
Current status	Active
Website	www.youku.com

Youku, Inc. is China's leading web streaming video service with its headquarters in Beijing, China. Youku, which stands for "what's best and what's cool" in Chinese, is the most renowned Chinese online video brand that enables users to search, view and share video content easily. Founded by Victor Koo in March 2003, it initially focused on user-generated content but later changed its emphasis on professionally produced videos. On December 8, 2010, Youku was successfully listed at the New York Stock Exchange. In March 2012, Youku acquired his biggest domestic competitor Tudou and merged as Youku Tudou Inc⁵⁵ but still run its own website separately. Youku now has more than 500 million active users.⁵⁶

Critically referred as the clone of YouTube in China, Youku is founded in 2006 by Victor Koo, a graduate from University of California at Berkeley and Stanford Business School.

In 2005, Victor Koo, former president of Internet portal Sohu, raised a fund named 1Verge to find new opportunity to start Internet business in China. In June 2006, a tested version of the site Youku was launched with limited geographic and five months later, Youku was officially launched in December 2006.

Two years later, Youku received 25 million US dollars in founding from venture capitalists and by December 2007, Youku daily volume of video views surpassed 100 million.

A year after, Youku got the permission license to distribute audiovisual programs online from State Administration of Radio, Film, and Television and the permission license to produce and manage audiovisual program from the Beijing sub administration center.

Youku published its 3G strategy and entered the developmental era of "Youku 3G mobile video" in 2009. In the same year of December, Youku raised 40 million US dollars in new founding which were designed to "go toward expanding its offerings of licensed professional video and content made exclusively for the Internet." (Loretta

⁵⁵ Loretta Chao, Isabella steger. Chinese Video Firms Cue Up a Deal: Youku Plans to Acquire Chief Competitor, Creating a Force in Online Category. March 12, 2012. *The Wall Street Journal*. <http://www.wsj.com/articles/SB10001424052702304537904577276892681960660> (2015-05-16)

⁵⁶ Paul Bischoff. China's favorite video site Youku gets into the movie making business. Aug 28, 2014. *TECHINASIA*. <https://www.techinasia.com/chinas-favorite-video-site-youku-movie-making-business/> (2015-05-16)

Chao, 2009)⁵⁷ Though started as a video-sharing website focused on user-generated content, Youku has shifted its focus to professionally produced content since then.

The year 2010 is a milestone for Youku as the company ranked top in the Chinese Internet video sector according to CR-Nielsen. And on December 8, 2010, YouTube was successfully listed in the New York Stock Exchange.

In 2011, Youku won the champion of “Chinese Internet brand competitiveness ranking list” and was nominated as the “five winners” of Chinese Internet along with Tencent, Baidu, Alibaba, and Sina. In February 2011, Youku acquired permission for three new services, further improving its competitive advantage in video searching, original audiovisual program creating, and video live streaming. In June 2011, Youku cooperated with Disney to launch Disney movie promoting channel on Youku. Same year in August, Youku signed online streaming contract with DreamWorks Animation SKG, Inc. to provide its films on Youku to Chinese fans. More importantly, Youku upgraded its services on mobile video watching to provide fast and high quality audiovisual content on mobile devices. According to iResearch, by July 2011, the total volume of monthly Youku users has exceeded 300 million.

In 2012, Youku acquired Tudou, its biggest domestic competitor with approximately 1 billion US dollars⁵⁸. The same year, Youku reached strategic cooperation with Twentieth Century Fox Film Corporation, Lions Gate Films, Universal Studios, Sony Pictures Entertainment, and CCTV Movie Channel to enlarge user base, which has made Youku the largest online video website in China. What’s more, Youku launched its self-made online reality show “I am a legend” and online talk show “Xiao Shuo”. In June, Youku received the Copyright 2012 Golden Prize (China) from the World Intellectual Property due to his excellence in distributing and promoting audiovisual and cultural content.

By April, 2013, Youku daily view reached 150 million. It updated and unified its interface style on Youku home, PC, Pad, Phone, and TV to further deepen the

⁵⁷ Loretta Chao. China Site Youku.com Raises \$40 Million. *The Wall Street Journal*. Dec. 21, 2009. <http://www.wsj.com/articles/SB10001424052748704786204574607850511924192> (2015-05-16).

⁵⁸ Chinese Web Video Rivals to Merge. China Digital Times. March 12, 2012. <http://chinadigitaltimes.net/2012/03/chinese-web-video-rivals-to-merge/> (2015-05-18)

multiscreen strategy. In August, Youku's Paika V2.9 landed App Store adding new hand gesture shooting.

Last year Youku launched its first personalized channel exclusively belong to the users, the individual channel with the purpose to give original video creator convenient, prominent and professional brand management experience and service. In July, Youku released nationally its first Internet movie *Old Boys: Fierce Dragon cross the River*. By the end of July, it is shown by iResearch data that Youku App ranked Top three among Chinese application worldwide for six months successively. According to iResearch, by December, 2014, Youku's monthly unique visitors amounted to about 256 million.

In the next part, the author will further study and compare the characteristics of YouTube and Youku from the perspective of services, contents of the channels, and the geographic dimension.

3.2 Type of Services

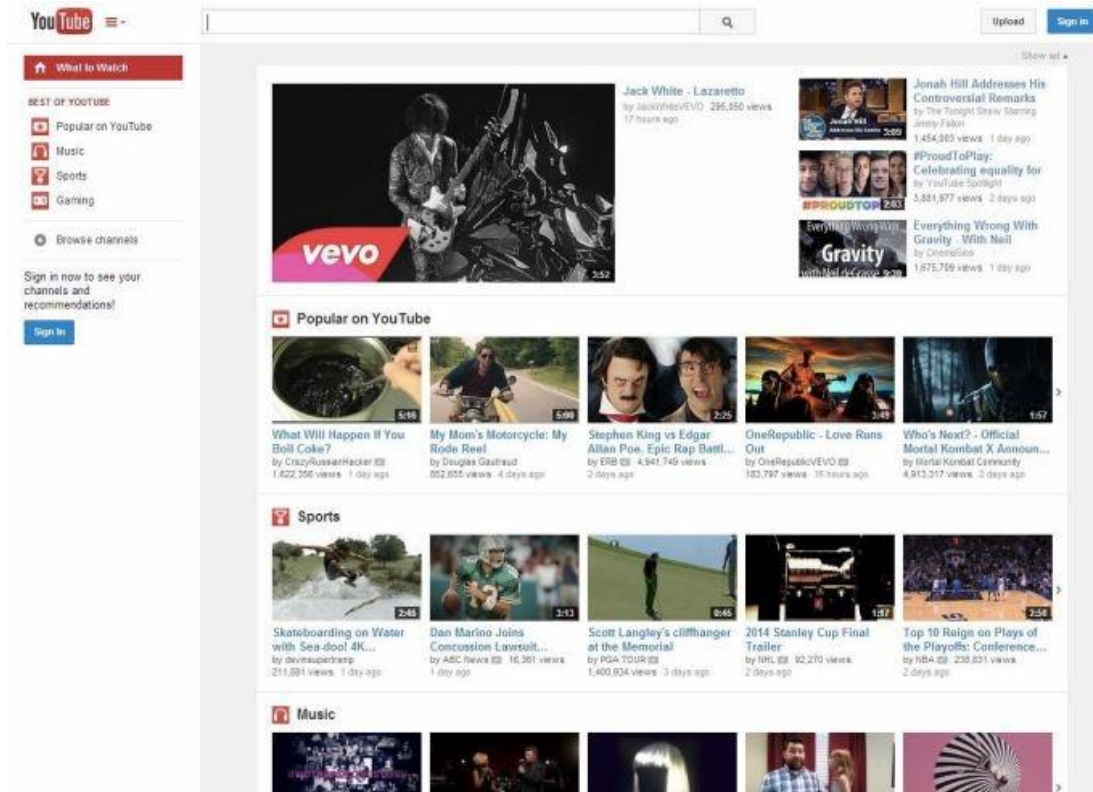
Both YouTube and Youku have demonstrated extensive and interactive services in terms of the design of the homepage, various channels and supportive instructions for the grassroots video creators. However, there are also some differences in the services they provide.

3.2.1 Homepage and Main Channels

The interface of YouTube is simple and interactive. On the homepage of YouTube, the upright side is where users can upload and sign in their account while the left side is the mark of YouTube with a classic shade of red. On the top central part of the homepage, users could type the key words to search for the video they have interests in. Below the search box, two options of What to Watch and Music are found (see Figure 2). Under What to Watch, users could find the most popular videos and the recommended videos. And under Music, it gives users a wide selection of music video ranking from the most recommended video to the latest video to the most popular of the week, etc. when a user is looking for a particular video, the search function on YouTube can quickly get the

relevant content; if a user doesn't have anything particular in mind and want to explore the community, the recommendation lists will help them find out the most popular and hottest videos.

Figure 2. Screen shot of YouTube homepage



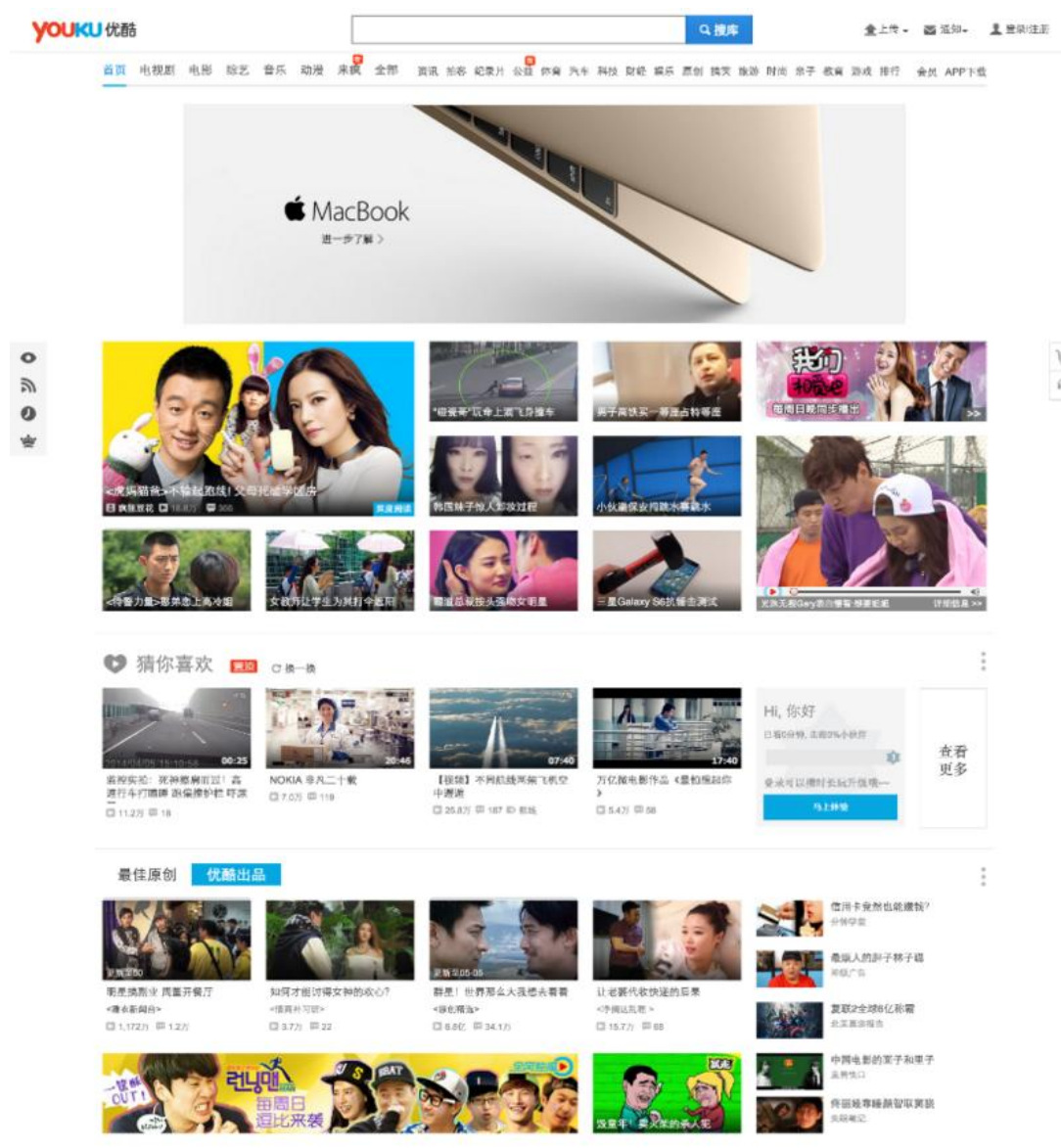
Below Best of YouTube, there are eight featured channels: Popular on YouTube, Music, Sports, Gaming, Movies, News, Live and 360 Video. They are all auto-generated by YouTube and can be subscribed freely by the users. Once the user log in his or her personal account, YouTube will automatically select the most relevant content that fits the user's taste according to the viewing history and this function keeps adjusting in accordance with the content being watched by the user.

The Popular on YouTube channel provides users a wide range of latest music videos, trailers, comedy clips, etc, that are most viewed right now. The Music channel shows users various genres of top tracks and popular hits. On the Sports channel, it entertains users with a large amount of competitive physical activities through whether casual or organized participation. Its sub-featured channels include Motorsport, CombatSports, WinterSports, BallGames, TeamSport and so forth. The Gaming channel is YouTube's

top gaming destination with news, reviews, playthroughs, and so on. The sub-featured channels of Gaming is absolutely diverse including RolePlayingVideo, RacingVideoGame, PuzzleGame, MusicVideoGame, etc. The Movies channel provides the new released movies, top selling movies, and Free Movies. The sub-featured channels are Action&Adventure Movies, Drama Movies, Comedy Movies, Family Movies, Animated Movies, Horror Movies, Romance Movies, Documentaries and more. The News channel on YouTube is a destination for the comprehensive video about the latest top stories, sports, business, entertainment, politics and so forth. Under the News channel, there are various featured channels, such as WorldNews, NationalNews, BusinessNews, ScienceNews, SportsNews, EntertainmentNews, HealthNews, etc. On Live Channel, users can find all the best live stream ranging from live music to live sports to live gaming, etc. The 360 Video is a wonderful place for the most enchanting virtual reality videos.

The design of the homepage of Youku (See Figure 3) is similar to YouTube. On the upright side is where users can upload, receive message and log in or create their account while on the top left side is the symbolic brand mark of Youku. On the top central part of the homepage is the search box where users can type in their interested key words. Below the search box, there are different featured channels where users can click and find the latest and hottest content that is related to the channel. The featured channels are TV series, Film, Variety show, Music, Animation, Paiké, Go crazy, and Overall, etc.

Figure 3. Screen shot of homepage of Youku



The TV series channel contains a vast resource from various countries and regions. There are two sub-featured channels: one specialized with place and the other with type. Within the place-featured channel, there comes the New Released TV series, mainland China TV series, TVB series, Korean TV series, American TV series, Britain TV series, Taiwan TV series, Japanese TV series, Singapore TV series, Chase Camp of TV drama, and TV series rankings. The New Release TV series channel provides users the latest TV series from all the featured places. Other single place featured channels provide TV series from each place like mainland China, HK, Taiwan, Korea, Japan, Singapore, USA, and Great Britain. The interesting Chase Camp channel talks about the news, plot, and characters of each episode of the popular TV series. The TV series ranking channel

gives users the ranking list based on viewing times where users can select the time period of today, this week, and history. Under the type-specialized channel, users can find different type channels of TV series, such as Ancient costume, Martial Arts, Detective, Military, Myth, Science Fiction, Mystery, History, Children, Countryside, City, Family, Funny, Idol, Romance, Fashion as well as content published by Youku itself.

The film channel is even tremendous. The main film channel provides users a huge library of films from all over the globe. The users can search the film they like from popularity, country & region, type and released time. Other sub-featured channels are New Collection, Popular, Micro Cinema, Chinese, Hollywood, Korea, Female, and Member. The New Collection and Popular channel keep users updated with the latest and most popular film. The Micro Cinema channel is a new platform for short low-cost film or video produced by Youku. In the Chinese channel, users can engage themselves in a vast ocean of Chinese films from the fresh-released to ancient classic ones. The Hollywood channel provides users with a wide range of American films featured action, love, horror and the most popular ones from the North America box office rank. In the Korea channel, users will be amazed by numerous Korean films featured new-released, thriller& suspense, comedy& family, action& adventure, and war& history. The female channel specially orients at female audience, providing interesting introduction of male actor, fashion show and films that might be interested by female viewers. The member channel is designed for users with Youku membership which can be attained by paying a monthly fee. On this channel, members can watch certain featured films for free, or at half-price and can enjoy special services like free ad-supported viewing, high speed (maxim to 30M), or even free movie ticket.

On the Variety show channel, net audience can get access to abundant popular TV shows from different countries. The sub-featured channels are New released, Most viewed, Mainland, Korea, United States, Hong Kong& Taiwan, and Youku self-made content. On the webpage, users can also search their favorite TV show from place, type and released-time.

The music channel is a fantastic place for music lovers. It contains substantial musical videos from all over the world. The sub-featured channels are New Song Premiere, Chinese, Western, Japan & South Korea, Hit, Star, Music Cattle, Live Music, and Crazy Live.

The animation channel is perhaps the favorite place for animation lovers. On this channel, you can find all kinds of animations from mainland china, Japan, America, Britain and some other places. Three sub-featured channel are based on age. There are the channel age 0-6, age 7-13, and age above 14. Other sub-featured channels include Domestic original, Japanese animation, Shanghai studio, Award event, etc. Also the website grants viewer easy access to search their preferred animation according to place& time, type, age and hit words.

The channel Paike (Chinese pinyin, means video shooter) is an inovative platform for original video content creators. Its sub-featured channels include I am at the scene, I have something to say, Folk idol, Baby show, Pet show, Short documentary, Topic season, See the world, etc. More importantly, Youku Paik offers mobile App which enables shooting, editing, and uploading for video bloggers on the go.

The Go crazy channel is a new place for users who are interested in broadcasting their own shows. And the overall channel is where users can find the latest and most popular video from all the categories.

Besides these remarkable and widespread channels and programs, Youku also owns a video search regime – SOKU. Just type your favorite actor/actress, director or keywords in the search box in the homepage of Soku, the most related and recommended audiovisual resources will be presented within a second. For example, if user types Zhang Yimou, one of the most influential and prestigious Chinese director in and out of China, a webpage will come out with brief introduction of Zhang, a timetable of all his works covering films, TV series as well as assisted TV shows.

3.2.2 Creator Favorable Services

Principally designed as a content-sharing website with upgraded simple and intuitive interface, YouTube also provides many services to help video creators to get started their own creative journey.

Click on “creator” on the website, five sectioned will be listed as Creator Hub, Creator Academy, Programs and tools, Support, and working together. Creator Hub engages users of all level in the entire online creating community where they can find easy access to the information they need. The Creator Academy provides numerous online

video courses teaching the users how to make better videos, grow more audience, build lasting relationships with fans, and earn money by creating and sharing videos, etc. The Programs and tools section shows users development programs, social tools and content creation tools to help creators make better content, develop fan base and to be more successful. If content creators have any question or need help, they are welcome to ask specific question or learn from other YouTube users on the Support section. The Working together section gives the users an overview of YouTube's resources for creators, ranging from free, unlimited HD uploads to Creator Academy to Strategic and technical support.

Beside the innovative supporting online platforms built for creators, YouTube has invested greatly in their creators. So far, it has opened five YouTube Spaces in Los Angeles, London, New York, Tokyo and Sao Paulo to bring more creative people to learn and work together. The YouTube Spaces have been such a success that it has helped people create more than 6500 videos with over 50 million hours of viewing time.⁵⁹ Also, it has launched several multimedia promotional campaigns around the world featuring top creators on YouTube. What's more, YouTube has invested tens of millions of dollars into content ID to help content creators better manage their copyright-protected material.

Meanwhile Youku never gives up supporting user-generated content by giving a lot of instructions on how to create and design user's own homepage and channel, tips on how to make, upload and share the video, guidance about how to install, use and update the Youku tools, etc. More importantly, the launching of Youku's Paike app in 2013 and individual channel in 2014 have granted better and easier ways to produce and share original creative content.

Paike, which in Chinese means "grassroots who shoots and share original videos" is a popular Internet term after 2007 when Youku declared the year as the "Year of the Paike". Since then a surging number of ordinary Chinese people has started to shoot and record their daily life, all kinds of events, self-talent show, etc. Though the platform of Youku, it appears the Paike craze that helps the whole national audience get a more visual experience of the extensive and profound Chinese culture and distinct lives of different folks, discover grassroots talents and stars, and create an innovative and

⁵⁹ Statistics. YouTube official website. <https://www.youtube.com/yt/press/statistics.html> (2015-5-15)

interactive atmosphere for the free flow of audiovisual information. Now the Paika app takes the power of this kind of free transfer of knowledge and information to a next level by enabling mobile Internet users to modify their video and upload it wherever and whenever they want. This on-the-go video app is designed in accordance with the increasing traffic coming from mobile Internet users. With one-touch sharing function, it can be integrated with the Sina Weibo micro blog platform which makes video-blogging more social. The app users also find it effortless to encounter the trendiest video and follow their interested video bloggers, which makes video bloggers more interactive and participative.

On the individual channel, users can find up to 14 instructive items aiming to help them create a better and more personalized channel. It gives guidance from account registration to custom background settings to module management to synchronization to external networks. The individual channel put users in the control of designing their own webpage, managing their original content and running their personalized channel. More techniques and tools are also provided on the official website to equip users with the latest technology.

Last but not the least, Youku also tries other innovative ways to stimulate online original video creators. One of them is to share its ads revenue with popular original video creators. If you have more than 150 million viewing traffic on your video channel in the latest 24 months, you can apply to join the ecosystem of ads revenue sharing on the official website. Youku provides automatic search background which keeps updating the latest income and statistics. After joining the system, creators can get 30% of the company's ads income every month.

Driven by the cooperative and innovative system built by YouTube and Youku, both video platforms have witnessed a surging number of participatory original videos. The creative videos on YouTube are mostly short ranging from cute pets to silly home mishaps to original musical clips. The strong support and easy learn-to-go tips stimulate more young people engage in the YouTube community. As Clement Chau⁶⁰ puts "22 percent of teens who have visited the site have uploaded videos as opposed to 30 percent of adults ages twenty-five to thirty-four." That is to say, people aged under 34

⁶⁰ Clement Chau. "YouTube as a participatory culture." "New directions for youth development. No. 128. Winter 2010. Wiley Periodicals. INC.

counted for 52 percent of the total video content uploaded on YouTube. Coincidence with YouTube, the individual channel owners are mostly young people who keep up with the latest technology and like to show themselves. The strong need for people who grown up in information age to create and share their ideas, thoughts and life is evident and international, which makes this “boom-up” video popular. As the main form of participatory culture in the digital era, these “boom-up” videos empower the general public to lead the changes in the progress of digital platforms as well as the whole communication industry.

Although YouTube and Youku both share similar creator favorable services like providing instructive guidance to grassroots video creators on how to produce and upload videos, technological support, and events & campaigns featuring on the most popular creators, there still exist a lot of differences. First of all, YouTube provide abundant instructive videos and systematic audiovisual courses on its website while Youku only has limited literal instructions with demonstrative pictures. Second, YouTube dedicate more on the instructive and tutorial services on the website while Youku has put more attention on mobile app like the new creator preferable app Paiké. Moreover, YouTube has invested various video-making studios around the world to provide practical space and technology to the creators while Youku has established a win-win system to share ads revenue with creators.

3.3 Copyright & User-generated Content

3.3.1 Copyright and Content Management

In recent years, copyright issue is more than a frequent topic when people talk about online video. No matter you are an artist, a lawyer, a technologist, a teacher or just a fan, whenever you are watching or uploading a video online, you are involved in the digital rights ecosystem. Over the years, numerous copyright cases has been fight over the online video platform of YouTube and Youku. Also more than frequently copyright content is related to a massive lucrative business to big film or TV programs producers. Before discussing the content type of the channels on YouTube and Youku, the author

will first talk about how each video platform manage the copyright content, infringements of copyright content, and related laws & regulations in USA and China.

YouTube concerns deeply about the rights of content owners and provides the users a detailed information about what copyright is, the fair use of copyright-protected content, and how to manage content on YouTube.

As is described on the official website of YouTube in the case of United States, when a person creates an original work that is fixed in a physical medium, the creator automatically owns copyright to the work and the owner has the exclusive right to use it in certain specific ways. However, ideas, facts, and processes are not subject to copyright due to their intangible medium. There are six types of work that are subject to copyright, which includes audiovisual works, sound recordings and musical compositions, written works, visual works, video games and computer software, and dramatic works. The duration of copyright in a work created on or after January 1, 1978 lasts for the whole lifetime of the author and 70 years after the author's death.

As the Copyright Law of the United States of America states it⁶¹, anyone who violates any of the exclusive rights of the copyright owner or who imports copies or phonorecords into the United States is an infringer of the copyright. The video a person make can infringe the copyright law even if he or she has given credit to the copyright owner, refrained from monetizing the infringing video, noticed similar videos that appear on YouTube, purchased the content, recorded the content yourself, or stated, "No copyright infringement is intended" as it is mentioned on the copyright section of YouTube.

The copyright law is not just about protecting the rights of content producer but also about promoting the progress of scientific, artistic, cultural and social development. Then it comes the fair use doctrine of a copyrighted content in order to permit uses of copyrighted resources that are beneficial to society. The fair use of a copyright protected content may differ from every country. In the United States, Section 107 of the Copyright Act⁶² defines fair use as follows:

⁶¹ <http://copyright.gov/title17/92chap5.html>

⁶² 17 U.S. Code 107 – Limitations on exclusive rights: Fair use
<https://www.law.cornell.edu/uscode/text/17/107> (2015-05-12)

“the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include –

1. the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
2. the nature of the copyrighted work;
3. the amount and substantiality of the portion used in relation to the copyrighted work as a whole;
4. and the effect of the use upon the potential market for or value of the copyrighted work”

Instructions about how to manage your content on YouTube are also given on the site. When a person’s copyright-protected work was posted on YouTube without authorization, the copyright owner or an agent authorized to act on behalf of the owner can submit a copyright infringement notification via the web form of YouTube.

And if a company owns exclusive rights to a large amount of copyright-protected content, they can apply for access to a the Content ID system or Content Verification Program, which will help them effortlessly manage their copyrighted content. In the Content ID system, videos uploaded to YouTube are scanned and checked against a database of documents that have been submitted to YouTube by the content owners. When a video gets a Content ID claim, it means the video he or she uploaded has matched with an original copyright-protected work. Then the copyright owner gets the options to take on video that matches theirs like muting audio, blocking a whole video, monetizing the video by running ads against it or tracking the video’s viewership statistics. YouTube Content Verification Program Application is especially designed for copyright-holding companies to issue multiple removal requests. The program helps the companies search for the infringed material and provide sufficient information to YouTube to locate and remove the material.

Apart from these online platforms provided by YouTube, people can also send email, fax and mail to notify a copyright infringement to YouTube.

If a copyright owner realizes that they've misidentified content or want to change their mind about the copyright infringement notification, they can also retract a claim of copyright infringement through several processes on YouTube. And the copyright strike receiver, they can resolve it by waiting for it to expire or getting a retraction or submitting a counter notification on YouTube.

Moreover, users of YouTube with good standing accounts are allowed to mark their videos with a Creative Commons CC BY license, which grant the entire YouTube community the right to reuse and edit their videos. The originally created content, other videos marked with a CC BY license, and videos in the public domain, etc. are all eligible for a Creative Commons license.

Youku also keeps its step up to meet the new challenges in the copyright area under the more and more sophisticated digital environment. According to copyright announcement on the official website of Youku, it claims a high standard behavior in respecting users' instructions to provide services like uploading, downloading and distributing, and highly values online copyright and users' rights protection. Moreover, it provides two channels on which users can send their claim of infringement. One is for portrait, reputation, etc. complaints. The other is for copyright complaints including violations of copyrights, trademarks and other intellectual property rights of individual or company. Users can get a list of the needed documents on the website and can download the complaint form when they want to make a claim of infringement. When Youku received the complaints, they will block the infringed video or take actions in accordance with Regulation on Internet Information Service of the People's Republic of China⁶³. According to its Article XV, Internet information service provider like Youku shall not provide any kind of information that has the following contents:

- (a) against the basic principles of the Constitution of the determined;
- (b) jeopardizing national security, leaking state secrets, subverting state power, undermining state unity;

⁶³http://www.wipo.int/wipolex/en/text.jsp?file_id=199720#LinkTarget_77 (2015-05-23)

- (c) harming national honor and interests;
- (d) incitement to ethnic hatred, ethnic discrimination, damaging national unity;
- (e) violating the state religious policies, propagate cult or feudal superstition;
- (f) spreading rumors, disturbing social order or harming social stability;
- (g) spreading obscenity, pornography, gambling, violence, homicide, terror or instigating crimes;
- (h) insulting or slandering others, infringing upon the legitimate rights and interests of others;
- (i) containing other information prohibited by the laws or administrative regulations.

Not only should the information service provider take actions to stop distributing the illegal content on its proper website but also it should keep the record and report it to the authority when any of the forbidden contents appeared on the website. What's more, the authority has the direct and absolute supervision on all the information put on the website as it is put in Article XVIII that national information industry departments and telecommunications management departments from provinces, autonomous regions, and municipalities execute their supervision and administration of Internet information services according to the law.

National Copyright Administration of China (NCAC), State Intellectual Property Office of the P.R.C (SIPO), and State Administration for Industry and Commerce of the People's Republic of China (SAIC) are the three major national competent administrations in handling copyright, Intellectual Property and trademark matters concerned with Internet industry. Over the years, copyright law has been revised and amended many times due to the fast developing and changing environment of the digital society. Currently, the Copyright Law of The People's Republic of China⁶⁴(27 Oct 2001) sets the principle legislative framework of copyright in China.

The purposes of the Copyright law is to protect the copyright owners and encourage creative works to promote the advancement of civilization, culture and science as it is addressed in the Article 1: “ This Law is enacted, in accordance with the constitution , for the purposes of protecting copyright of authors in their literary, artistic and

⁶⁴ http://www.wipo.int/wipolex/en/text.jsp?file_id=125980 (2015-5-25)

scientific works and the copyright-related rights and interests, of encouraging the creation and dissemination of works which would contribute to the construction of socialist spiritual and material civilization, and of promoting the development and prosperity of the socialist culture and science.”

Nine types of works are protected in relation to the copyright according to Article 3 including: written works; oral works; musical, dramatic, quyi, choreographic and acrobatic works; works of fine art and architecture; photographic works; cinematographic works and works created by virtue of an analogous method of film production; drawing of engineering designs, and product designs; maps, sketches and other graphic works and model works; computer software; and other works as provided for in laws and administrative regulations.

The copyright owners can be separated in two categories as it is mentioned in Article 9: a) authors; b) other citizens, legal entities and other organizations enjoying copyright in accordance with this law.

The copyright owner has a wide range of rights covering publication, authorship, alteration, reproduction, distribution, rental and many other activities related to the copyright protected content as it is described in Article 10:

- (1) the right of publication, that is, the right to decide whether to make a work available to the public;
- (2) the right of authorship, that is, the right to claim authorship and to have the author's name mentioned in connection with the work;
- (3) the right of alteration, that is, the right to alter or authorize others to alter one's work;
- (4) the right of integrity, that is, the right to protect one's work against distortion and mutilation;
- (5) the right of reproduction, that is, the right to produce one or more copies of a work by printing, photocopying, lithographing, making a sound recording or video recording, duplicating a recording, or duplicating a photographic work or by any other means;
- (6) the right of distribution, that is, the right to make available to the public the original or reproductions of a work through sale or other transfer of ownership;
- (7) the right of rental, that is, the right to authorize, with payment, others to temporarily use cinematographic works, works created by virtue of an analogous method of film production,

and computer software, except any computer software that is not the main subject matter of rental;

(8) the right of exhibition, that is, the right to publicly display the original or reproduction of a work of fine art and photography;

(9) the right of performance, that is, the right to publicly perform a work and publicly broadcast the performance of a work by various means;

(10) the right of showing, that is, the right to show to the public a work, of fine art, photography, cinematography and any work created by analogous methods of film production through film projectors, over-head projectors or any other technical devices;

(11) the right of broadcast, that is, the right to publicly broadcast or communicate to the public a work by wireless means, to communicate to the public a broadcast work by wire or relay means, and to communicate to the public a broadcast work by a loudspeaker or by any other analogous tool used to transmit symbols, sounds or pictures;

(12) the right of communication of information on networks, that is, the right to communicate to the public a work, by wire or wireless means in such a way that members of the public may access these works from a place and at a time individually chosen by them;

(13) the right of making cinematographic work, that is, the right to fixate a work on a carrier by way of film production or by virtue of an analogous method of film production;

(14) the right of adaptation, that is, the right to change a work to create a new work of originality;

(15) the right of translation, that is, the right to translate a work in one language into one in another language;

(16) the right of compilation, that is, the right to compile works or parts of works into a new work by reason of the selection or arrangement; and

(17) any other rights a copyright owner is entitled to enjoy.

Apart from the empowered rights of copyright owners, there are also legal use of a copyright work which is stressed in Section 4 Limitations on Rights, Article 22, such as the use a published work for self-private study; appropriate quotation in one's own work; translation or reproduction in small quantity of a published work for educational and scientific purposes; the use of a published work within proper range by a State organ for the purpose of realizing official duties; reproduction of a work in its collection

by a library or any other similar institution for the purposes of display or preservation, etc.

Even though, the legal use of copyright protected content is frequently talked about and underscored in the society, the act of infringement of copyright is still a big concern in China. Based on Article 46 of Copyright Law of People's Republic of China, any kind infringement of copyright shall make an apology or pay compensation for damages, etc. depending on the situations to reduce the effects of the act and the acts of infringement can be concluded as follows:

- (1) publishing a work without the permission of the copyright owner;
- (2) publishing a work of joint authorship as a work created solely by oneself, without the permission of the other co-authors;
- (3) having one's name mentioned in connection with a work created by another, in order to seek personal fame and gain, where one has not taken part in the creation of the work;
- (4) distorting or mutilating a work created by another;
- (5) plagiarizing a work of another person;
- (6) exploiting by exhibition, film production or any analogous method of film production, or by adaptation, translation, annotation, or by other means, without the permission of the copyright owner, unless otherwise provided in this Law;
- (7) exploiting a work created by another person without paying remuneration as prescribed by regulations;
- (8) rending a work, sound recording or video recording, without the permission of the copyright owner of a cinematographic work, a work created by virtue of an analogous method of film production, computer software, sound recording or video recording or the owner of a copyright-related right unless otherwise provided in this Law.
- (9) exploiting the typographic arrangement of a book or periodical without the permission of the publisher.
- (10) broadcasting live a performance or communicating the live performance to the public, or recording his performance without the permission of the performer; or
- (11) committing any other act of infringement of copyright and of other rights and interests relating to copyright. (Article 46, Copyright Law of the People's Republic of China, revised 27 October 2001)

Compared with American copyright laws and regulations, the Chinese ones are stricter with the content on the digital platform. And the content that appears on the digital platform is double checked by the digital services providers and the authorities.

3.3.2 Content of the Channels (Copyright or User-generated)

As it is mentioned before in the service section, the eight featured channels on YouTube are Popular on YouTube, Music, Sports, Gaming, Movies, News, Live and 360 Video. Out of the eight featured channels, almost all of them are user-generated channels except the Movies Channel. The Popular on YouTube, Music, Sports, Gaming, News, Live and 360 Video channel are all created by the general public. Though it is common to see some big powerful users like the company VEVO could occupy their musical videos on the most popular interface for weeks, still the viewers can find a lot of varies and changes of the origins of the videos through the seven “bottom-up” video channels. The Movies channel features mostly copyrighted content from big movie companies like Fox International, Disney, Universal, Warner, SonyPics, and so on. And usually every presented film charges a certain amount of money for users to watch it.

Similar to YouTube, it is stunned to find out that Youku is actually covers all the features of YouTube and Netflix. As the biggest Chinese video web, Youku offers a deep library of licensed movies and TV programs, self-produced content as well as user-generated content.

The biggest difference Youku holds from YouTube, perhaps lays on the type of the content as it is stated on the official website of Youku, the majority of their offerings is professionally produced content licensed from copyright holders while the majority video content on YouTube is user-generated from the vast grassroots. As it is put by Thomas Crampton (2011) that almost 70 percent of Youku’s content is professionally produced and it functions more like an online television station.

Right now, among the eight main channels on Youku, the only user-generated channels are Paike and Go Crazy Channel where original content creators can share their treasured moments, life shows, broadcast, micro films and original music video, etc. The six other copyright channels are TV series, Film, Variety show, Music, Animation, Overall which feature copyright content from China as well as other countries like

USA, Britain, France, Korea, Japan, etc. That is to say, almost 75 percent of the content on Youku is copyright content.

Its extensive audiovisual copyright resources makes Youku the first place for Chinese Internet users for television dramas, featured films, various TV shows, music videos, animations, sports events, etc. from all over the world.

3.4 Geographic Dimension

The third most important aspect of analyzing prominent characteristics of YouTube and Youku is their geographic dimension and influence.

The impact brought by YouTube’s rapid development is far beyond its birthplace, the United States. It is astonishing to know that by 2015 YouTube is now available in 75 countries and 61 languages. Two years after its launch in the United States in 2007, YouTube launched the new localization system in numerous countries all across North America, Europe, Asia, South America and Oceania. In October 2011, Google sites driven by YouTube accounted for 43.8 percent of all videos viewed globally with about 88.3 billion videos viewed during the month, followed by Youku, Inc., the Chinese online video platform as the second largest video property internationally with 4.6 billion videos viewed in October.⁶⁵

The superior status of YouTube on the online video market share in Europe is indisputable. An analysis reported in Video Metrix by comScore demonstrates that Google Sites, buoyed by YouTube, maintains its top position of video properties in Europe.

Table IV. Top 3 Video Properties by Total Videos Viewed (000) in Selected European Countries

October	2011
Total Audience – Visitors Age 15+ Home/Work Location*	

⁶⁵ More than 200 Billion Online Videos Viewed Globally in October. December 14, 2011. ComScore. <http://www.comscore.com/Insights/Press-Releases/2011/12/YouTube-Accounts-for-At-Least-34-Percent-of-All-Videos> (2015-5-15)

Source: comScore Video Metrix

	Videos (000)	Share of Videos (%)	Minutes per Viewer
France			
Google Sites	2,780,653	39.6	273.7
Dailymotion.com	186,582	2.7	82.2
VEVO	141,721	2.0	50.3
Germany			
Google Sites	5,391,269	49.2	496.7
RTL Group Sites	118,320	1.1	22.9
Future TV	116,555	1.1	42.1
Spain			
Google Sites	1,547,666	45.6	269.4
VEVO	114,129	3.4	56.9
Antena 3 Television	51,306	1.5	107.2
United Kingdom			
Google Sites	3,702,990	43.8	494.9
VEVO	193,910	2.3	68.9
BBC Sites	112,954	1.3	98.0

As it is shown in the table above, in October 2011, Google sites top five of the listed European countries – France, Germany, Spain, and United Kingdom, in the videos viewed, video market share, and viewers per minute. In Spain, Google sites accounted for more than 45 percent of the market share while in Germany the market share of Google site is as high as 49.2 percent. The information provided by statistic is astounding but persuading and the unstoppable global conquering of Google site stimulated by YouTube is still on the rise.

Unlike YouTube’s multi-linguistic surfaces and multinational locations, Youku only focuses on providing Chinese services in China. Youku now has its headquarter in Beijing and two other subsidiaries in Shanghai and Guangzhou. According to Alex, over 90% of Youku’s traffic is internal customers as it is shown in the figure 3. On July 2015, nearly 93% of Youku’s viewers are located in China with 4.6% viewers located in United States and 0.9% viewers located in Japan.

Table V. Audience Geography of Youku

2015.06.11

Country	Percent of Visitors	Rank in Country
China	92.7%	20
United States	4.6%	444
Japan	0.9%	873

Resource: www.alexa.com

Youku’s rank in China has witnessed a slight drop down due to the fierce competition in the online video industry in China. Besides Youku, other competitive online video platforms like iQIYI, Sohu, LeTV, PPTV, and Tencent all have their substantial loyal audience. Nevertheless, Youku has always been the most important and popular online video website in China. In order to add competitive advantages in the audiovisual market in China, Youku acquired Toudou, his largest rival in 2012. At the time of

merging, Youku lead the Chinese online video market with a 21.8 % share while Tudou had 13.7%⁶⁶. And by January 2012, the monthly reach of Youku and Toudou was nearly 75% as it is reported by iResearch⁶⁷, “the merger endows Youku Tudou Inc the absolute advantage in terms of user base, therefore helps to increase its media value substantially.”

Moreover, since its founding in 2006, Youku has always been trying to restructure and improve its content. Now Youku runs its comprehensive content management and distribution based on 9 integrated categories: TV series, news, variety show, movie, music, animation, game, education and entertainment information.

Besides working with eight most famous Hollywood film companies including Disney, Sony and Universal Studio, Youku is also keen to produce its own audiovisual content. Before long, on March 5, 2015, Youku Tudou inc., announced the launch of its film division - Heyi Studios⁶⁸ to produce original TV dramas, films and other audiovisual content to further expand its influence in China.

⁶⁶ Chinese Web Video Rivals to Merge. China Digital Times. March 12, 2012. <http://chinadigitaltimes.net/2012/03/chinese-web-video-rivals-to-merge/> (2015-06-11)

⁶⁷ Youku, Tudou Merge to Strengthen Competition Power I the Online Video Market. iResearch. March 22, 2012. <http://www.iresearchchina.com/views/4076.html> (2015-06-12)

⁶⁸ Youku Tudou Announces Organizational Change and Appointment of COO. PR Newswire. March 5, 2015. <http://www.prnewswire.com/news-releases/youku-tudou-announces-organizational-change-and-appointment-of-coo-300045974.html> (2015-06-12)

4. Results and Conclusions

After the analysis and comparison of YouTube and Youku from the aspect of company situation, developmental history, type of services, types of content on major channels, as well as geographic scope, the most prominent characteristics of both digital platforms can be concluded in the table below. (See Table VI).

Table VI. Main characteristics of YouTube and Youku

	YouTube	Youku
Type	Subsidiary	Public
Industry	Internet/Video hosting service	Internet/Video hosting service
Founded	February 14, 2005	June 2006
Headquarters	California, United States	Beijing, China
Alex rank (May 2015)	3	92
Slogan	Broadcast Yourself	The world is watching
Acquisition	Acquired by Google in 2006	Merged with Tudou in 2012
Registration	Optional (required to upload and/or comment on videos)	Optional (required to upload and/or comment on videos)
Creator favorable services (yes/no)	yes	yes
Type of content (copyright or user-generated)	Mostly user-generated content	70% copyright content; 30% user-generated content
Language available	61 languages	1 language (Chinese)
Geographic dimension	Worldwide (currently 75 countries)	Mainland China

One of the biggest characteristics that makes Youku differ from YouTube is the type of content it offers. Out of the eight analyzed channels on Youku, six of them are copyright content of TV drama, films, variety shows, animations from China and many other countries like America, Britain, Japan, Korea, etc. While out of the eight analyzed channels on YouTube, there is only one channel that contains copyright content. From this point of view, Youku is more like an online television channel and YouTube is just the video on demand platform. This difference between YouTube and Youku can also be summarized by their slogans. YouTube's slogan is "broadcasting yourself" which values the meaning of user-generated content. The slogan of Youku is "The world is watching" which emphasis the supremacy of the platform itself.

However, it seems that the importance of the user-generated content is growing in both countries, especially in China due to China's re-engagement with the global economy, rapid development of the Internet and participatory culture. Both digital platforms have simple and interactive interface, and provide various services to encourage grassroots video creators like instructive tutorials, technologic support, investment, and promotional events. But the difference is YouKu provides more systematic online education as it features many video courses to teach ordinary users how to produce, edit, attract fans, or make money with their own videos. Moreover, Youku has created real video production studios in five different cities around the world to help users produce more original creative works.

Both as the most popular and important video digital platform in its respective country, YouTube's Empire is more immense than Youku since it has landed in five continents, 75 countries, and is available in 61 languages. Not even a single international organization can match its massive diversity and complexity of functioning language. It has also become an international icon which will be used and talked about by countless people around the world. YouTube's dominant place has also been shown by Alex rank which places it as the second most popular website around the world, while Youku only comes in the 92nd place. Despite YouTube's enormous geographic impact and dimension, its power has failed to reach one of the oldest civilizations in East Asia, that of China. The blocking of YouTube in China has given the Chinese video hosting

platform Youku a good opportunity to grow and prosper. Founded a year later than YouTube in 2006, it has focused on providing services in mainland China with only one language, the Chinese language. Within less than a decade, it has grown as the largest and most influential video platform in China with ample services, which covers all the services of YouTube, Hulu and Netflix. In order to expand its influence in China, it has acquired its biggest rival Tudou in 2012, and has cooperated with the most famous Hollywood film studios like Disney, Universal Picture, Fox International, etc. to import foreign audiovisual content to meet the growing domestic market. The interrelated and interdependent relations between the USA and China has gone to the next level, which indicates a new trend in the accelerating globalization. However, China's ambition is more than importing foreign audiovisual content. This year Youku has established Heyi studios in order to produce its own audiovisual content. With the USA still has the absolute power and largest market share in audiovisual content around the world, it will be exciting to see if China's fast-growing communication industry can break the current global market imbalance and lead new changes in the world.

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