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As the global culture industry continues to expand and develop to fit technological innovations, certain mediums are becoming increasingly relevant for companies and consumers all over the world. The video game industry is a burgeoning example. Combining entertainment and cutting-edge technology, video games offer limitless potential in terms of spreading, defining, and influencing cultural values. This creates a unique niche for video games as a potential battleground for global powerhouses- historically, the United States has dominated the international video game market with its large pool of consumers and prominent game development companies. Other powerhouses include Japan, Korea, and as of recently- China. China’s complicated history as a communist nation led to several decades of contention between conservative anti-gaming policies that aimed to diminish citizens’ participation in “passive and unproductive” entertainment and pro-gaming policies that aimed to educate Chinese citizens about the up-and-coming industry of information technology. As Lin Zhang states, “the relative newness of the video game medium--with its unique characteristics such as interactivity, rapid technological updates, and bridging of virtual and physical space, as well as linkages to TV, software, the Internet, and other technologies and industries--has rendered it a particularly contentious site.” In current times, China now boasts the largest video game company in the world by revenue and stands in a position to further capture a global market. Speculatively, the United States will have to learn how to adapt to this new challenger if it wants to retain the lion’s share of cultural relevance in the video games industry.

The prevalence of American-made video games is derived from several factors. Firstly, there is a large consumer base- according to the Entertainment Software Association, over 150 million American adults play video games. The total revenue in the US from video games varies by estimate, but is approximately $36 million USD. The United States also has a long history in video game development. Starting in the late 1970s and early 1980s, American developers began to produce games for consoles and kicked off a boom where a substantial amount of games were created in a short time. Until the mid-2000’s, console systems were mainly produced in Japan- such as the Atari, Dreamcast, and Nintendo consoles. However, by 2004, Microsoft introduced the Xbox 360, which could rival Sony’s Playstation system. The United States also made advancements in PC gaming and mobile game development. Although not specifically gaming companies, the worldwide prevalence of American companies like Google and Apple helps ensure that American-made games reach a global audience. Because mobile games are becoming an increasingly wider share of the gaming revenue market, mobile games pushed to the Apple and Google Play stores are an important facet of the overall game market.

In contrast to the United States’ historically unbridled enthusiasm towards developing technological innovations and new creative content to compete in the growing global games sphere, China faced a much lower percentage of Internet-connected citizens than other countries throughout past decades. During the 70’s and prior, China’s government mandated isolationist policies that limited its exposure to the global market. Zhang notes that “following post-Mao China's late-1970s economic reform and its opening to the global market after decades of isolation, the video game industry took off with imported Japanese and Euro-American game consoles and arcade machines.” This caused China to not produce a significant amount of original games, but instead focused on imported games from other regions.

This sudden influx of foreign-created content led to a sort of cultural conflict of ideals.The quick introduction to consumerist culture and interactive technologies led to a mix of positive and negative reactions by Chinese families and Chinese society as a whole, because traditional values such as “collectivism, egalitarianism, and frugality” (Zhang), in combination with a distaste for consumerist Western cultural culture, were still highly prevalent. Despite this, video games still managed to find a foothold in Chinese culture and have exploded into a colossal industry that rivals and even exceeds that of the US’s. Within twenty years of their introduction, video games have become a multi-billion dollar industry and a key component and driver of China’s digital entertainment and information technology economy. Chun Liu states that “at the end of 2010, the number of online game players in China exceeded 120 million, and the revenue of China's online game industry reached RMB 32.3 billion, surpassing the combined revenue of traditional movies, television and audio/video production, according to the Ministry of Culture,” also adding that “some industry analysts have projected that China will become the world's leader in the online game market in the near future.”

This cultural clash is emphasized by the regulations, banned topics, and censorship present in the Chinese gaming sphere. In 2000, console games as a whole were completely banned in China; this ban was not uplifted until 2014. Console games such as the Playstation and Xbox mentioned above were considered to be corrupting the youth and rather than regulate games individually, were totally banned. Computer games managed to evade this ban, possibly because it would have been much harder to enforce, because while video game consoles are separate systems, computers cannot be banned altogether and individuals could still seek games out through unofficial means. Additionally, in the early 2000s, the government continued to reflect its concern of the negative effects of gaming by instituting directives such as the 2005 statement titled “Opinions on the Development and Management of Online Games” by the Ministry of Information Technologies. Liu summarizes this directive as “[synthesizing] existing regulations regarding online games and reiterated the government's determination to protect young people from game addiction by requiring game companies to implement anti-addiction modifications to game rules and develop systems for identity certification.” This was further compounded in 2010 with another regulation that strictly enforced “real-name registration” for video game accounts, linking the accounts to the citizen’s ID card. This was perceived by many as a means for the government to exploit worries about online identity and more easily censor and control Internet content. An additional measure to “recapture some of its propaganda authority from the commercial force” (Zhang) was to promote alternatives to gaming that the government considered to be more spiritual and educational; teaching the Chinese public the country’s history, laws, and indigenous culture. Along with these mandates, the Ministry of Culture has also specifically forbidden certain content to be portrayed in video games. This list includes: gambling related content and features, anything that violates China’s religious policy by promoting cults or superstitions, anything that promotes or incites drug use, violence, or obscenity, anything that harms public ethics or Chinese traditions, anything that harms China’s reputation or interests, and broadly, anything that violates the Chinese law and constitution.

In the United States, regulations for video games are much less thorough- there is no legally binding video game rating system. The ESRB system is a voluntary system in which video game publishers label their game as fit for audiences of a certain age or above. Legally, a child could purchase a video game intended only for mature audiences, but individual stores often choose to enforce their own minimum-age requirements. Also, the actual content of video games- much like that of other media- have freedoms under the First Amendment and cannot be nationally banned even if they contain content content critical of the government.

Since American-made games that make their way to China must conform to Chinese standards, a process called localization often takes place to make the game more fitting for the Chinese audience. Hong remarks that “the first decade of video game development in China was as much about localizing technologies as reconstructing leisure culture and consumer society, and building a different set of cultural values around digital technologies and entertainment.” This statement applies not only to game development from the ground up, but also to the localization of foreign games. The localization company Localized Direct has a guide of how to best prepare games for sale in China. It emphasizes “The Four Rs): Rewrite, Rebrand, Rename, and Redesign. Rewriting emphasizes consideration for what topics are considered sensitive to the Chinese government- particularly politics and geography such as depicting Taiwan and Tibet as independent countries. Rebranding emphasizes removing content that is more familiar to a Western audience, like Western celebrities, and replacing it with something more familiar to Chinese culture. Renaming involves changing the name of everything from the name of the game itself to characters, items, and locations. Finally, redesigning is the final step, and requires changing anything else that the Ministry of Culture could consider to potentially fall under its banned categories. This includes everything from blood, drugs, and skeletons to gambling and sexual themes. While shooter games are the most popular type of game in China, foreign publishers choose to recolor blood to fantastical colors like green or blue, remove any allusions to drugs, and change skeletons to fleshed-out bodies.

Despite the fact that depictions of blood and skeletons are not specifically illegal, Western game companies still choose to voluntarily censor them in order to expedite the localization process. The Ministry of Culture may analyze foreign games more harshly than domestic ones, and companies do not want to waste time and money having their game be rejected for its content when they could instead play on the “safe side” and self-censor to a larger degree than necessary by law. An example of this taking place is the game “Rainbow Six Siege”, a shooter game created by Ubisoft. To meet Chinese requirements, the developers removed all blood, changed in-game signs to get rid of sexual imagery, removed in-game slot machines, and changed skulls to gas masks. Ubisoft decided not to make to separate builds of the game, one for Chinese audiences and one for Western, “in order to reduce the duplication of work on the development side,” adding, “This will allow us to be more agile as a development team, and address issues more quickly.” However, Western fans reacted with overwhelming negativity. Fans of the game quickly took to gaming forums on Reddit and other sites to air their discontent, and gaming site Polygon describes states that “fans in the game’s subreddit still feel condescended to, and resent having Chinese censorship limitations imposed on the game they’ve played for three years.” For game developers, finding a balance between expending time and money on different versions of a game and managing censorship is an increasingly fundamental challenge in the growing global market. While China has a large potential consumer base for games, Western audiences have been shown to value freedom of expression and are opposed to receiving a censored product that compromises their cultural values.

The relation between China and the United States does not end at localization; the companies themselves are often intertwined, with Chinese companies owning a stake in some of the largest American game developers. According to the Wall Street Journal, China’s largest gaming company- and the largest in the world- Tencent, has a stake in many U.S. companies. This includes Epic Games, creators of “Fortnite”, Activision Blizzard, creators of “Call of Duty”, “Hearthstone”, and completely owns Riot Games, creators of “League of Legends”, which is the most popular PC game in the world and made approximately 1.4 billion USD in revenue in 2018. They also hold stakes in Ubisoft, creators of “Rainbow Six Seige”, the game mentioned above. Ziqhun Zhu states that “Chinese companies acquired twenty-five firms based in the United States and Canada in 2015, compared to just four in 2014 and nine in 2013.” Tencent- and other Chinese companies- are growing their global investments at an exponential pace.

While it is not known whether the Chinese stakeholders in these companies directly influence the policies and decisions they make regarding their games, the Western gaming community has brought some cases into question. For example, the American gaming audience pushed back against Activision Blizzard after a controversial decision earlier this year to ban a professional Hearthstone player and refusing to distribute their prize after the Hong Kong-based winner of a Hearthstone competition used his post-game interview to express support for the ongoing Hong Kong protests. The resulting controversy and backlash against Blizzard led to the U.S.-based company reverting the ban and issuing an apology.

The global culture industry is an ever-evolving environment in which traditional values are often compared, adapted to, and challenged. While their ideals may differ, global powerhouses like the U.S. and China share one goal: to expand the audience for their products and maximize their profits. This creates a unique conflict between capitalistic desires and a strict adherence to domestic cultural beliefs. Video games act as a carrier for strong cultural messages due to their interactive, visual nature. While localization and censorship- both self-censored and otherwise- can attempt to diminish or alter the original messages and intent of the game, instances such as that of Ubisoft and Blizzard have demonstrated that consumers are aware of extreme cases and will protest against them. The global gaming industry is at a crucial point where the Internet is connected people from across the world more than ever before, and its future lies in how both developers and consumers will continue to support games created for an audience more diverse than ever before.

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