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Chinese Animation Industry: Historical, Economic and Cultural Perspective

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前言

近年来，中国动画凭借其在技术制作和票房表现方面取得的突破，逐渐受到国际社会的关注。以《哪吒之魔童闹海》等电影为代表的作品取得的成功，不仅体现了中国动画影响力的不断扩大，也反映出这一行业在制作、营销以及叙事方式等方面日益成熟的能力。研究中国动画不仅能够帮助我们更好地理解这一产业本身的发展，也能够进一步了解中国文化产品如何受到其在国际市场上日益增强的存在感以及数字化所带来的革命性影响的共同塑造。

然而，《哪吒之魔童闹海》等电影的成功并非单纯源于运气，而是多年间行业所实施的长期政策不断积累并最终取得成果的体现。

在中国，动画长期以来都是娱乐产业的重要组成部分，并逐渐成为能够吸引资金投入和广大观众的文化产业领域。随着数字时代的到来以及现代中国经济的发展，国产动画在内容和产业结构方面都经历了显著的更新与转型。

动画也是一种重要的文化产品，是表达文化价值观和社会观念的一种工具。从这一意义上来说，对中国动画的分析可以被理解为一种了解和考察中国文化的方式。此外，通过追踪中国动画在其历史发展过程中的变化，也可以观察到中国社会及其文化动态如何反映在动画作品的内容、叙事方式和艺术表现形式之中。

尽管如此，对于许多中国以外的地区而言，中国动画仍然是一个相对较新的现象。通过这篇论文，我也希望能够进入一个对我而言陌生且未知的新世界，并且尝试运用自己多年来接触和了解中国文化过程中所积累的文化知识。与日本动画或美国动画相比，中国动画在国际大众文化中的可见度仍然相对有限。因此，我认为有必要从不同的角度出发，对这一现象进行考察。

在这一背景下，本文的目的不仅在于分析中国动画产业所发生的变化，同时也希望将这些变化置于中国经济转型以及 20 世纪与 21 世纪之间所发生的社会政治转型之中加以考察。由于进行完整的历史分析所涉及的范围较为庞大，我的研究将主要围绕近年来的发展展开，尤其聚焦于从文化大革命结束至今这一时期。

关于研究问题，我尝试围绕三个主要方向来构建本文，并将其分别划分为三个章节：第一，中国动画的历史发展；第二，当代动画产业的特点；第三，中国动画的内容及其表现形式。在写作过程中，我又进一步加入了第四个也是最后一个案例研究。

因此，第一个问题主要探讨中国动画是如何在整个 20 世纪以及 21 世纪初期出现并发展的，并试图将这一演变过程与影响中国的主要经济、社会和文化变迁联系起来。对于这一部分，我主要使用了以提供历史视角为重点的资料，通过这些资料为之后更加具体的分析奠定基础。

尽管本节主要以历史为重点，但其中也包含了为后续讨论中国动画产业当前发展状况所需的相关内容，同时提供了大量关于中国动画作品及其艺术理念的实例。

第二个问题则主要关注当代中国动画产业。具体而言，我希望了解这一产业的主要特点，以及数字化的到来、国家所发挥的作用和中国快速的经济发展是如何推动这一领域发生转变的。对于这一部分，我主要参考了中国学者以及该领域研究人员的多种资料，因为我认为，有必要使分析从历史视角逐渐转向更加实际的层面，对该领域所实施的相关措施进行具体说明，同时提供更为广泛的分析。

在此基础上，我将进一步关注这些因素之间的互动，而不是将其视为彼此独立的力量。在整个分析过程中，我将关注国家政策、市场驱动力与技术发展之间的互动，因为中国动画产业的发展受到多重因素的共同影响。产业政策所提供的支持、市场需求所产生的压力，以及数字技术所带来的新的生产与传播方式，共同构成了这一产业不断变化的动态环境。

第三个问题则更加集中于中国动画的内容：有哪些主题和元素构成了中国动画的特点？中国动画中更常表现哪些类型的内容？在这一意义上，我也希望分析政治、文化和经济等因素在多大程度上影响了动画故事的呈现方式。这一部分可以被视为历史资料与当代中国动画市场相关学术研究相结合的结果。它同时也是对第二部分和第一部分的补充，使我们能够更好地理解前述两个部分中更加具体的层面。

这一部分还将更加深入地考察中国文化，并探讨中国动画创作中最为常见的特征，包括中国动画的艺术创作方式，以及对“创造力”本身的理解。我希望考察这些文化元素在这一产业中如何被重新诠释、组合和现代化。换言之，传统与现代之间的关系也是理解中国动画的一个重要切入点。

在第四个也是最后一个部分中，我计划将重点放在近期的媒体现象《牛来》上。该案例既体现了前文所介绍的多种因素之间的一种有趣结合，同时也存在一些值得注意的特殊例外。由于这一案例本身较为新近，在这一部分中，我选择主要使用新闻报道以及中国网络资料，同时也参考了前几个部分中我认为对于本次分析最有价值的资料。通过这种方式，最后一章呈现出一种由分析中多个重要部分相互对话而形成的结构，同时也成为整个研究过程的自然结论。

因此，本论文的总体目标是对中国动画产业当前的发展状况进行具体分析，同时也为讨论未来可能值得进一步探索、或随着该产业现有发展路径而可能面临的领域留出空间。

在这一意义上，本文希望将中国动画视为一个不断发展的文化与经济空间。近年来，技术、市场以及文化环境的快速变化意味着，当今中国动画产业所呈现出的特点也将在未来继续发生变化。因此，对其当前发展状况的分析，也能够为理解其未来可能的发展方向提供重要基础。

通过在论文各章节之间建立相互联系，并结合最终案例研究所提供的综合分析，本文旨在呈现一个既宏观又细致的产业图景，同时探讨中国动画产业与中国政治、文化和经济之间不可避免的联系。

Introduction

Chinese animation has been receiving international attention in recent years following its breakthroughs both in technical realization and box-office performance. Domestic animated movies have been able to compete with foreign one and, recently, have attracted the interest of international audiences seeking to obtain a deeper understanding of China's cultural products. In fact, studying Chinese animation can provide a better understanding not only of the development of the industry itself, but also of how Chinese culture has been influenced by both the growing presence in the international market and the revolutionary impact of digitalization.

In China, animation has been a sector of the entertainment industry that has received substantial funding and managed to captivate a large audience. With the digital age and the economic development of modern China, domestic animation underwent a process of substantial renewal, both in its content and industry structure.

Despite that, for many people outside of China, Chinese animation has been a relatively new phenomenon. Compared with Japanese or American animation, Chinese animation still has relatively limited visibility in the popular culture internationally. I believe thus that it is necessary to examine this phenomenon, approaching it from different perspectives. With this paper, I also wanted to embark on a new world that was foreign and unknown to me, while also trying to make use of the cultural knowledge accumulated over the years of approaching Chinese culture.

The objective of this paper is thus both to analyze the changes that have occurred in the sector by considering the economic transition of the country and the socio-political transformations that have taken place between the 20th and 21st centuries.

Regarding the research questions, I tried to structure the work around three main paths, which can then be divided into the three chapters: the historical development of Chinese animation, the characteristics of the contemporary industry, and, finally, its contents and forms of representation. A fourth and final case study was then added during the writing process.

The first question therefore addresses how Chinese animation emerged and developed throughout the 20th century and the first years of the 21st century, attempting to relate this evolution to the main economic, social, and cultural changes that affected China. This section was mainly approached through the use of sources focused on providing a historical perspective, in order to lay the foundations for subsequent, more targeted analyses.

Although this section focuses mainly on history, it also includes relevant material necessary for the subsequent discussion of the current development of the Chinese animation industry, while providing numerous examples of Chinese animated works and their artistic ideas.

The second question instead focuses on the contemporary Chinese animation industry. In particular, I am interested in understanding its main characteristics and how the sector has been transformed by the advent of digitalization, the role of the State, and China's rapid economic development. Throughout the analysis, attention is placed on the interaction between state policies, market drivers, and technological development, because the development of the Chinese animation industry is shaped by a multiplicity of factors. Policy support, the pressures generated by market demand, and the new forms of production and distribution enabled by digital technologies together create the dynamic environment in which the industry operates. This section was instead approached using multiple sources by Chinese academics and researchers in the field, as I considered it important to construct an analysis that moved from a historical perspective to a more practical one, detailing the measures implemented in the sector and providing broader analyses.

The third question focuses more closely on the contents of Chinese animation: what are the themes and elements that characterize it? In this sense, I would also like to analyze the extent to which factors such as politics, culture, and the economy have influenced the way in which stories are represented through animation. This section could be considered the result of a combination of historical sources and academic research on the contemporary Chinese animation market. It serves as a complement to the second and first sections, allowing for a better understanding of their more concrete nuances.

In the fourth and final part, I intend to focus on the recent media phenomenon 牛来 *Niú Lái*, which represents both an interesting combination of the various factors already presented in the previous chapters and some peculiar exceptions worthy of note. For this section, due to the recent nature of the case in question, I opted to use journalistic sources and Chinese web sources, while at the same time drawing on those sources from the previous sections that I considered most interesting for the purposes of the analysis. In this way, the final chapter takes on the aspect of a dialogue between many of the most important sections of the analysis, while also presenting itself as a natural conclusion to the work carried out.

Therefore, the overall aim of this thesis is to provide a specific analysis of the current state of development of the Chinese animation industry, while also leaving room to discuss areas that may be subject to further exploration in the future as the industry continues along its development trajectory.

In this sense, this thesis wants to examine Chinese animation as both a cultural and economic space that continues to evolve. The rapid technological advancements, as well as the changes in the markets and the cultural environment in recent years suggest that the characteristics of the industry today will continue to change in the future. Therefore, analyzing its current state also provides an important basis for understanding its possible future directions.

By establishing connections between the various chapters of the thesis and the analysis provided by the final case study, this thesis aims to present a comprehensive view of the Chinese animation sector, while also exploring the inevitable connections between the Chinese animation industry and China's political, cultural, and economic contexts.

Use of Artificial Intelligence Tools

Artificial intelligence tools, specifically Gemini and GPT models, were used during the editing and revision of this thesis for correcting minor linguistic nuances and spelling or grammar errors that occurred during the writing process. AI tools were also occasionally consulted for specific translation issues involving Chinese-language sources. None of these tools were used to generate content, nor was any content incorporated without a thorough review.

1 History of Chinese Animation: Main Works and Political Overview

This first section aims to provide an overview of Chinese animation history by examining the most relevant works from each important period since the birth of animation to recent years. To further understand the importance of each work and period, the focus is on the relationship between changes in the socio-political and economic spheres and their consequent effects on animation and the industry in general.

1.1 The Early Stages

The Chinese animation industry cannot be understood without the necessary historical context. The Chinese State and its changes throughout the 20th and 21st century were crucial in determining not only the sector's trajectory, but also its contents, ideas and the overall system of the animation industry. In order to fully understand today's Chinese animation industry it is thus fundamental to understand China's history and put in perspective all the social, economic and political changes that occurred in the last two centuries. Given the tumultuous internal and external situations in China and Asia, Chinese animation faced many difficulties and thus peculiar and unexpected solutions. This is especially true for its beginnings and continues to heavily influence contemporary trends and ideas.

China's rise as an economic superpower has been characterized by a dual process of domestic renewal and continuous exchange with foreign ideas and technologies. This has happened on many different layers, from scientific development, to the influence of political ideologies and technical innovation, all these fields saw a high degree of interaction between China and the rest of the world. Within this dynamic, since the first half of the 20th century, the West and the Soviet Union emerged as important external actors. The West was particularly significant for its large amount of capital and direct influence in China, given the presence of foreign concessions in China at the time, one of the most prominent example being Shanghai, the future cradle of Chinese animation.

The Soviet Union, by contrast, had both political and strong economic ties with the newly formed and chaotic nation. Border proximity and shared communist ideology were a possible common ground for cooperation both in the artistic and economic spheres.

This intersection of international influence and domestic talent cultivation is particularly evident when considering the historical progression of Chinese animation. As mentioned, at the turn of the 20th century, Western powers established control over various regions of China through foreign concessions. This infrastructure facilitated the influx of Western goods, technologies, and capital, which subsequently reshaped the cultural landscape and introduced new social discourses. As a consequence, the forefathers of Chinese animation were heavily exposed to American cartoons and comic books (Sun 2022: 32). A notable example of this phenomenon is the influential animator Yan Dingxian. Raised in the cosmopolitan environment of Shanghai, Yan primarily consumed foreign media, to the point of having virtually no exposure to domestic works. He later recalled that when he began collaborating with the Wan brothers, forefathers of Chinese animation, he possessed little initial knowledge of their earlier Chinese-produced content (Du 2022: 53).

Despite the strength of foreign influence, it's also worth noting that foreign animated movies were mostly enjoyed through the lens of Chinese culture itself. One of the first animated series that captivated the interest of Chinese audiences was *Out of the Inkwell* by Max Fleischer. The appeal of that series was not merely a pure interest in this new form of expression, rather, it was connected to the Chinese appreciation of shadow-play. Because it strongly reminded Chinese audiences of their shadow play techniques, they were attracted to this new and unfamiliar foreign product (Giese 2015: 34).

Furthermore, such cultural interconnection fostered a genuine interest that went beyond simple curiosity about a foreign medium, allowing audiences to understand the novel art form through a familiar cultural lens. Experience with shadow play theater became a motivation not only for trying animation but also for experimenting with it. One example being the Wan Brothers, some of whom had already worked in the field of shadow play theater as well as in painted backgrounds for live-action movies (Ibid).

Shanghai, characterized by its concentration of capital, foreign presence, and consumerist market patterns, emerged as the birthplace of Chinese cinema. Within this ecosystem, the first animated works functioned mainly as industrial products, made for commercial consumption and advertising purposes (Sun 2022).

Because China's geopolitical standing remained precarious, political actors sought to foster national unity by constructing a collective identity rooted in the nation's history and culture.

Cinema as a form of entertainment with a commercial nature was possible, but at the same time the political differences with the West began to emerge and give rise to important changes.

The ideological objective of fostering a national identity and developing a “Chinese” form of animation profoundly shaped the animation industry's DNA. While the underlying technology and techniques were Western in origin, creators remained determined to develop a distinct national aesthetic.

By the 1930s, the world of the newly born cinema was further transformed by the widespread influence of Soviet film theory. This era saw the beginning of traditional Chinese aesthetic styles and narratives through the adoption of imported technologies and ideologies, sparking a period of unprecedented artistic exploration and cultural exchange.

Chinese artists began to study foreign technology and narratives. They admired American animation for its production efficiency and entertainment value, German animation for its artistic expression and Soviet animation for its effective educational purpose. They aimed to combine all these aspects, while focusing on building on a Chinese national character (Sun 2022). In the following period, the growth of the animation sector would lead to an increased domestic production and a wider cultivation of talent, giving birth to the first Golden Age of Chinese animation.

1.2 War of Resistance

The history of the Republic of China in the first half of the 20th century was one of tumultuous changes and sudden explosions of violence. Internal conflicts, poverty and foreign control were a constant factor in China. Japan, now embracing imperialism, started to cast its sights on China, and plans for military expansion became more and more concrete. Eventually, the war started and with the outbreak of the War of Resistance against Japanese Aggression, China's economy and society underwent a new period of rapid and drastic transformation.

As highlighted by Sun (2022), Shanghai emerged as a pivotal epicenter for the resistance, serving as both a military and a cultural stronghold. As a preeminent cultural and financial hub, the city's unique environment was characterized by the lingering presence of foreign concessions and international capital. As we have already discussed, this concentration of influences created access to technology and ideas. Being a territory that also hosted European

and American citizens, the Japanese did not immediately take over the city, leaving sufficient time for it to maintain its ordinary lifestyle.

Shanghai thus became fertile ground for anti-Japanese discourse and propaganda. Given Shanghai's status as the heart of the domestic film industry, animation was rapidly mobilized to disseminate these nationalist ideologies (Ibid). Amidst wartime scarcity of equipment and funding, the animation sector leveraged the technical and commercial experience it had accumulated during its early stages to function as a vital tool for state propaganda. Its relatively low production costs, combined with a universally accessible visual language, made the medium highly effective for reaching the masses (Ibid). Consequently, the animation industry transformed into a site of rapid technological experimentation, with narratives systematically centered on patriotic and anti-imperialist themes. Such experimentation was made possible by the lower costs and the lesser central bureaucratic control, which helped in sustaining research of new and efficient methods of production and storytelling.

The Wan brothers became central figures in this movement, collaborating directly with the Chinese Communist Party alongside various military and political organizations. Their primary objective was to foster national unity, boost morale, and encourage economic nationalism. One approach involved specifically promoting the consumption of domestic goods over Japanese ones to help finance national defense.

This political mobilization shifted the trajectory of the medium, creating a clear conceptual difference between Western animation (which was often perceived by Chinese animators at the time as mere commercial entertainment) and the deeply politicized works produced in China (Sun 2022). Ultimately, wartime production did not limit itself to mere commercial goals or individual artistic expression, but was mostly focused on the overarching socio-political necessities of a nation in crisis. The animation industry thus became a sector that embodied a strong sense of resistance against foreign powers and hostility toward the enemy at the gates.

It was within this critical historical period that the Wan brothers produced *Princess Iron Fan* 铁扇公主 *Tiěshàn gōngzhǔ*, the first animated feature film in Asia (Sun 2022: 62). Although explicitly inspired by Disney's *Snow White and the Seven Dwarfs* and with a production process inherently reliant on Western technologies, the filmmakers sought to synthesize these foreign methodologies with a distinct Chinese national character to inspire resistance against the occupation and create a wider sense of national unity. Figure 1.1 shows that while the overall

aesthetic is a Chinese one, Chinese filmmakers were still using Disney's character modeling, with its round and distinct contour lines for both characters and objects. In terms of motion and storytelling, principles and comedic tropes from the American animator remained also a basic blueprint.

However, *Princess Iron Fan* transformed the Western model by presenting a profound political allegory within a distinctly Chinese aesthetic, particularly through its traditional ink-and-wash style backgrounds and Chinese-style visual effects (Ibid). This moment signals the beginning of a trend that would persist in the Chinese animation industry up to the present day (as subsequent sections will demonstrate) which is the continuous research for a "Chinese character" and the long standing search for Chinese cultural identity.



Figure 1.1: Still from the movie Princess Iron Fan.
(Source: Wikimedia Commons)

1.3 People's Liberation War

China's experience of what the West calls the "Second World War" was distinctly different. Not only did the war start for China after years of turmoil and divisions, but it began even earlier than in Europe or the United States. It's not a coincidence that the war is referred to as the War Against Japanese Aggression, since the Chinese perspective was shaped by entirely different political events and historical circumstances.

This, unfortunately, is not the only peculiarity of China's experience with the Second World War. In fact, the war did not conclude with a period of peace, but was immediately followed by a

civil war that would, eventually, claim more Chinese lives and in the end give birth to the People's Republic of China.

During the Chinese Civil War, the center of domestic animation shifted from Shanghai to the Heilongjiang Province, where the Northeast Film Studio was established. While the studio had focused on patriotic themes during the War of Resistance, this new conflict further transformed the medium into a vital tool for news dissemination and political propaganda. As a consequence, the studio maintained a commitment to technological experimentation and the cultivation of what would become the foundational talent pool of China's future animation industry while still being very much active in the political discourse (Sun 2022: 84). Highlighting the political influences of that wartime era, pioneer animator Duan Xiaoxuan vividly recalled the immense satisfaction of screening their early animated films for troops, noting the profound morale boost they provided to the soldiers (Du 2022: 29). In times of war animation was thus not merely a tool for mass entertainment, but also a crucial mechanism for propagating ideas and a battlefield of cultural stances.

Continuing a long tradition of ideological utility, animation functioned as an instrument of warfare and statecraft, designed to shape citizens and empower them to confront foreign imperialism. This profound convergence of politics and animation is further illustrated by Premier Zhou Enlai's frequent consultative discussions with the prominent animator Te Wei regarding the direction of the industry (Jones 2019: 2). Even though political influence is a trait that will characterize Chinese animation to the present day, that period was significant not only for its political utility but also for the construction of a highly interconnected network of skilled artists. It is, in fact, in this newly formed ecosystem of creatives that the new generation of animators was able to grow and learn.

A compelling milestone of this era is *The Emperor's Dream* 皇帝梦 *Huángdì mèng*, which represents a critical juncture in Chinese animation history. The film is overtly political, satirizing the Kuomintang (Guomindang) while also denouncing direct foreign influence on China's politics and society. Simultaneously, it draws heavily from the classical traditions of Beijing Opera, both musically and visually.

Similar thematic subjects were explored in *Go After an Easy Prey* 瓮中捉鳖 *Wèngzhōngzhuōbiē*, which shifted the focus toward pure cel animation. Both works were closely supervised by Fang Ming (Mochinaga Tadahito), a Japanese animator and a central figure in assisting early Chinese production (Sun 2022: 90).

Despite the immediate conclusion of the war, Chinese and Japanese artists in fact successfully cooperated under the financial backing of the Chinese Communist Party. Fang Ming, despite being Japanese himself, was a fierce critic of Japanese imperial aggression. He actively opposed the systemic exploitation of Chinese animators by the colonial film studios in occupied Manchuria (Manchukuo), where Chinese workers were often mistreated and limited in their access to essential production tools (Du 2022: 23). This collaboration suggests that cross-cultural artistic exchange remained possible when driven by a shared will to creative innovation, overcoming geopolitical animosities.

These projects are remarkable historical examples of transnational cooperation for the advancement of the medium. The cross-pollination of ideas and techniques was a major driver of animation development and it would be possible to consider that without Fang Ming's technical guidance, much of early Chinese animation would not have flourished; conversely, without the global influence of Walt Disney, Fang Ming may never have pursued animation. As he later reflected, Disney's *Silly Symphony* series (1929–1939) and *Water Babies* (1935) served as the primary catalysts for his lifelong career (Du, 2022: 20).

After the first productions in Heilongjiang, the Northeast Film Studio was relocated and renamed, and the young talents nurtured within its walls became the founding figures of modern Chinese animation. Following the establishment of the People's Republic of China, several prominent members of this cohort were integrated into the Ministry of Culture, positioning them to shape future cultural policy and artistic production in the newly formed state (Sun 2022: 92). A core group of young animators was soon transferred back to Shanghai, merging with the city's existing artistic community to sustain the development of new production resources and institutional measures (Ibid).

1.4 Hundred Flowers Campaign and Great Leap Forward

After the initial years of the People's Republic of China, new policies were implemented to encourage both an economic growth and the development of cultural value creation. One of the

most important policies enacted in that period was the Hundred Flowers Campaign, which essentially sought to encourage artists to experiment and express themselves fully. The overall goal was to create a large network of schools in constant communication with one another. Through cooperation and debate, a golden era of Chinese culture seemed to be imminent and the policy itself tried to build the foundations for a strong Chinese cultural identity in a short amount of time.

However this campaign would not last long. The central government became increasingly wary of criticism and unauthorized expression, in part probably because of the fear of foreign agents trying to split the country again, and in part because of the fear of the diffusion of ideas against the Communist Party or even against Mao's power.

Nonetheless, despite the brief duration of this policy, the initial period of the campaign still proved to have lasting consequences and an overall positive impact.

During the Hundred Flowers Campaign, budgets increased and new technologies emerged. Consequently a larger number of creative professionals entered the animation industry.

Specialized departments were established, and a concerted search for new modes of artistic expression began. At the time, the official Chinese policy regarding cultural production was to "Let a Hundred Flowers Bloom". This framework encouraged discourse between different schools of thought, which directly catalyzed the exploration of new ideas and techniques. With the aim of fostering this creative environment, public screenings of foreign films were organized regularly (Sun 2022: 101).

Even though technologies and budgets had improved both in quality and quantity, the main way to advance efficiently was still to look at what others had done. By analyzing the leaders of the sector and understanding their methods, Chinese animators could start to focus more on their own productions and increase the overall quality.

Concurrently, the Ministry of Culture was deeply involved in these efforts, pushing for children's animation that embedded socialist ideologies. This policy led to the widespread adaptation and reinterpretation of traditional folk tales within the animated format (Sun 2022: 118).

Even though different schools were encouraged to emerge, the central influence of the Communist Party could not be underestimated. This would become even clearer with the abrupt ending of the campaign and the start of the Cultural Revolution.

During this period, a major milestone occurred in 1957 with the founding of the Shanghai Animation Film Studio, which attracted the vast majority of the nation's artistic talent. Production ramped up rapidly, and within a few years, Chinese animated films achieved critical acclaim not only in the domestic market but also on the international stage (Sun 2022: 106). Reflecting this growing institutionalization, the Suzhou Art Academy established a dedicated animation curriculum. The training revolved around the rigorous study of American and Soviet short films, frequently channeling graduates directly into the workforce at the Shanghai studio (Ibid). The financing of courses, as well as the possibility of pursuing a career in animation, were the first signs that the industry had started to attract more capital and more attention.

One of the most important masterpieces of the period is *The Proud General* 骄傲的将军 *Jiāoào De Jiāngjūn*, an outstanding work that paved the way for the future of national style animation. While heavily inspired by Soviet educational animation frameworks, director Te Wei proposed a distinct shift by utilizing the medium to explore and celebrate Chinese culture (Sun 2022: 140). This initiative encouraged a generation of young animators to rediscover and analyze their own cultural heritage.

Because the film drew significant inspiration from Beijing Opera iconography and movement, the production team engaged in extensive observational study before translating these classical performing arts into animation.

Furthermore, the film demonstrated a deep engagement with the Chinese language by constructing its entire narrative around the traditional idiom 临阵磨枪 *línzhènmóqiāng* “sharpening one's spear only on the eve of battle” (Ibid). Rediscovering the language and teaching it to children can be seen in this context as a pedagogical mechanism to reinforce national identity and strengthen cultural independence from foreign actors. Furthermore, traditional Chinese architecture, music, and instrumentation were also meticulously studied (Ibid). Music, as a universal and immediate medium, resonating with audiences, constructed a sonic landscape that fostered a sense of nationhood.

This era marked a Golden Age for Chinese animation, creating a distinct aesthetic that remained engraved in the consciousness of both domestic and foreign viewers.

Magic Brush 神笔 *Shén Bǐ* represented another significant milestone as the first Chinese puppet animation (“puppatoon”). A profound sense of “Chinese character” was achieved

through the reconstruction of traditional architecture and a narrative derived from local folklore. Socialist ideals were also imprinted on the narrative structure, specifically highlighting the triumph of kindness over greedy social evils and the struggle of the proletariat against an oppressive ruling class (Sun 2022: 164).

Similarly, the 1959 cutout animation *Fishing Child* 渔童 *Yú Tóng* drew from folklore while expanding contemporary technical boundaries. In this work, the themes of anti-imperialism and the struggle for sovereignty were explicitly portrayed by setting the narrative during the Opium Wars.

These wars were the historical symbol of Western dominance over China, and are still remembered as the starting point of the Century of Humiliation by the Chinese. It is therefore significant that, this film's antagonist is a Western preacher, depicted as a greedy villain attempting to exploit an impoverished domestic fisherman.



Figure 1.2: Poster of the movie Little Tadpoles Looking for Mama

(Source: Guanghui Art Museum 广汇美术馆)

Before discussing the most globally resonant work of this era, it is necessary to highlight a revolutionary breakthrough in technical innovation that occurred in this period in China.

During the Great Leap Forward, significant political emphasis was placed on innovating technologies and artistic techniques.

This environment gave rise to *Little Tadpoles Looking for Mama* 小蝌蚪找妈妈 *Xiǎo Kēdǒu Zhǎo Māmā*, the world's first ink-wash animated film, which received an enthusiastic international reception and explicit approval from the Chinese Vice Premier at that time.

This technical innovation successfully synthesized technical research with cultural preservation. Artists were, in fact, required to rigorously study the traditional ink-wash paintings of Qi Baishi for visual reference

(Sun 2022: 211). As the Figure 1.2 and 1.3 illustrate the visual style of Qi Baishi's paintings is adapted to the animation medium with a careful study on the visuals and the coherence of the two approaches.

This recurring pattern of blending academic research with a push for national identity yielded unprecedented results, effectively establishing an entirely new cinematic genre through the critical analysis of Chinese art forms, in this case forging the ink-wash animation.

However, this artistic breakthrough was deeply entangled with the political climate of the era. Pioneer animator Duan Xiaoxuan notes that Chen Yi, the Vice Premier at the time, maintained a close relationship with the studio and directly suggested that the animators draw stylistic inspiration from Qi Baishi (Du 2022: 40). Political intervention in the creative process was thus explicit, with artists operating in close proximity to State power. Given that children were the primary target audience, even minor creative choices carried political weight. For instance, the prominent narrative focus on frogs was directly tied to the contemporary “Four Pests” campaign. The State required children to view frogs favorably because of their biological role in consuming agricultural pests (Jones 2019). Even during a period of high artistic experimentation, creators were bound to the immediate needs of State propaganda.

Finally, it is necessary to discuss the most important Chinese animated film of the first Golden Era: *Havoc in Heaven* 大闹天宫 *Dà Nào Tiāngōng*.

Havoc in Heaven achieved unprecedented international relevance and became arguably the most influential Chinese animated feature film of the twentieth century.

The production benefited enormously from a decade of institutional experimentation, technical development, and the cultivation of a highly experienced workforce. The narrative reinterprets the first seven chapters of the classical novel *Journey to the West*, but significantly alters the original ending (Sun 2022: 235). This structural alteration provides interesting analytical



**Figure 1.3: Qi Baishi's
Frogs Croaking from Ten
Miles Away 蛙声十里出山泉**
**Wāshēng shí lǐ chū
shānquán.**
(Source: Guanghui Art
Museum 广汇美术馆)

insight. In the original text, Sun Wukong is punished for his rebellion against the celestial order, ultimately failing and subsequently embarking on his Buddhist pilgrimage.

In the animated film, however, his rebellion succeeds. According to the director, such a narrative change could only be executed within the context of the “New China” (Ibid). The aesthetic representation of the protagonist Sun Wukong draws clear reference to the Beijing Opera, as Figure 1.4 showcases, especially through the mask he wears, but also through his movements. Sun Wukong characterized by deeply human traits and stylized through the grammar of Beijing Opera, embodied the contemporary revolutionary spirit of rebellion against oppression and the desire for liberation, can be read as drawing a direct parallel to the birth of the People's Republic and the overthrow of foreign imperialist dominance.



Figure 1.4: Still from the movie Havoc in Heaven.

(Source: Wikimedia Commons)

1.5 The Cultural Revolution

The Cultural Revolution halted all the experimentation of the first age of Chinese animation, marking the definitive end of its Golden Age.

The very political figures who previously maintained close ties with Chinese animators, such as Te Wei, now began to perceive them as enemies. Te Wei, in fact, was targeted and attacked in his role as the director of the Shanghai Animation Film Studio (Jones 2019: 9). This would become a widespread pattern across many different industries, fomenting suspicion, hatred and negatively impacting a large portion of society.

Jiang Qing was at the center of the Cultural Revolution. Her figure was not only close to the one of Mao, but she also held significant influence over politics. She envisioned art as an instrument for strict realism, despising any form of fantasy. Under her ideological framework, talking animals and fantastic elements were condemned as negative influences of Western capitalism. While many artists initially opposed these constraints, the systematic use of force resulted in compliance with the new cultural directives (Jones 2019: 10).

Political power once again entered the creative stage, but this time with a destructive effect on artistic creativity. Fear became pervasive, as public shaming, torture, arrest, and forced relocation to the countryside were regularly deployed as tools of State control. Consequently, animation was utilized primarily as an instrument for ideological control rather than free artistic expression.

Heroic Little Sisters of the Commons 草原英雄小姐妹 *Cǎoyuán Yīngxióng xiǎo Jiěmèi* was the first realistic-style animation produced during this era. Based on a true story, it marks the beginning of the Cultural Revolution period in animation (Sun 2022: 188). The protagonists are two Mongolian girls, presented as hardworking exemplars of the youth and the working class, who are ultimately rewarded by the Communist Youth League of China.

This movie likely helped increase public awareness of specific aspects of Chinese national identity and minority ethnicities, while simultaneously putting communes and communist labor ideals on screen. A portrait of Mao Zedong prominently displayed in the opening credits provided a clear indication of the extent to which political authority had dictated the terms of animation production.

The film's realistic aesthetic directly reflected Jiang Qing's directives, which deliberately downplayed the narrative role of animals (Jones 2019: 13).

During this time, a propaganda team occupied the Shanghai Animation Film Studio, renaming it the Red Guard Film Studio until Te Wei eventually regained control (Jones 2019: 14). Quotations from Mao, alongside narratives centered on fighting capitalists, landlords, and Japanese invaders while praising the Red Army, became the central themes of studio output (Ibid).

The protagonists were intentionally depicted as children so that the core youth audience could easily identify with the characters. The ultimate goal, in such a time of uncertainty, was for political actors to educate children to become model communists in the future. In a context where the fear of losing political control was widespread among the ruling class, educating the population to conform to the desired ideological model can thus be understood as part of a strategy of political control.

After School 放学以后 *Fàngxué Yǐhòu* serves as another exemplary animation of this period. The narrative explicitly invites children to work hard for the revolution and to participate in the public shaming of capitalists (Jones 2019: 13). Political power was once again targeting the new generation to disseminate its messages and justify its recent political actions, a motive made even more transparent by the familiar school setting.

Finally, *The Golden Wild Goose* 金色的大雁 *Jīnsè De Dà yàn* is an interesting work that, for many scholars, signals the transition out of the Cultural Revolution due to its renewed focus on fantastic elements, even though maintaining a central focus on Mao and remaining essentially a piece of revolutionary propaganda (Jones 2019: 17).

A striking aspect of the film is its portrayal of the Tibetan goose as primitive, contrasted with the socialist helicopter and modern technology of the P.R.C, which are framed as forms of development carrying an intrinsic moral superiority. This narrative structure is reminiscent of the colonialist discourses historically found in the Western capitalist and imperialist nations, where technological superiority is conflated with moral or ethnic advancement.

The animation thus suggests it may function as an effort to legitimize State control over Tibet, exercising thus ideological influence over a young audience. Furthermore, the lotus, a traditional Buddhist symbol, is directly associated with Mao in the film. This visual alignment highlights the socialist view of religion, in particular Tibetan Buddhism, holding that spiritual

practices must remain under the strict control of the State and subordinated to the central political power.

1.6 After the Cultural Revolution

The Cultural Revolution halted animation almost completely, forcing animators out of their offices and preventing them from pursuing free artistic expression. It was a difficult time for the whole of Chinese society, with lingering effects on both creativity and the economic sector.

However, when it ended, animators returned to their jobs, initiating a new period of immense productivity through which Chinese animation reached a new climax.

Artistic experimentation became a necessity for many artists, who had been constrained under strict political control for years. New themes began to emerge and new ideas about the form of animation itself started to surface (Sun 2022: 5).

In regard to themes, this experimentation went so far as to include the satirical representation of the recently concluded Cultural Revolution. This, in fact, is a unique phenomenon in the field of Chinese art.

One Night in an Art Gallery 画廊一夜 *Huàláng yīyè* is a wonderful example of animation reflecting the consequences of the Cultural Revolution.

The subject of this animation is art and artistic expression itself. For ten years, artists were repressed and given a precise agenda of what could be done. Finally, with the Cultural Revolution slowing down, the arrest of the Gang of Four and Mao's death, they were given the possibility to return and create (Jones 2019: 18). Having already seen the passion with which Chinese artists studied their own culture and, concurrently, foreign cultures, it is undeniable that Chinese creatives were often in search of authentic artistic expression and new creative ideas. This piece of animation functions as a profound statement of their love for art and holds the symbolic meaning of paving the road for a new era.

The idea of discovering and strengthening the Chinese national style was still pursued in works such as *Feeling from Mountain and Water* 山水情 *Shān Shuǐ Qíng*, which achieved international acclaim (Sun 2022: 9).

In this work Chinese animators returned to using their invented ink-wash animation. The method, deeply rooted in Chinese art, reached an even higher stage of development during this period.

At the same time, this work demonstrated how the genre had been advancing technically while remaining inseparable from the study of China's spiritual and philosophical cultural background. Crucially, this was also a work clearly aimed at an audience beyond just children.

Furthermore, in this period international cooperation was strengthened in a different way. The Japanese-Chinese co-production *To Shoot Without Shooting* 不射之射 *Bù Shè Zhī Shè* serves as a vivid example of this trend (Sun 2022: 15). It signals the willingness to exchange ideas and techniques, enter the international stage, and share Chinese national culture.

These points were further accentuated when A Da, the Chinese director responsible for the internationally successful animated short *Three Monks* 三个和尚 *Sān Gè Héshàng* and the animated feature *Nezha Conquers the Dragon King* 哪吒闹海 *Nězhà Nàohǎi*, was invited to join the International Animated Film Association (Ibid).

This recognition of Chinese authors signaled an important shift for domestic artists. The Cultural Revolution was over, and they were now able to receive both domestic and international rewards for their creative efforts, which also served the broader goal of promoting China's image and cultural relevance. In fact, even though the core objective was to build a strong animation industry with “Chinese characteristics”, the idea of being present on the international stage, attracting foreign viewers, and strengthening China's image was still favorably viewed. At that time, another objective was to raise China's rank in the global animation landscape while fostering dialogue and creativity domestically by giving foreign artists the opportunity to showcase their works (Du 2022: 57).

Such collaboration enabled the Shanghai Animation Film Studio to host international events and invite important guests, thereby stimulating Chinese animators, engaging domestic audiences, and facilitating the exchange of ideas with foreign artists.

Thanks to these events, the idea that animation could also cater to adults began to enter the discourse of Chinese animators and audiences alike (Sun 2022: 22).

In the end, overcoming the limited market of children-targeted products would later become the fuel to achieve a more modern and integrated animation industry.

When discussing the most important Chinese animated works of this period it is impossible not to mention *Nezha Conquers the Dragon King* as probably the most relevant animated film of the period, being China's first feature-length color animated film.

It was initially planned with the assistance of a Soviet production team, but due to ideological and political divergences, the project was put on hold and was later completed solely by Chinese producers and animators (Sun 2022: 23).

Given that the Soviets were world leaders in animation and had inspired the first generations of Chinese animators, this independent realization of the project was an important signal that Chinese animation could not only cooperate with Soviet artists, but at the same time was evidence of the growing creative and institutional independence of the sector.

Apart from the technical realization and artistry of the movie, what is particularly interesting is how the authors decided to alter major parts of the plot from the classical source material.

The relationship between Nezha and his father becomes much different and notably closer, which renders the final portion of the movie far more dramatic. At the same time, the character of Nezha is modified from the original story. While still rebellious, he is less volatile and behaves more akin to a humanistic hero willing to sacrifice himself in the fight against evil (Sun 2022: 30).

Considering the Chinese animation consistent treatment of animation as a tool aimed at children's education, these adjustments may in fact reflect the already established narrative patterns of Chinese animation for children, which stressed the conflict between good and evil, ensured wrongdoers paid for their crimes, and taught ideas of self-sacrifice and loyalty.

Interestingly, however, some scholars suggest alternative interpretations, such as representing the Gang of Four as the Four Dragons and interpreting the absence of the Jade Emperor as a reflection of Mao's absence during the period and his subsequent death (Jones 2019: 19).

If so, the film represents an outstanding expression of creative freedom from Chinese artists who, for a long time, had shied away from criticizing power figures, using the narrative to reflect upon the recent traumas inflicted by the Cultural Revolution and to fight the ghosts of the past and march in a different direction.

Another important work of art is *Monkey King Conquers the Demon* 金猴降妖 *Jīnhóu Xiàngyāo*. As a color animated feature film, it marked an important step in Chinese animation and stood as a symbol of artists struggling to express their own vision (Sun 2022: 47). After ten years of oppression under the violent period of the Cultural Revolution, artists like Te Wei wanted to return to animation to fully express their potential. The film is the can be understood as the result of a generation's wish to return to free artistry, both for the creators themselves and for the national culture.

Regarding foreign audiences, there was widespread interest abroad in Chinese animation. Some foreign actors believed that, given its interesting past productions and the wide array of available talent, there was a concrete opportunity to bring Chinese animation into the international scene.

For instance, the BBC commissioned a script from the Shanghai Animation Film Studio to create a story featuring Chinese elements that was also aimed at adult viewers. However, due to scheduling and timing problems, it ultimately ended up as a purely Chinese production, which resulted in *The Legend of the Sealed Book* 天书奇谭 *Tiānshū Qítán* (Sun 2022: 56).

This project marked an important shift in the landscape of Chinese animation, not only because of the foreign interest in the production itself, but also because animation had previously been considered a medium strictly aimed at children embodying specific socialist ideals and political objectives.

The movie's comedic ideas and dialogue structure were highly original (Ibid), showing the desire of Chinese artists to move toward novelty. Whether this attitude was influenced by the original foreign commissioners and the subsequent intended foreign target audience is difficult to affirm, nonetheless the comedic style used in the narration changed, marking a significant move away from the strict social messages that were rigorously followed before.

Following this trend of foreign influence and the search for new artistic expressions, the previously mentioned *Three Monks* interestingly blends foreign expressive styles, specifically referencing the Dutch artist Piet Mondrian, with national ones (Sun 2022: 62).

This hybridization highlights the constant research conducted by animators of the time and their willingness to experiment after the end of the Cultural Revolution, with curiosity and cultural exchange being at the center of aesthetic development.

In the landscape of serialized television animation, two productions are particularly relevant. The first is *The Story of Avanti* 阿凡提的故事 *Afánti De Gùshi*, a puppet animation series that was deeply loved throughout China. As an adaptation of an original Turkish folk story (Sun 2022: 97), it represents an interesting encounter between foreign inspiration and Chinese culture. It tells a story of good versus evil and the fight against the oppression of the rich and powerful, meaning its core message remained closely aligned with past socialist ideas and structural trends in animation.

The same can be said about the Chinese elements of the story: the scenery, character designs, and many other features are based on the Xinjiang Uyghur ethnic minority (Ibid).

Much like the previously mentioned *Heroic Little Sisters of the Commons*, this animation functioned both as a powerful tool to highlight the rich ethnic landscape of China and as a form of integration of these cultural differences, unifying them under the idea of national unity.

An interesting aspect of this series was also the languages in which it was made available: Chinese, Uyghur, Mongolian, Kazakh, and Tibetan (Ibid). This multilingual distribution implies not only the cultural influence of Chinese animation in East Asia but also a conscious effort to promote cultural exchange and internal dialogue between strategically important cultures within and outside China's borders.

The second relevant serialized work introduces the idea of not only educating children but also promoting the themes of scientific knowledge and “seeking truth from facts”. Because these themes were central slogans of the Communist Party's contemporary policies and propaganda, they directly influenced animation.

In *Black Cat Detective* 黑猫警长 *Hēimāo Jǐngzhǎng*, every episode focuses explicitly on imparting a specific scientific notion (Sun 2022: 103). The animation was, however, criticized at the time for appearing insufficiently nationalized. In a period characterized by such a rapid proliferation of animation and daring artistic choices, this criticism serves as a reminder that older ideas of national unity and the emphasis on distinct Chinese cultural expression remained highly important. It is no coincidence that this period of intense artistic expression and creativity would later develop in very different directions going into the development of the market and the birth of the digital age.

In this sense, the proliferation of animated series and their success would prove to be one of the most important engines of the Chinese animation industry in the years that followed.

1.7 China Opens Up and the Digital Age

The period that started after the end of the Cultural Revolution was characterized by a rapid shift in politics and measures taken by State institutions. With the death of Mao and the rapid rise of Deng Xiaoping, the birth of a new idea of China was at the door. The creation of Special Economic Zones and the opening up to Western investment fostered sudden changes in the economic and social sphere of China. Obviously, these changes had important manifestations in the animation industry as well.

The horrors of the Cultural Revolution were acknowledged by many Chinese. However, some found interesting things to say about it, and not all were negative.

For example, while Te Wei argued that the Cultural Revolution was responsible for many problems, he also suggested that without this period of oppression, artists would not have been so highly motivated to create afterward in a drive that ultimately catalyzed the third Golden Age of Chinese Animation, starting in the 2010s and continuing to the present day (Jones 2019: 20). This perspective remains at odds with the immediate consequences of the Cultural Revolution. In fact, technological development was pushed back, creative ideas were suppressed, and China seemingly lost the competitive race against Japan and the United States. The situation by the end of the 1980s was critical.

Faced with intense competition from competitors, as well as outdated production routines, China was forced to search for new ideas and adopt low-cost processing methods. The traditional “Chinese School of Animation” was dead, and the remainder of the domestic animation industry was doomed to irrelevance unless immediate action was taken (Sun 2022: 132).

With the birth of a new China focused on new economic models, the entire system around the production of animation started to change and the first decisions were made to create new and positive trends.

While the planned economy system had previously allowed the first generation of animators to forge their identities and cultivate their artistic capabilities, the transition to a market where foreign animation could enter much more freely led to a level of competition that was unsustainable for domestic studios.

During the planned economy era, all works had to pass through National Film Bureau approval and then be handed over to the China Film Group Corporation. The Shanghai Animation Film

Studio was part of it (Sun 2022: 131). The studios did not have to meet market returns and produced according to directives from the State itself. Yan Dingxian, then director of Shanghai Animation Film Studio, pointed out that annual plans during the planned system were too strict and negatively influenced production. Such a complex system was obviously useful for the State, which was able to control what was screened. But the moment the market grew larger and foreign animation started to flow in, along with animators desiring to produce more and costs rising, that system began to be too tight and not flexible enough. After the reforms, in fact, the situation changed rapidly. Such a system was not at all suited to be efficient in a market economy.

One of the most important measures taken in this period which symbolized the shift towards a market economy was the creation of Special Economic Zones. The idea was to attract foreign investors, capital, and technologies, in order to both promote talent cultivation and technical competence among the Chinese labor force. In Special Economic Zones, foreign joint ventures attracted a significant number of young Chinese animators due to both the volume of available projects and much higher salaries (Sun 2022: 134).

Even though many animators had held Chinese culture and national animation as their core beliefs for years, this new economic environment introduced alternative ideas into society, coming with foreign investments and products, altering the material necessities of both the public and the political establishment. This led many Chinese talents to work for foreign productions, putting aside the notion of “Chinese character” for a much different concept of material needs and commercial logic.

Putting the market at the center of the economy became important not only for the production aspect, but also for the distribution of animated products.

This era was characterized by sweeping economic reforms designed to strengthen consumption, which rapidly increased the demand for specific entertainment goods.

Animation, particularly television series, became highly requested, while traditional cinema became less attractive to audiences (Sun 2022: 133).

Another crucial reason for this shift was that movie theaters, seeking to maximize revenue through more frequent screenings, decided to cut the screen time previously given to newsreels and animated shorts before main features (Du 2022: 57).

As the system shifted toward a market economy with a primary focus on revenue, Chinese domestic production faced heightened competition and a drastic contraction in demand, forcing studios to seek alternative solutions.

One of the solutions was to learn from foreign companies and replicate their structural approach to animation creation, the overall objective being to find a reliable and consistent methodology. Consequently, many companies outsourced components of their production, building bridges between foreign and Chinese animators as part of the industrial strategy.

An interesting example of a Chinese animation company operating under this new model is the Shanghai Animation Film Studio.

In order to sustain domestic production, the studio opted to outsource processing and production tasks to foreign enterprises (Sun 2022: 140). This economic model proved mutually beneficial as foreign companies could secure low-cost labor, while Chinese domestic companies saved money, accelerated production speeds, and accumulated both technical experience and capital for future projects.

The Chinese government itself encouraged this change, actively helping young animators collaborate with foreign companies.

This method of separating the initial creative process from manufacturing and processing operations lasted into the 2000s (Sun 2022: 148). Ultimately, this model served as a pragmatic mechanism to reduce costs and shorten production cycles to compete with foreign media, but had the downside of leaving Chinese creators without any decision-making authority in terms of narrative and production directives. In such a scenario, it was difficult to train a future generation with enough talent and experience to be independent from foreign actors and distinct in terms of aesthetics and capabilities.

Despite it all, competition remained difficult due to the capability of foreign enterprises to penetrate the domestic market through various horizontal platforms.

American and Japanese animated series and films emerged from mature market economies, meaning their business models were deeply rooted in consumerism and economic return.

Characters from these foreign works were seamlessly integrated across movies, television series, gadgets, music, comic books, clothing, and advertising campaigns.

Because Chinese domestic animation lacked this commercial knowledge, competing was immensely difficult (Sun 2022: 147). Such problems slowed the animation industry's long-term goal of establishing a wider audience and consistent economic returns. Combined with the lack of originality and creativity, the industry ended up in poor conditions and in need of more support.

In response to these market pressures, many domestic companies requested assistance from the Communist Party to support the industry (Sun 2022: 150). Because the ideological messages of nationalization and “Chinese character” remained strong, public opinion leaned heavily in this direction. It should not in fact be forgotten that the animators of this period had grown up surrounded by narratives celebrating Chinese rebirth and identity.

Despite these protectionist desires, and the drive to create, the works of Chinese animators in the late ‘90s and early 2000s were often of lower quality compared to past masterpieces and exhibited very little creativity. It became a period defined by a push for quantity over quality (Jones 2019: 21).

As the graph exemplifies, between 2000 and 2004, the output of domestic television animation increased fivefold. Subsequently, between 2004 and 2011, production expanded an additional twelvefold (Liu 2023: 103).

Paradoxically, as previously discussed, while ideas of cultural identity and the concept of a distinct Chinese animation style were still invoked, they were frequently set aside in practice to prioritize economic growth.

In later years, the government intervened more directly by establishing the annual National Conference of the China Animation Association, providing a space for domestic animators to discuss policy and cooperate, while also implementing strict limitations on the broadcasting of foreign cartoons.

Following the 2005–2006 period, the broadcast of foreign animation was strictly capped at 40% of total programming volume (Jones 2019: 21).

To underscore the perceived severity of foreign media dominance, the State Administration of Radio, Film, and Television (SARFT) reissued this specific warning in subsequent official documents every single year thereafter (Liu 2023: 99).

Furthermore, the Chinese government sought to curb foreign influence and artificially foster domestic production, publishing State regulations that mandated that domestic cartoons be present on every television station (Sun 2022: 150).

Notably, these reforms occurred at the beginning of the 21st century, an era in which China sought to cooperate in the international arena while concurrently maintaining and strengthening its national identity. At the time, observers in the international community were wondering whether China's opening up and closer cooperation with global institutions would bring it closer to Western democracies. In such sense the animation industry could be seen as a symbol of the path China decided to take.

The industry began to be treated by the Chinese government as a strategic “cultural industry”, serving as a crucial battleground in the ideological warfare between the Chinese Communist Party and foreign political actors. It was clear that China was indeed considering international cooperation, but was not willing to concede too much and was still trying to protect its own national identity.

Coming from this perspective, and due to the influence of the measures taken in this period, it is also necessary to mention that the development of the sector was linked directly to the State, making it dependent on forms of centralized funding. According to some scholarly perspectives, renewed State intervention into the animation industry, combined with the lingering political consequences of the 1989 Tiananmen Square crackdown, prompted a radical change with artists being more intensely scrutinized and artistic freedom heavily restricted (Jones 2019).

Following a brief window of relative expressive freedom in the 1980s, this political tightening prompted a new creative halt. Despite the larger quantity of output, such creative constraints could also be one of the reasons that explain the deep lack of originality and low quality.

Before addressing some relevant works, it is also necessary to point out another set of important changes that happened to come around in the late ‘90s and the early 2000s. During this period, animation production costs were drastically reduced as manual animation and traditional methods were replaced by faster digital technologies.

This digitalization made it possible for smaller, independent studios to enter the market, thereby increasing the total volume of animation produced. Being easily accessible and representing a sector with a fast pace of both development and learning, digitalization not only helped domestic studios bridge the technical gap with foreign animation, but it also catalyzed the

creation of domestic software and hardware ecosystems. Furthermore, another aspect that was intensified was the importation of foreign technology as a crucial tool for the study and implementation of digitalization within the industry (Liu 2023: 94).

However, the underlying logic of the market economy, which demanded rapid production turnarounds, simultaneously led to a decline in artistic quality (Sun 2022: 152).

In the grand scheme of international competition, this technological shift proved to be a double-edged sword. While increased domestic production was a positive indicator of industrial potential and public interest, especially as a large number of new enterprises entered the field (Ibid), low quality and oversaturated volume threatened to damage the reputation of Chinese artists, driving audiences further toward more visually sophisticated foreign animations.

The political anxiety surrounding this trend was real. While it was practically impossible to completely block the entry of foreign media, it was deemed vital to develop competitive domestic alternatives (Liu 2023: 94).

To achieve these specific objectives, the State Administration of Radio, Film, and Television, in collaboration with the Ministry of Finance, sought to promote technological innovation, research, and talent cultivation. The primary goal was to bridge the gap between domestic production and the standards of world-class animators.

Concurrently, the historic Shanghai Animation Film Studio was merged with Shanghai Television (Sun 2022: 157). This corporate conglomeration became a core strategy to establish stronger media entities with greater financial and technical capabilities, reducing administrative overhead while driving an increase in total production output. Such a strategy, discussed further below, proved to be one of the fundamental drivers behind the strengthening of the Chinese animation industry.

Finally, one of the most important changes occurred in the content of animation itself. Audiences had already changed, the economic system demanded careful study of demand, and competition made clear that a deep reflection on narrative structures was needed. Consequently, after the year 2000, a significantly larger number of new themes emerged, displaying less monotony and moving away from an excessive reliance on traditional myth and folklore (Sun 2022: 174).

This thematic diversification reflected a deeper need to align production directly with the demands of the internal market, while concurrently serving as a clear reflection of the country's rapidly growing production rate.

However, it's also worth mentioning that, even though changes occurred, one problem that still affects the Chinese animation industry is the persistent lack of thematic variety and originality. Also, not all scholars agree with the idea that the industry moved away from myths, pointing to the still dominant performance of legendary heroes, ancient stories, and folklore in the animation sector.

Now I'd like to discuss the most important movie of the period. *Lotus Lantern* 宝莲灯 *Bǎoliándēng* stands as a valid example of the state of Chinese animation during this transitional era.

In the newly formed market system, as established, Chinese animators had to confront intense external competition. Many Chinese children had grown up watching foreign cartoons, meaning their aesthetic standards were in part shaped by Western and Japanese narrative tropes. Because Chinese producers operating within a market system now faced the necessity of responding directly to consumer demand, they conducted market research to understand audience preferences. This research revealed that while many children appreciated the beauty of traditional Chinese animation styles, they found the films boring due to their slow pacing (Sun 2022: 160).

Simultaneously, production studios realized that they had to integrate merchandising, licensed gadgets, and multi-channel advertisements to survive in this new economic system.

Lotus Lantern became a crucial turning point for these commercial changes.

The production team hired popular celebrity stars to voice characters and promote the film, trimmed the dialogue structure to make it sound more colloquial, and departed more substantially from strictly adapting classical folklore. Instead, they introduced important alterations to both character motivations and core plotlines to benefit the pacing (Ibid).

While this film set a record for the highest box-office revenue at the time, underlying challenges persisted, as domestic earnings remained significantly lower than those of foreign blockbusters. In the animation sector specifically, Disney continued to outperform Chinese domestic productions (Liu 2023: 99).

Consequently, despite the success of the current strategy, these results suggested that further structural reform was necessary if Chinese animation was to compete effectively on a global scale.

The 2005 movie *Little Soldier Zhang Ga* 小兵张嘎 *Xiǎobīng Zhāng Gā* stands as another interesting effort put forward by the newly reformed animation industry, utilizing a technical combination of both traditional 2D animation and digital 3D animation.

The production is particularly compelling because of the specific topic it addresses. Once again, the narrative focuses heavily on the War of Resistance Against Japanese Aggression, centering on a young protagonist who fights for the nation against a foreign enemy (Sun 2022: 182).

Consequently, this film belongs to the category of the so-called “Red Classics”: works that were actively promoted by the Communist Party to portray a positive image of the party, foster national unity, and stimulate national pride.

What is historically and analytically relevant is that these specific cinematic motifs reappeared at the exact moment when the market system was drastically changing and economic reforms were transforming Chinese society.

This deliberate return to animated realism, echoing the ideological routes mapped out during the Cultural Revolution, may illustrate that even within this new era of marketization, political power continued to enter the cultural discourse and directly shape artistic creation.

It is also worth mentioning how the 2009 movie *Pleasant Goat and Big Big Wolf: The Super Snail Adventure* 喜羊羊与灰太狼之牛气冲天 *Xǐyángyáng Yǔ Huītàiláng Zhī Niúqì Chōngtiān* became the first Chinese animated movie to reach 86 million RMB at the box office. It started to popularize the idea of IP building in the industry, as well as the development of related products and gadgets, such as clothes, toys, etc. (Si and Ren 2025: 38).

The success of this movie signaled the beginning of a trend that would lead China to strengthen its marketing and distribution capabilities in the years to come. In fact, the movie contributed to a wider trend toward the construction of strong IPs that would later become one of the essentials of China’s animation industry, cementing certain products at the apex of the sector. This movie itself would later become part of a series of strong entries into the market.

In conclusion, this period did not see the presence of huge Chinese animated movies at the box office, especially if compared with successive performances or, even less, with foreign

competitors. However, despite all this, this same period proved crucial in the development of key technologies, such as digital animation and the use of special effects, as well as economic knowledge and strategies. From marketing principles to narrative experimentation, the measures taken in this period of time helped to increase the appeal and performance of animated movies. In fact, this period saw a boom in the number of cinemas (Zhou and Lin 2025: 24). Such important changes were most probably due to the changes propelled by government policies and the natural consequence of economic development. The birth of a consumer society, with a higher-income population and wider urbanization, created a society that was able and willing to spend more on entertainment. At the same time, the sector had to face new problems in order to sustain its development in years to come. From foreign competition flooding the market, to the diffuse outsourcing and the commercial pressure, the leap into the digital era was characterized by both positive and negative factors. And it is with this background that the Chinese animation industry transformed gradually into the sector we can look at today.

1.8 Contemporary China

Contemporary China has now achieved widespread economic development, with a large internal market and high industrialization. Digitalization has been strongly supported by policies, and new generations are now deeply involved in social media, e-commerce platforms, and online entertainment.

Such a level of development has also impacted the way animation is produced and consumed, creating an entirely new scenario in which the industry now operates. Recent years have been considered to be the beginning of the Second Golden Age of Chinese animation, starting in the middle of the 2010s and extending into the 2020s. The main directives of recent years changes have been to reduce quantity and improve quality, as well as to create cross-media integration and multi-channel distribution.

Looking at the volume of production it can be said that animation variety expanded drastically, but television animation output stabilized at approximately 210,000 minutes after the 2010s, reflecting a deliberate structural emphasis on quality over sheer quantity.

Despite this stabilization, the absolute number of domestic productions remained higher than those of both the United States and Japan (Liu 2023: 103).

Also, notwithstanding State-led measures, the challenge of competing with foreign productions remains highly relevant. Indeed, from 2012 to 2018, foreign animated titles consistently ranked as the highest-grossing animated movies in the Chinese theatrical market (Chi 2025: 44).

Considering the most important titles of this period, one of the most culturally significant films was the 3D stereoscopic remake of *Havoc in Heaven* 大闹天宫 3D *Dà Nào Tiāngōng*.

Representing a major technical and artistic achievement for contemporary Chinese animation, the project adapted the classic 1961–1964 original feature film into a widescreen format using modern 3D computer animation. Furthermore, the filmmakers modified the narrative pacing and rhythmic structure to better appeal to modern audiences (Sun 2022: 186).

In this new era, it appears that Chinese animators consciously sought to recreate the very movie that had defined the long-gone “Golden Age” of the Chinese National Style. The dual objective of this project was to pay homage to a foundational masterpiece of Chinese cinematic heritage while simultaneously symbolizing the forward momentum, creative development, and technological breakthroughs achieved by the domestic industry in recent years.

Pleasant Goat and Big Big Wolf 喜羊羊与灰太狼 *Xǐyángyáng Yǔ Huītàiláng* stands as another highly prominent example of Chinese animation aimed at entertaining younger demographics, achieving widespread popularity throughout China.

However, the franchise also serves as a clear illustration of some of the structural limitations within contemporary Chinese animation. A structural redundancy of content, combined with a lack of narrative inspiration and artistic audacity, marked a steady decline in its box office performance. This downward trend resulted in far inferior financial returns for the 2014 theatrical release, *Pleasant Goat and Big Big Wolf – Meet the Pegasus* 喜羊羊与灰太狼之飞马奇遇记 *Xǐyángyáng Yǔ Huītàiláng Zhī Fēimǎ Qíyùjì* (Chi 2025: 43).

This highlights one of the most critical vulnerabilities of the wider industry, which is the relationship between limited market competition, reliance on State subsidies, and stringent regulatory norms. Such close relationship between these factors may limit artistic creativity and thematic exploration.

The movie itself was not at all a negative development for the overall Chinese animation industry, since it was the first animated movie that demonstrated the success of the marketization of animation production.

The movie was the first in the animation sector to reach 100 million RMB, anticipating future trends and paving the way for future creators and producers. In fact, in subsequent years, such box-office performances became the norm (Zhou and Lin 2025: 24).

However, the movie itself proved to be a sign not only of future success, but also of future problems, being part of a series that revolved around a single IP.

In stark contrast, *Monkey King: Hero Is Back* 大圣归来 *Dàshèng Guīlái* utilized advanced 3D animation to temporarily become one of the highest-performing films at the domestic box office.

Retelling the traditional narrative of *Journey to the West*, the creators sought to modernize the story and make it more accessible to contemporary audiences while still expressing deep, complex themes (Sun 2022: 193).

In this case, it is interesting to observe how the reimagining of literary classics has remained a core pillar of Chinese animation, yet has gradually evolved to incorporate a greater degree of narrative independence and creative freedom.

This newfound creative momentum may be attributed to the increasing importance of the commercial demands derived from the modern market logic. Furthermore, this film successfully paved the way for a wave of mythological blockbuster animations that utilized modern narrative techniques to build highly lucrative intellectual properties and capture strong public affection (Chi 2025: 37).

Similarly, *Big Fish & Begonia* 大鱼海棠 *Dàyú Hǎitáng* represents an animated feature that blends traditional 2D aesthetics with integrated 3D animation elements.

While it was likewise inspired by classical literature, it maintains the uniquely narrative focal point of the realm of the subconscious. The film was conceived as a direct cinematic adaptation of a dream experienced by the director himself (Sun 2022: 194). Thus, while traditional motifs remain structurally central, the exploration of individual subjectivity and personal artistic vision has successfully entered the field of contemporary Chinese animation.

White Snake 白蛇：缘起 *Báishé: Yuánqǐ*, just like *Monkey King: Hero Is Back*, is another retelling of a classical story, but it uses digital animation and modern narrative style to make it engaging and fresh for the audience. It reached high numbers at the box office. Similarly *Nezha*

2 哪吒之魔童闹海 *Nězhà zhī Mótóng Nàohǎi*, in recent years, established a new record at the Chinese box office and reached top positions internationally. As with previous movies, if not more so due to its success, it has attracted international attention, becoming a real event. The movie expands on technological research by finding new ways to blend 3D animation and traditional Chinese ink wash art (Chi 2025: 42).

Such a degree of experimentation and commercial success suggests that research on “Chinese uniqueness” continues and is still pursued by both artists and the public. Such success is also a testament to the fact that Chinese technology has achieved higher levels of development. Additionally, *Nezha 2* received substantial funding from both the Sichuan Province and Chengdu to support office rent and theatrical release bonuses (Ibid). This showcased the interest of State authorities in sustaining such phenomena as a strategy to strengthen China’s soft power and the industry's current development.

When discussing the technological leap forward for Chinese animation, it is impossible not to mention the animated work *Boonie Bears* 熊出没 *Xióng Chūmò*. The series bore the fruits of the process of digitalization that started in the 1990s and continued in the 2000s, in particular the transition from 2D animation to 3D animation. Also, similarly to its counterpart *Pleasant Goat and Big Big Wolf*, this animation was part of one of the most successful Chinese IPs of the 21st century (Chi 2025: 41).

As proof of the impact of the brand and the marketization of animation products, the 2023 movie managed to attract large audiences and signaled one of the first positive growth trends after the pandemic's downward trajectory (Ibid). Such a phenomenon was probably due to the widespread appeal of the brand, as it represented the quintessential model that for decades constituted the consumption of Chinese animation in China: the co-viewing method, with children and adults watching the movie together and creating a shared experience.

As such, this brand proved its strength in the targeted demographic, since family animation and parent-child viewing remain strong even nowadays (Ibid).

As another important box-office success, and one of the most interesting productions that deal with 2D animation, *The Legend of Hei* 罗小黑战记 *Luó Xiǎohēi Zhàn Jì* showcases a very peculiar use of artistic expression, using the aforementioned 2D animation and being financed

by a relatively small budget, to tell a story that blends fantasy, myth, and reality. Another aspect that is worth mentioning is that the movie itself comes from a web-animated series (Chi 2025: 37). The fact that the original work had a small budget, was adapted from a web-animated series, showcased how the development of the technological environment made it possible to achieve high levels of production with lower costs, as well as fostering new forms of media integration with cinema and animation itself.

While the digital revolution of media started at the end of the 1990s, it can be argued that it is still very vibrant today, with an increasing number of online platforms enabling the sharing of independent small animations. Internet platforms such as Youku and iQiyi became interesting ways to showcase animation products and facilitate IP development.

One example is the *Fox Spirit Matchmaker* franchise 狐妖小红娘 *Húyāo Xiǎohóng Niáng*, which achieved expansion across various forms starting from a simple web animation (Si and Ren 2025: 40).

The Internet fostered not only connection and more accurate marketing choices, but also greatly improved artistic creation and the sharing of ideas.

The network is a way both to showcase one's work and to find inspiration, exchange views, and produce innovation. In such a sense, the global network is even more useful for Chinese animators, enabling them to experiment with a variety of different styles that can be quite difficult to approach or encounter in a domestic environment.

In recent years, technological development did not stop with internet platforms and new forms of distribution, but included other key sectors with the potential to revolutionize the production and development of animation. In this scenario, it is also worth mentioning the progress in the AI sector and how that impacts Chinese animation. In fact, in recent years, Chinese animation has moved on from the stage of learning 3D animation and has begun moving toward aesthetic experimentation and the leverage of new tools such as AI (Zhou and Lin 2025: 28).

This parallels the long history of Chinese animation developing alongside technology, both in the first Golden Age and in the 1980s and early 2000s, when it leveraged other technologies. Apart from experimentation in big studios, it is also very easy to find short animated videos produced using AI tools on Chinese social media. The availability of such tools helped expand the production of animated content. However, the quality of such works is very debatable.

Such phenomenon has wider implications for the sector, not only influencing the production of new works, but also in the reception and overall social environment. A compelling example of this will be discussed in the final chapter of this paper.

2 Chinese Animation Domestic Market

This chapter moves from the historical overview of the Chinese animation industry to a more specific discussion of its recent dynamics, focusing on the market, industry composition, state policies and measures, and marketing strategies.

The broader aim of this chapter is to provide a wide arrange of analytical tools for understanding Chinese animation's present events and trends, as well as for considering the future prospects of the sector.

2.1 Government Intervention

As we have largely discussed in the previous chapter, the Chinese government has always treated animation with careful consideration. China was at the forefront of animation development in Asia during its first Golden Age and had captivated audiences both inside and outside its borders. The industry managed to produce masterworks and influential ideas and techniques despite important technical limitations and the lack of large capital investments such as the one that frequently drove American and Western productions in general.

Eventually, with the Cultural Revolution and its disastrous policies, Chinese animation found itself very far behind, having neither the capabilities nor the will to replicate the great works of its forefathers. As such, the Chinese government wanted to rebuild the industry from scratch, focusing on a new economic system and trying to relearn the entire process. To achieve such an objective required large investments and a long period of time. We will now discuss the main areas of intervention, how and when they occurred, in order to better understand the road that led to the Second Golden Age of Chinese Animation and its present characteristics.

2.1.1 State's Finance Policies

One of the most direct ways by which the Chinese State invested in the industry was by injecting capital through various forms of financing. The sector was underdeveloped and did not attract investors. Chinese authorities considered the sector a strategic resource for China, and thus the industry could not be controlled by foreign animation, let alone be completely overlooked by Chinese audiences.

In 2004, following an official communiqué, the State decided to invest 10 million RMB annually in television animation and 4 million RMB in film animation. These funds became even more substantial in the following years, with many resources allocated as rewards or prizes for competitions (Liu 2023: 96).

The State Administration of Radio, Film and Television and the Ministry of Culture supervised the allocation of funds and reviewed the projects. This suggests that State influence over production was both direct and significant, reflecting the importance that was attributed to animation and cinema in general.

The National Animation Brand Construction and Protection Plan remains another prominent example of a specialized initiative aimed at sustaining domestic animation projects.

In 2015, more than 46 projects received direct State backing due to their alignment with and promotion of core socialist values (Chi 2025: 41).

It is thus possible to observe how closely official ideology remained intertwined with animation, particularly when production houses had all the reasons for wanting to secure substantial government funding.

Under the 12th Five-Year Plan, dedicated special funds were allocated for outstanding animation projects, showcasing the State's concerted effort to develop a globally competitive domestic industry (Chi 2025: 39). The subsequent years were marked by continuous growth in production volumes alongside a qualitative leap that moved the industry beyond large quantities.

A similar supportive measure was promoted by the State Administration of Press, Publication, Radio, Film, and Television (SAPPRFT) to sustain original animation works and provide strategic subsidies for animation enterprises, while also establishing and promoting domestic awards to incentivize creative excellence (Ibid).

To cultivate high-level expertise, the State introduced facilitation programs for outstanding talents. These measures included streamlined administrative procedures for relocations, *hukou* (household registration) assistance, and better management strategies for skilled labor (Liu 2023: 98).

Following 2007, the Ministry of Education issued numerous policies to further foster talent cultivation (JQGJ 2007) and build long-term programs for easier access to education, necessary for the development of the field (GGFZ 2010).

The Chinese government thus determined that it was necessary to finance education and training in the animation industry, which was now considered a critical cultural sector. This made it possible to expand classes and courses in animation, increasing the number of students to grow the pool of talent.

However, despite the increasing number of measures taken to strengthen education in the sphere of animation, there were many issues due to an overall disparity in the quality of teaching and the availability of tools at the disposal of teachers and students (Si and Ren 2025: 39).

Furthermore, regarding industrial conglomeration and the establishment of production bases, the aforementioned 12th Five-Year Plan introduced significant incentives for animation and gaming enterprises.

These included rent reductions and preferential treatment for land acquisition and construction (Liu 2023: 98). The strategic objective was to accelerate sectoral development through direct State financial intervention, a policy that prompted a rapid proliferation of animation companies.

It becomes clear that the overall objective of these policies was both to ensure enough capital to build all the strategic infrastructure and to secure a viable pool of future talent. What is particularly remarkable is how the State managed to construct an environment that was both founded on the principles of the market economy and structured within a fairly rigid framework, dependent on central incentives and direct guidelines from power centers..

Beyond direct subsidies, the State fostered coordination between financial institutions and animation companies, enabling the provision of low-interest loans to these enterprises. Local municipalities retained a high degree of autonomy in determining the implementation and scale of these financial policies (Liu 2023: 98). In fact, as subsidies from the Ministry of Industry and Information Technology increased, local governments also established specialized funds.

This trend, which saw rising capital allocation across regions from Huzhou to Hubei throughout the 2010s, signals a widespread interest in animation as a pillar of industrial and technological advancement (Ibid). It also represents the overall Chinese system, by which policies are enacted and put into practice across China, moving from central ministries to regions and provinces, where they are adapted to local needs.

Policy backed financial support continued in later years, following the pattern of general directives being executed through a process of localization. Such measures spread to various

important provinces and cities, starting with a direct impact in the capital (BJDM 2023) and extending to other areas such as the city of Shenzhen (SZWH 2021) (Si and Ren 2025: 41).

In regard to the distribution of Chinese animation, the Chinese government introduced specialized subsidies for the broadcasting of original animation during the late 2000s and early 2010s in order to further expand the consumption and circulation of domestic works.

Under this policy, the State provided financial incentives calculated per minute of domestic animation broadcast. These subsidies targeted both the animation production companies and the local television stations responsible for airing original content (Liu 2023: 98).

This initiative represented a strategic effort to counter the dominance of foreign media in the Chinese market, in particular it was aimed at reducing the pervasive presence of Japanese anime, and to address the historical lack of domestic competitiveness.

Other notable measures introduced by the State Administration of Radio, Film, and Television (SARFT) in 2005 mandated that domestic animation had to be screened during prime-time hours, spanning from around 19:00 to 22:00 (YSDH 2005) (Liu 2023: 100).

To further sustain domestic production, SARFT expanded the number of channels dedicated to animation, with a specific focus on domestic content, and increased the volume of children's programming.

Following this institutional expansion, a wide variety of dedicated animation channels emerged by 2012, ranging from Beijing's Kaku Animation to Shanghai's Toonmax (Ibid). This deliberate growth of distribution networks paved the way for new delivery platforms and more diverse programming structures.

Furthermore, establishing an international presence and a robust global reputation became a strategic priority.

Following years of limited international exposure and participation in global media events, the government began incentivizing companies to organize, host, or attend such exhibitions. It should not be forgotten how Chinese animation, during its First Golden Age, was already prominent in Asia. The forefathers of Chinese animation, as well as their products, had already achieved international recognition, and for some China's absence could be considered a saddening fact. Renewed participation in international exhibitions and a presence on the international stage were thus necessary, and steps were taken to ensure their feasibility.

For example, in 2006, the Animation Industrial Park of the Hangzhou High-tech Development Zone provided subsidies to enterprises participating in national or high-level exhibitions organized by municipal ministries (Liu 2023).

The overseas marketing and exporting of animation-related products were further supported through financial incentives provided by the Export-Import Bank of China (Ibid).

This international expansion and the pursuit of global recognition were seen as critical objectives by the State. Consequently, these financial measures represented a significant push to integrate domestic animation into the global market.

2.1.2 State's Taxation Policies

Another tool by which the State intervened heavily was the use of taxation incentives. Apart from direct financing, this was another way to support the internal development of the sector and to facilitate large investments. Tax reductions could not only benefit domestic industries and investments, but could also prove useful in attracting foreign investors, reducing costs, and concentrating talent.

In fact, Chinese animation companies have received substantial subsidies since the 2000s in order to sustain production and competitiveness. Such companies were classified as high-tech industries and as such, received tax reductions and lowered import tariffs (Liu 2023: 95).

Such measures came during a time of profound changes mainly embodied by growth in digitalization and the renewal of distribution and production systems. The development of animation was closely linked to advances in key technologies such as software and hardware. This was another reason why the Chinese State decided to invest and consider the industry highly relevant to the country's overall economic development.

Looking at the importance of digitalization in shaping the animation industry and the implementation of tax reduction measures, software development also served as one of the primary catalysts for State support within the animation industry, as these tools were also vital for the technological progressing of the sector.

A foundational central policy of this new digital era known as the “Two Exemptions and Three Reductions by Half” (in Chinese 两免三减半 *liǎng miǎn sān jiǎn bàn*) granted qualifying enterprises operating in the animation and gaming sectors a complete exemption from corporate income tax for their first two profitable years, followed by a 50% tax reduction for the subsequent three years.

The policy of support through reduced tariffs and taxation was later developed into a more targeted form of assistance.

By the 2010s, the State had shifted from supporting basic technologies to promoting more specialized, high-tech sectors of the animation industry (Liu 2023: 96). This transition was intended to strengthen the animation sector by pushing for innovation.

Beginning in 2006, tax reductions on overseas income were implemented to further incentivise domestic studios, reflecting China's renewed interest in exporting animation (Liu 2023: 102). Just as the internal growth of the industry depended on the internal competition with foreign animation and the construction of a solid array of domestic titles, international expansion was also pursued as a potential avenue for further development. In this sense, China's ability to penetrate foreign markets has remained limited. Thus, these forms of State-backed support seem to be an important tool for increasing Chinese presence in the international market and the overall soft power of Chinese culture.

Regional measures were, of course, just as critical as these centralized policies.

Shanghai, for instance, provided targeted tax reductions for local gaming and animation companies, extending these fiscal incentives to research and development expenses and employee salaries (Chi 2025: 41).

The link between gaming and animation highlighted by these policies represents an interesting parallel to the contemporary rise of animation-heavy video games and animated series adapted from gaming franchises. A premier Chinese example demonstrating this modern synergy is the critically acclaimed title *Black Myth: Wukong* 黑神话：悟空 *Hēi Shénhuà: Wūkōng*, which not only was received enthusiastically within China, but also attracted foreign audiences as well. In this regard, the game has been a pivotal turning point for the Chinese gaming industry, being able to reach international acclaim while presenting a work with deep Chinese characteristics.

Intervention from the State has been a constant in the development of today's Chinese animation industry. All of these measures were fundamental to guiding the development of the sector. Without them, it would not have been possible to provide the necessary capital and resources to create the conditions that exist today. However, such substantial investments were also a double-edged sword. In fact, the framework in which the industry developed was heavily guided by the State (Zhou and Lin 2025: 26). This type of vertical structure has its own benefits,

but it also creates conditions that may contribute to today's recurring problems. Some of these include a lack of creativity, insufficient artistic expression, and a limited number of productions with heavily concentrated amounts of capital. A clear example of this is also provided by the framework established in 2006 (DMCY 2006) where the animation industry was officially put under the supervision and overall oversight of the Ministry of Culture.

Such a system seemed to erect many barriers and enforce strong central control, where authority remained largely in the hands of the government and policymakers (Si and Ren 2025: 38). This stringent control may have had the effect of positively influencing the pace of development, but it also appears to have affected the overall quality of productions.

2.1.3 Conglomeration and Quality-Driven Output Control

Finally, aside from means of capitalization or investment stimulation, the State also intervened through policy guidance and by recommending specific strategic moves for Chinese animation companies and producers. One of these was the idea of creating large industrial parks concentrated in specific areas, with a high degree of interconnection. This conglomeration strategy was advanced through government policies that frequently involved the Ministry of Finance. The primary objective was to achieve economies of scale by establishing a highly coordinated industry characterized by industrial parks and concentration of talent.

These parks gained additional significance under the 12th Five-Year Plan, which outlined the development of three to five major national industrial parks and animation bases designed to cultivate professionals (Liu 2023: 98). Parallel to this, the establishment of joint ventures, partnerships, and outsourcing was also suggested by the Ministry of Culture to further push for internationalization (Ibid).

As a result of such policies, in the contemporary landscape, Chinese animation is characterized not only by a vast volume of active projects but also by deep structural integration among dozens or even hundreds of specialized companies operating under a clear division of labor (Chi 2025: 38). This operational efficiency is presented as a result of industrial conglomeration, talent cultivation, and the creation of a stable domestic ecosystem.

This efficient environment contributed to a drastic increase in production within a few years, with rapid growth in box-office performance and capitalisation.

However, the rapid escalation in production output was contained from 2012 onward, as the State pivoted toward regulating the industry to build a more stable, quality-driven production system.

In 2012 an inter-ministerial conference issued a Nation-wide plan for the development of the animation sector which had the objective of supporting quality production through the creation of a market-oriented mechanism, with financial subsidies to reach overall higher standards (SQGJ 2012) (Si and Ren 2025) The core idea was to create a competitive environment where the highest quality products could shine, receiving funds and wider distribution.

This strategic consolidation is further exemplified by a 2017 directive (SZYJ 2017) . The core contents of this document, closely aligned with that era's Five-Year Plan, aimed explicitly at creating strong intellectual properties, fostering cross-media integration between animation and other entertainment sectors, accelerating the research and development of new technologies, and utilizing emerging media forms, such as mobile networks and mobile applications, for the wider diffusion of animation (Liu 2023: 106).

Consequently, the structural shift from a simple economy of scale to a highly developed, value-driven industry became a core national objective. The State thus continued to shape the industry's development by the implementation of policies that treated animation as crucial component of national culture.

To further foster the parallel development of the animation market and the industry's technologies the State adopted several other measures.

The 14th Five-Year Plan, issued in 2021, signaled a clear move towards that goal with the Chinese government focusing on the need to strengthen animated cinema so that it could develop as a tool useful for aesthetic education and the building of cultural confidence.

Additionally, in 2025 China's Film Administration issued a notice with the goal of developing modern VR systems to integrate into cinemas (YXFZ 2025) (Zhou and Lin 2025: 26). It remains evident that the intervention of the State is part of a wider strategy that links cultural objectives with technological advancement.

2.2 Industrial Development Strategies and Transformation

Following State measures, the Chinese animation industry underwent a period of profound changes in many areas, from the strategies pursued by producers to the distribution networks and platforms through which animation was consumed. Such changes occurred alongside the

development of China's economy and social structure, including its transition from an industrial to a service-based economy, and also from an analog to a heavily digital society.

2.2.1 The Industry's Growth and Success

As previously discussed, one of the most important measures taken by the Chinese government was the conglomeration of the animation industry. Creating large industrial parks with a high concentration of capital was deemed fundamental for the development of both the industry and the necessary technologies. To promote internal production, companies frequently conglomerated to create bigger entities with more funds and personnel (Sun 2022: 157).

Conglomeration was also one of the strategies employed to mitigate the loss of State subsidies during the transition into a market economy, while also serving as a useful strategy for responding to foreign animation entering the market.

Alongside conglomeration another important tool that helped Chinese animation to regain momentum necessary for its rapid growth was the advancement of digitalization. The emergence of computer animation technology enabled China to accelerate its domestic production, allowing the industry to “overtake on the curve” and overcome previous technological deficiencies (Liu 2023: 94). This technological advancement facilitated the rapid formation of an internal market, stimulating significant growth in output while simultaneously improving production efficiency and cost-effectiveness.

It is also worth contextualizing that, for a long time in China, animation was seen as a form of entertainment aimed at children. The image of being childish limited the market performance of movies, as well as their content and artistic expression. To further expand the industry and to develop new ideas and ways to advance technology and expression, it was thus necessary to challenge this perception (Zhou and Lin 2025: 23).

Movies such as *Nezha 2* demonstrate how the modernization of narratives can challenge the perception of animation as childish. This path of aiming for new content and marketing strategies was already clear with the success of *Monkey King: Hero is Back*.

It should not be considered, however, an easy process. Changing the perception of Chinese animation for the Chinese public has been particularly difficult, especially in the early stages. There was an initial low rate of acceptance toward the evolution of themes. Slowly, the stance of the general public became more relaxed, reaching what can now be understood as a very clear

distinction between three types of audience categories: children, adults and all-ages (Zhou and Lin 2025: 29).

Of course, given the strong vertical approach of the industry and the large amount of money involved, much of the industry did not like to take risks and, instead, opted for long-term investments in already strong IPs. The movie *Pleasant Goat and Big Big Wolf: The Super Snail Adventure* was a box-office success that encouraged others to imitate this production style moving forward. (Si and Ren 2025). And it was in such circumstances that the TV series *Boonie Bears* got its first big-screen adaptation, which, of course, proved to be a success (Zhou and Lin 2025: 25).

This trend of using already strong brands and producing content across different media started to be widely followed between the end of the 2000s and the beginning of the 2010s.

It may be inferred that the tendency to avoid risks and refraining from developing new brands and ideas heavily restricted the possibility of change, both in the direction of the industry and in the perception of the medium by the Chinese audience. That is possibly one of the reasons why the complicated process of making the Chinese audience recognize animation as more than just a children-oriented art form required so many resources and so much time, all while needing to carefully craft new narrative styles and conventions to meet the tastes of the public.

All the measures taken led the industry's total output value to rise from 10 billion RMB in 2005 to 87 billion RMB in 2013; concurrently, between 2004 and 2011, television animation output rose twelvefold (Liu 2023: 103). This data clearly showcases an increase in production suggests the significant impact of the State's policies on the expansion of the sector. During this period the animation industry became bigger and bigger, with more and more people involved and large amounts of capital invested.

In the years following such reforms, looking at animated films, from 2008 to 2015, the number of annual animated theatrical releases increased significantly, alongside box office results (Liu 2023: 105). This upward trend demonstrates that the phenomenon worked out successfully for cinema releases as well. Ultimately, the State's primary objective of consolidating a robust internal market appears to have been substantially advanced.

In fact, the domestic animation industry's box office performance accelerated dramatically during this period, surging from 422 million RMB in 2012 to over 6 billion RMB in 2019 (Chi 2025: 38).

This exponential growth can be attributed to the modernization of narrative techniques, optimized market regulation, and structured internal competition, alongside sophisticated promotional strategies and a meticulous consideration of shifting audience preferences.

A pinnacle of this success was *Nezha 2*, which shattered box office records within China and ranked as the fifth highest-grossing film worldwide during its release cycle (Chi 2025: 38).

These global figures are particularly striking when considering that the vast majority of these tickets were sold strictly within the domestic Chinese market.

This cultural consumption was fundamentally parallel to the rapid expansion of the broader Chinese economy. As disposable income levels rose, citizens increasingly allocated capital toward high-end entertainment products. Coinciding with, the Chinese theatrical box office expanded from 17 billion RMB in 2012 to more than 64 billion RMB in 2019 (Chi 2025: 40). Yet, despite these robust macroeconomic indicators and State-led industrial measures, the challenge of enduring intense foreign competition remained relevant.

Foreign animated features consistently ranked as the highest-selling animated titles in China throughout most of the 2010s, maintaining a constant market presence well into the 2020s (Ibid).

2.2.2 Platforms and Distribution of Chinese Animation

When looking at distribution and platform strategies, Chinese animation has seen substantial changes over the last 20 years. Enormous transformations also happened before, with the ending of the planned economy system and the beginning of a market system, as discussed previously. In some sense, it can be argued that Chinese animation distribution had always been facing strong setbacks due both to technical limitations and inconsistent regulations. The situation became more difficult over time due to both high foreign competition that put domestic producers under intense stress, and the impossibility of finding consistent and reliable distribution with clear regulations. This problem was especially present at the end of the 1990s and the beginning of the 2000s, before actual reforms were made to facilitate both the broadcasting and screening of domestic animation.

During the period that started the present age of Chinese animation, arguably the end of the 2000s and the beginning of the 2010s, television channels became more sophisticated. After limiting foreign animation and establishing rules for the screening of domestic products, by

2011, there were more than 300 dedicated animation channels, nearly half of which were local networks (Liu 2023: 103). This infrastructural growth facilitated the widespread diffusion of domestic animation, strengthening television's role as a channel for both commercial consumption and children's education.

Such a systemic approach also proved useful in overcoming the large differences between different Chinese provinces and regions, as well as between target audiences.

Measures like these encouraged animation companies to cooperate not only with local television stations but also with emerging movie distribution networks and the first internet platforms dedicated to distribution.

These trends benefited both moviemakers and distributors in their reciprocal growth. It was the first step toward achieving the modern multi-channel distribution approach (Si and Ren 2025: 38).

The creation of a network to encourage the circulation of information was a crucial plan for the central government and an integral part of the policies. It should not be forgotten that animation itself was considered a critical cultural area. Its protection, its distribution, and its content were thus considered important for the nation itself, mirroring the advances in China in other important technological and industrial sectors. In fact, the path of technological development and the inevitable digitalization of China went hand in hand with the transformation of animation in its use of digital platforms for distribution.

With digitalization, not only were animation producers able to cut costs and increase both production quantity and quality, but the entire distribution process also benefited significantly. In fact, new digital platforms of distribution became highly important in the late 2010s, following the boom of the mobile internet and the widespread advent of smartphones.

Recognizing this shift, the State itself intervened in 2017 (SZYJ 2017), with the goal of opening up alternative avenues for the animation industry to sustain itself within this newly formed digital environment.

A prime example of this trend was the platform U17 (有妖气 *Yǒu Yāo Qì*), which successfully secured substantial capital and generated highly lucrative intellectual properties (Liu 2023: 108).

Following this tripartite distribution system, Chinese animation managed to grow both in numbers and quality. Television animation remains one of the most popular broadcasting methods, and cinemas are still one of the preferred ways to consume important animation works. However, much emphasis is being placed on digital platforms, both from a distribution perspective and for the development of effective marketing strategies.

2.2.3 Marketing strategies adopted

When it comes to the marketing and promotion of Chinese animation, for a long period of time there was very little efficiency and a lack of knowledge in both decision-making and the implementation of marketing strategies. China's animation companies were deeply inexperienced with promotion and advertising, leaving them unable to compete with bigger IPs, such as American and Japanese ones.

They had to learn from competitors. However, this early industrial learning process proved to be highly complicated. These systemic difficulties stemmed primarily from weak intellectual property protections, loose regulatory enforcement, rampant piracy, and the lack of high-quality distribution channels for merchandise and derivative gadgets (Chi 2025: 45).

The first decade of the 2000s saw the development of the internet in China. By the 2010s, online platforms such as Maoyan and Taopiaopiao made it possible to purchase tickets for movies online. Such a revolution in consumption methods was a huge step for the industry. It made it possible to improve the convenience for the audience, since buying online was actually easier than having to go to the cinema and purchase tickets. However, the most important aspect of this transformation was that through online platforms, it became more convenient to access box-office data and perform more efficient user profiling. These tools became invaluable for the development of efficient marketing strategies and strategic release windows (Zhou and Lin 2025: 25).

With market logic serving as the pillar of the sector's development, and alongside the development of new technologies, a wider array of data was now usable to determine the most effective ways to position and develop animated products. As is known, in order to execute effective marketing, it is crucial to obtain accurate and timely data. This data has to be as comprehensive as possible and directly relevant to help improve the performance of products.

With digitalization, it was now possible to access such amounts of information and use them to develop efficient strategies.

Social media has also become more and more important in recent years, fundamentally transforming the landscape of film marketing.

Modern promotional strategies increasingly rely on short-form videos and partnerships with content creators for advertising. Concurrently, the wide array of consumer data collected allows for much more efficient marketing strategies, offering a large spectrum of possibilities for audience diversification.

Audiences themselves have transitioned into active participants within these marketing frameworks. Word-of-mouth propagation through user-generated videos, reviews, and posts has become a core component of both personal media consumption and corporate promotional campaigns.

A prime example highlighted by Xu Chi is the blockbuster *Nezha 2*. The movie shattered domestic box office records in the context of its massive social media footprint. Well before its initial theatrical screening, the film had already achieved ubiquitous visibility and dominated online cultural discussions (Chi 2025: 42).

In recent years, the success of *Nezha 2* made it clear that the Chinese market has not reached its maximum potential and should be cultivated and approached with careful marketing choices.

The numbers speak for themselves, and they further signal the audience's willingness to consume Chinese domestic animation. The movie has demonstrated, for example, that leveraging the Spring Festival helped its box-office explosion (Zhou and Lin 2025: 26). The use of social media and patriotic narratives was also associated with increased internal consumption.

Marketing strategies leveraging short-form videos and social media networks have thus become highly integrated within the core production workflows of the animation industry (Chi 2025: 39).

This strategic integration has the potential to achieve substantial growth at the box office and foster deep engagement with the public, further testifying to a shift toward an optimized, market-oriented distribution system.

Consequently, significant emphasis has been placed on the creation of robust intellectual properties designed to maximize value across the entire industrial chain. This approach aims to

develop cross-media integration, spanning video games, merchandising, television series, theatrical films, comic books, and web novels (Ibid).

The Chinese animation industry has been gradually moving towards a multi-channel approach in marketing, using big data and social media recommendation systems to further enhance the performance of movies (Zhou and Lin 2025: 28).

This method not only allows for a personalized approach based on the availability of data gathered on population interests and clicks, but it also helps tremendously in standardizing products, adapting only where necessary, and facilitates access to global network of distribution. It can be confidently said that digitalization created a much larger amount of data that could be analyzed, increasing the chances of effective marketing analysis and more targeted promotional campaigns.

However, this reliance on short-video platforms and instant digital entertainment simultaneously acts as a counterweight to traditional theatrical releases.

These platforms may have fostered shorter audience attention spans and highly fragmented entertainment preferences (Chi 2025: 43). Consequently, this environment acts as a distinct double-edged sword: cinematic releases become less about the standalone artistic merit of the movie itself, and more about the surrounding social discourse generated across social media platforms, a phenomenon that *Nezha 2* can be seen to exemplify.

It is also worth noting that the importance of music in Chinese animation cannot be understated, especially in terms of the distribution and marketing of a movie. Chinese singers or actors have been widely employed both for dubbing and to compose songs or themes for movies (Zhou and Lin 2025).

Again, the importance of singers and musicians in China is palpable. TV singing competition programs are widely popular, while dance videos and the music industry both go viral on social media every day. Leveraging this has been a successful way to increase the perceived value of these movies.

Such a strategy has also been actively developed in recent years, with one of the prime examples guiding this marketing trend being the movie *Lotus Lantern* (Sun 2022: 160), already briefly discussed in the first chapter of my analysis.

2.2.4 Animation Companies

The Chinese animation industry has been primarily dominated by three major animation companies: Light Chaser Animation 追光动画 *Zhuīguāng Dònghuà*, Coloroom Pictures (*Enlight Media*) 光线彩条屋 *Guāngxiàn Cǎitiáowū*, and Fantawild Animation 方特动漫 *Fāngtè Dònghuà* (Zhou and Lin 2025: 29).

Coloroom Pictures has built its production profile around polishing visual effects and cooperating with other companies, as well as retelling mythology.

Light Chaser focuses on reinterpreting myths, gods, and culture, also modernizing them through narrative techniques.

Fantawild has instead focused on a child-oriented market and serialized-production, with strong brands such as *Boonie Bears* (Zhou and Lin 2025: 30)

Light Chaser, founded in 2013, is a prominent Chinese animation production company. The company has been a symbol of commercial success and production capability (Xu 2025: 31) with its philosophy being to make movies that are able to target both youth and adults. Some of their works include *Little Door Gods*, *Tea Pets* and *White Snake* (Chi 2025: 37). Their works typically blend mythology with modern day narrative solutions to make old folk stories entertaining to both children and adults.

Their success was linked not only to a specific modernization of folk tales and East Asian mythology, but also to their capability to reach and expand through various channels, from merchandising to social media and virtual reality (Xu 2025: 31).

The interest in different channels shows that the Chinese industry has been able to successfully address the gap that was previously present in terms of marketing ability and effective communication of value.

Light Chaser also rose to significant prominence through its use of modern technologies for special effects and animation in the workflow process, one example being the use of cloud computing and strong collaborative efficiency (Si and Ren 2025: 41). This successful animation company exemplifies China's investment both in the modernization of the narrative and in the development of technology as a fundamental tool to sustain production and creativity.

2.3 Current Challenges and Future Perspectives

The overall trajectory of the development of the Chinese animation industry has been impressive, both in the scale of its achievements and the rapidity of its development. Propelled by numerous and substantial State interventions, and supported by strategies developed by sector experts, the industry became the center of large sums of capital and investment.

Progressing alongside China's rise as an international power, animation proved capable of expressing both national character and innovative features through narrative styles and technological development. The Chinese audience also responded positively by consuming domestic products and engaging with marketing strategies. As of now, Chinese animation has been expanding rapidly with the long-term aim of reaching international markets and consolidating its position even more.

However, such rapid development and the strategies used have also created important problems that need to be addressed. In order to further develop the sector, many actions are needed and, first of all, a clear, objective look at the industry's weaknesses needs to be properly undertaken. In this section, we will examine the most important challenges that need to be addressed by sector practitioners, while also trying to understand their causes and possible future outcomes based on contemporary trends.

2.3.1 IP Concentration and Creative Homogeneity

One of the ways in which the animation sector achieved rapid growth was through the creation of important intellectual properties and their sustained support. TV series, movies, games, and other products were often made using the same characters or settings. Clearly, this strategy is best suited to reducing costs, increasing the probability of retaining the audience, and securing a consistent return. It is a strategy that avoids taking too much risk and aims to play it safe.

However, some industrial analysts suggest that such a strategy may have become a core obstacle to the expansion of the domestic animation market itself. In fact, the lack of diverse, original IP portfolios may have led to a subsequent homogeneity of content (Chi 2025: 43).

This lack of variation poses a challenge for internal audiences, who increasingly may exhibit fatigue and disinterest towards recycled narrative formulas. Furthermore, it may complicate international appeal and threatens global market expansion. Foreign audiences may potentially

experience similar fatigue while simultaneously facing greater difficulty in decoding a distant cultural context.

In fact, when considering the most important shortcomings of Chinese animation development, one that easily comes to mind is its lack of original artistic expression and the repetitiveness of its content. This is in part due to the homogeneity of content, but other reasons can also be found that have to do with the long history of Chinese animation and the ways it was produced and developed before the digital age.

For a long period of time, Chinese animation had been perceived as a medium that was aimed at children and had very limited appeal for adults, as well as little artistic value (Zhou and Lin 2025: 23).

This trend eventually limited the Chinese animation market's potential and was only effectively modified in recent years.

However, even if the market positioning changed for the better, Chinese animation encountered another problem derived from the rapid changes and transformations that occurred in the sector. In essence, the excessive marketization of Chinese animation may have impacted artistic creativity, eventually influencing audience perception negatively.

The marketization of the industry, with large numbers of productions and a high concentration of intellectual properties among a few important companies, has been a major problem in developing a sustainable and solid animation film industry.

Many Chinese movie projects involve large sums of capital and cannot afford a wrong approach or a failure to reach the desired box-office goal. This leads to the choice of specific release windows and a highly competitive release environment (Zhou and Lin 2025: 29).

Despite the new approaches to marketing strategies, cross-channel integration, and media integration, another problem has emerged apart from IP concentration: the shortage of profitable intellectual properties.

The very small number of properties competing fiercely with each other for space and attention has limited the long-term success of many possible alternative Chinese animated movies (Zhou and Lin 2025: 30).

A more efficient strategy should be put into place, since many movies just do not perform well in the long run, but quickly disappear after the initial release. Looking at the top-performing box-office animated movies of recent years, it becomes striking how they often come from the

same intellectual properties, with multiple entries for each (Ibid). Such a situation suggests the lack of new voices and a degree of redundancy in both content and production.

Taking measures to improve the efficiency of competition, as well as stimulating artistic vision, is thus necessary. The importance of such measures is clear if we consider the general behavior of the most important animation companies operating in the sector.

As already mentioned, large amounts of money invested and staggering amounts of resources made taking risks very distressing and not at all advisable. In order to limit risks, then, companies preferred to choose solid brands at their disposal. It is obvious, however, that this approach affected overall market variety and artistic vision, as well as creating a significant barrier for small-to-medium productions. Such companies, often new to the market, find themselves largely excluded (Zhou and Lin 2025: 24).

The situation is even more aggravated by the tendency to reuse the same myths, legends and narrative structures again and again, often for the same exact reasons, such as reducing risks and costs. In such conditions, it is very difficult to stimulate steady long-term demand and consumption.

These important challenges thus need to be recognized.

A review of works and deeper reflection are needed to address these problems and resolve them. However, according to Lin Wenxiao, a significant shift has occurred in the professional culture of Chinese animation. Unlike previous generations, modern animators rarely convene after a project's completion to discuss technical insights or “regrets” regarding their work (Du 2022: 71).

While these post-production self-critiques were once standard practice, the contemporary tendency for production teams to disperse immediately upon a film's conclusion prevents the accumulation of collective experience and hinders professional development. It also signals a different approach to the animation industry overall among its workers. Such a shift became a reality due to the transformation of China's economy and society during the late 1980s and 1990s.

As projects started to adapt themselves to the market system, so did the working teams behind them, who became more interested in pursuing higher salaries and better career prospects. In this newly formed environment, moving between companies and new projects became the norm within the industry.

A similar opinion is shared by Xu Jinbo, a researcher on contemporary Chinese animation. The point made is that there is a current discrepancy between visual and technical quality and the narrative choices made. Chinese animation should undergo a process of integration between commercial necessities and artistic vision (Xu 2025: 31).

2.3.2 Competition with Foreign Animation and the Quality-Quantity Issue

Another important challenge that Chinese animation has had to face since its beginnings is the impact of foreign animation, the fierce competition it generates, and the repercussions for both the technical sphere and creative aspects.

For a long time, China represented a fairly isolated market, with a somewhat consistent domestic production and important filters on the import of foreign animation. This, along with support for domestic animation and an economic system focused on careful planning, created an environment where Chinese animators could work on their own projects without having to worry as directly about market returns or competition with foreign producers.

After China opened up and transitioned from a planned economy into a market system, foreign animation flooded the market. To make things worse, Chinese TV stations were given free foreign cartoons, while they had to pay for those produced by Chinese studios (Jones 2019: 20). TV channels during the 1990s were relatively free to choose what to import and broadcast. This led to very hasty reviewing processes without careful consideration of possible consequences, leading to an influx of foreign cartoons (Liu 2023: 99). Such conduct obviously exacerbated the pressure on domestic producers.

The end of the 1980s proved to be a pivotal point for the sector going forward. Looking at the financial situation of the historic Shanghai Animation Film Studio can give a more precise picture of how grim the situation appeared for many workers in the industry. In fact, not only were salaries for workers of domestic companies minimal, but as a consequence, talent was not cultivated efficiently, and all production and distribution processes suffered severe delays.

The year 1989 is often considered the most devastating year, as the profit for the Shanghai Animation Studio declined from 143 million RMB in 1987 to a mere 48 million RMB in 1988 (Wu 2018: 68).

Chinese workers who previously enabled the production and distribution of Chinese domestic animation started to work for foreign companies. Higher wages, better working positions, and the possibility to cultivate talent in a much more successful environment were the key motivations for such a transfer of human resources.

However, it is also important to mention that most Chinese workers in the sector were employed by foreign companies for their low cost and not for their creative capabilities. They, in fact, worked in the middle stages of animation production, not in key creative areas such as scriptwriting, modeling, and certainly not in post-production, which involved editing, sound, and other effects.

This drained Chinese domestic production, and the situation only changed after the year 2000, when the government introduced restrictions on broadcasting outsourced foreign animation (Sun 2022: 138).

China's animation companies were also deeply inexperienced with promotion and advertising, leaving them unable to compete with bigger intellectual properties, such as American and Japanese ones. They had to learn from them. Such a learning process became even more possible with the advent of digital animation and the rapid economic development of the early 2000s and 2010s.

Nevertheless, the inconsistent quality of domestic animation remains a persistent challenge for the internal market and a barrier to China's soft power on the international stage.

Even though there have been major artistic and commercial breakthroughs, such as *Nezha 2* and *Big Fish & Begonia*, countless other projects have failed to even reach one million RMB at the box office due to poor production values and weak screenwriting (Chi 2025: 43). This massive disparity in output quality may contribute to a mixed, or often highly negative, perception of the industry among both domestic consumers and international audiences.

Furthermore, foreign products illegally entering the market via the internet, competing with domestic animation and operating outside State regulation, strained the industry and became another key issue.

Demand and supply are currently imbalanced. A framework that enforces market competition based strictly on fairness and efficiency should be adopted. Otherwise, the current industry bottleneck, described by the Chinese idiom 千军万马过独木桥 *qiānjūn wànmǎ guò dúmùqiáo*

“thousands of soldiers and horses trying to cross a single-log bridge” will negatively impact Chinese animation in the long term.

Consequently, some suggest a continuation of past protectionist policies, specifically rigorous scrutiny regarding the importation of foreign animation (Liu 2023: 107).

These analytical statements clearly carry the ideological weight of Chinese policy logic. In fact, the substantial State funds given to enterprises may have contributed to overproduction, market imbalances, and a lack of authentic competition.

While State intervention was long believed to be one reliable way to achieve economic growth, this consequent lack of direct competition is simultaneously viewed as both the root problem and the ultimate solution. On the one hand, competition with foreign products is deemed problematic, while on the other, the idea of creating a more vibrant, competitive environment exclusively within the domestic market is seen positively. To further address this point, a widespread belief remains that Chinese animation must undergo much deeper, quality-oriented scrutiny and institutional evaluation in the future to perform better on the global stage and systematically raise production quality (Liu 2023: 108).

In this sense in September 2023, municipal authorities in Beijing, aiming to establish optimized distribution channels and more rigorous market control mechanisms, issued further notices to update already existing regulation (BJDM 2023) (Chi 2025: 40).

This municipal policy directly echoed the overarching national drive to achieve comparable regulatory and structural results across the country.

Such reforms aim at consolidating the overall positive trends of the industry while focusing on creating a different public perception, especially through quality-driven measures. Perception, both in the domestic market and on the international stage, is considerable a key dimension for the expansion and consolidation of the sector. A negative perception may not only decrease audience trust, but also negatively influence the entire production process, leading to fewer investments and less talent development.

Finally, Chinese animation has not fully resolved the issue of competition with foreign animation or the construction of a clear distinct domestic identity. While many works have been able to expand the industry both economically and creatively, many limitations remain. Such limits are especially clear if we consider the industry from an international perspective, moving beyond domestic numbers.

2.3.3 The Future of Chinese Animation: Investment, Independent Production, and Alternative Funding Models

One of the final aspects that needs to be considered when analyzing the Chinese animation sector is investment, along with various forms of financing and their influence on production. As already mentioned, most financing is conducted through vertical systems that quite often have their center in the State's architecture. Such a system has achieved many impressive results and is solid and consistent in its goals. However, being overly dependent on central political ideals and measures presents many structural weaknesses.

With the changes that have occurred in the market and the trajectory of the medium shifting towards new ways of consuming animation, as well as different demographics, China saw a swift set of reforms that aim to advance the sector and build on existing characteristics.

In 2021, for example, the Ministry of Culture and Tourism signaled in the context of the 14th Five-Year Plan that full attention would be placed on the creation of an industry chain for animation targeted at all-age audiences, with the basic understanding of creating new and strong brands to sustain the sector's development. The creation of new brands appears to be a way to promote originality and a sense of novelty in a sector that suffers from the previously discussed IP over-concentration.

Also, sustaining the industry with new funds happens to be a key factor in both technological development and industry consolidation.

In 2021, the China Film Administration issued an important document which aimed at pushing innovation in technology and placing a strong focus on the internationalization of Chinese animation (ZGDY 2021) (Si and Ren 2025: 41), thus addressing an important field in which Chinese animation wants to expand rapidly in the foreseeable future.

Looking to the future of Chinese animation, Liu argues in his research that the industry should not rely merely on State financing or fiscal subsidies, but should instead attract a higher degree of private investment. In fact, sustained investment is vital for a capital-intensive industry such as animation, which depends on large quantities of capital and long production cycles (Liu 2023: 107).

However, in the research I consulted, Liu also points to policy stability as a major positive factor and one of the primary successes already achieved. Conversely, looking at the highly repetitive themes that historically restricted creative writing, it is arguable that a looser policy on content and a reduction in administrative influence would significantly benefit the original work of artists. In such circumstances, it becomes evident that some Chinese scholarship's analysis often reaches an impasse, where making important changes and decisions is necessary, but there seems to be no way to abandon central State influence and control over the medium.

In regard to this, one notable case study is the 2006 film *Thru the Moebius Strip* 魔比斯环 *Móbīsī Huán*, the first large-scale Chinese animated feature produced entirely outside the State-owned studio system (Sun 2022: 183).

This independent backing allowed a higher degree of aesthetic experimentation. Not only did it debut as China's first large-scale 3D animated film, but also approached thematic development, narrative structure, and content delivery in ways that were unusual at the time. Departing from classical folklore and Chinese mythology, the movie differentiated itself from other titles and attracted domestic attention.

It is a solid example of how independent funding can support both technical innovation and artistic creativity. It is also a signal that alternatives are possible in China apart from a rigid centralized system.

Another compelling example of a film navigating non-traditional production pipelines is *Big Fish & Begonia*, which endured a notoriously turbulent, decade-long production cycle punctuated by numerous financial halts.

The project is particularly significant due to its evolving funding model. Originating from a crowdfunding campaign, it captured the attention and backing of a major production conglomerate, which secured its completion and theatrical release (Sun 2022: 195).

Expanding on this structural shift toward diverse funding and production models, the Beijing Municipal Bureau of Culture issued a notice anticipating policies specifically aimed at sustaining the production of emerging formats, such as mobile animation, web-based series, digital comic strips, and online multimedia content (FCBF 2012) (Chi 2025: 40).

By deliberately allocating State funds to nascent intellectual properties and independent animators, this initiative sought to cultivate a far more diverse array of creative voices and varied content across the industry.

However, such reforms often come from pre-existing ministries and State organs. In this sense, State funding can diversify access to capital while simultaneously preserving administrative influence over the sector.

3 Chinese Animation Contents

This chapter has the objective to further enrich the discussion around Chinese animation by focusing on its contents. The discussion builds on the material presented in the previous two chapters while addressing new sources to engage more deeply with the topic.

In particular, by paralleling China's cultural discourses, its economic development and political ideologies, this section seeks to illustrate the various characteristics of Chinese animation products in terms of their themes, aesthetics and artistic language.

3.1 The Pursuit of the Chinese Character

When it comes to understanding Chinese animation development, apart from its economic structure, it is fundamental to address one continuous aspect that has defined its history since the beginning of the sector in China. That is the issue of developing a distinct “Chinese character” for animation. In China, in particular, nationalist ideals around the concept of Chinese characteristics coincided with the May Fourth movement and the birth of a modern Chinese nation. As such, the “Chinese character” is deeply embedded in the notion of the cultural dominance of the Han ethnic group inside China (Wu 2018: 18).

In such a sense, the nationalistic agenda influencing Chinese animation is much more evident as the result of the environment of the early 20th century, influencing its future developments (Wu 2018: 12). In essence, it may be argued that such an objective was pursued with the goal of distinguishing Chinese animation from foreign animation and creating a unique flavor for animation in China. Drawing from a long tradition of experimentation and artistic traditions, China had significant cultural and artistic resources from which to develop a flourishing and unique animation industry.

At the birth of animation, China came from a difficult historical period during which foreign powers colonized its territories and Japan, at its borders, was trying to expand its influence. In the early stages of Chinese animation, artists had thus to operate in a very complicated field. Not only were technologies difficult to use and create, but the artists worked in an environment where politics had a strong influence. Difficult conditions, experimentation and a strong sense of social urgency were common for all the artists of the period. The dilemma was thus: “Can we

learn animation, studying from foreign artists, but making it Chinese? Can we be free from foreign influence, learning and creating with our perspective?”.

It is in such an environment that Chinese animation saw its beginnings. Inevitably, such roots would influence the development of the sector for many years to come.

Important Chinese animators such as the Wan Brothers, known for their patriotic works, including those produced during the war against the Japanese aggression, would in time become the teachers of a long tradition that led directly into modern animation. In this sense, one of the most important movies was, of course, *Princess Iron Fan*.

Its release was historically important for Chinese animators, as it was the first Chinese animated feature film and the first Asian animated feature film. Also, the movie itself aimed both to tell an important Chinese story and not shy away from having an important political tone. In the film itself can be understood as reflecting on the Chinese creator’s willingness to explore their own history and political issues. In such a sense, Chinese animation wanted to distinguish itself from simple cartoons made of gags only aimed at satisfying simple forms of entertainment.

To further symbolize this important matter, a new policy was implemented by Te Wei at the early stages of Chinese animation. The point was to change the name from “cartoon”, judged too American, into “Chinese art films” (Du 2022: 31). The point was not to simply play with words and can be seen as a way to convey a firm message of independence and differentiation.

The policy was that the past should serve the present and the foreign should serve China (Liu 2023: 93). Past culture was thus an efficient device to be used by policy actors to define the present national identity. The foreign, instead, was seen as a tool to serve self-modernization. Through modernization, it was seen as possible to develop the country’s own independence.

Such cultural lens can be particularly evident when addressing the reception and discourses around movies released during the early period of Chinese animation. When *Princess Iron Fan* was released, for example, its “character” was a reason of its success. When it reached Japan, it became a huge phenomenon, and its own Chinese “character” was transformed by the Japanese propaganda into an idea of the triumph of Asia over Hollywood. A letter written by the Wan brothers and sent to a Japanese movie critic further emphasized this idea.

Regardless of the possible modifications made to the content of the letter, to further distance the movie from the idea of a purely Chinese success, it remains relevant to an analysis of the Chinese creator’s viewpoint on animation itself. In fact, even though the concept of creating a

national character was strong and the movie itself drew from many Chinese aesthetics and elements of folklore, a lot of the movie was still built on imitation of Disney gags, animation style and overall character design (Du 2019: 48). In fact, this was possibly inevitable. Despite the willingness to distinguish itself, China was still far behind the United States in terms of technical capabilities, and the creativity of the sector was hampered by the scarcity of capital and talent due to the difficult political circumstances.

Chinese animation has always struggled both technically and creatively to distinguish itself from foreign animation. In fact, due to the difficulty inherent in the development of a modern medium, the pursuit of Chinese character has been quite limited to a few tendencies. Much of the animation works focused on the iteration and imitation of traditional Chinese arts instead of working with modern cinematic form and content (Wu 2018: 16). This creates an obvious redundancy not only in artistic expression but also in the development of animation itself.

Without the push for novelty, animation just becomes a new blank canvas on which to repaint the same exact art expressions already drawn in the past. Apart from a stagnation in the development of the sector, this also creates a scenario that limits the international attractiveness of Chinese works. If everything is deeply embedded in cultural discourses, it can become difficult to decipher the work from an outsider perspective.

There is, in fact, also the risk of producing forms of self-orientalism in the form of over-exaggerating some cultural traits to further push for a specific political ideology (Wu 2018: 17)

In conclusion, given the novelty of the medium and the enormous changes that have occurred inside of China's socio-economic structure, the theme of what constitutes the "Chinese character" is still widely discussed both by academics and creatives.

Most of the approaches taken in modern times, after the marketization of the industry, aimed at creating some sort of "Chineseness" by operating on historical reconstruction of environments, landscapes and events or by revolving around myths and legends. However, many argue about the long-term sustainability of such forms of thematic approach and seek for other ways to push forward the idea of Chinese identity. I am going to expand on this in later sections but, for the time being, it is worth noticing that, even though the idea of the "Chinese character" is still being debated, it remains at the center of the sector's initiatives and is heavily promoted by the State itself.

3.2 Ideology and Politics behind Chinese Animation

As discussed, Chinese animation development was influenced by the nationalist ideas of the May Fourth Movement and all the political turmoil of the 20th century (Wu 2018: 16). Coming from a long history of cultural dominance and flourishing artistic expression, China wanted both to build its national identity and create a strong cultural environment. Of course, given its unique political circumstances, the directions taken by State measures were different from foreign ones and one cannot analyze Chinese animation products without considering the politics and ideology through which they were produced or, at the very least, heavily permeated

One interesting example is provided by the animation content during the Japanese aggression. In that period animation was at its beginnings in China. Most of the productions were made either for commercial purposes or for propaganda. At the time Chinese animation was imitating Disney's and Fleisher's early animated styles, focusing on bodily transformation, animal traits, and strong visual storytelling. Chinese propaganda thus put strong emphasis on distortion of the forms of the enemy invaders, which at the time were the Japanese (interestingly, the same approach was taken by the Americans towards the Japanese). Chinese animators often used animals to represent the inhuman invaders, such as monkeys or snakes. Often, also, they used powerful animals such as tigers as the symbol that represented the brave Chinese soldiers resisting the invasion (Du 2019: 42). So it may be observed that since its birth Chinese animation has often been confronting the issue of creativity and originality.

While pursuing a Chinese national character, animation found itself in the complicated position of having to deal both with a complex political scenario and a newly born Chinese population. It is in this scenario that the first steps of the Chinese approach to animation were decided, with many of its central concerns remaining relevant today. As an example of this we can both look at the Wan Brother's work and the changes that occurred in China after the marketization of its economy.

The first animated feature film in Asia was the Wan brother's *Princess Iron Fan*. For that movie's production, a large quantity of resources and energy were devoted to advancing Chinese animation through a critical study of western technologies and techniques. The overall goal was still to adapt foreign knowledge to China's own cultural background and historical situation. As already discussed, the movie was done during the war against Japanese aggression, and also contained much content that hinted at national unity against the invaders (Sun 2022).

Such a movie was possible because the film did not receive heavy scrutiny, as the sector was considered marginal and mostly related to children or simple gags (Du 2019, :33).

After China started to once again open itself to Western technologies and influence, during the 1990s, Chinese animation found itself in a very similar scenario to the one of the Wan Brothers, having to regain confidence in the use of technology and re-explore its forgotten national identity with the theme of Chinese originality or the push for artistic creativity with Chinese national confidence remaining central. (Wu and Wang 2020). As China's sphere of politics and society preserved a strong desire for independence, the same applied to Chinese animation with its aim to find a distinct unique voice and not being just a parody of Western animation (Jones 2019).

Most of the animated movies released in the 20th century were aimed at children and, specifically during the first period of communist China, the idea behind animation was to help a new generation grow up with socialist ideals and a strong national character, with Soviet animation was indeed one of the most striking inspirations. While Disney animation was seen as a colorful and technical inspiration, Soviet animation, much more politically focused and with a more rigorous storytelling, was more appreciated by Chinese artists of the time. (Sun 2022: 269).

An interesting story regarding internal narrations involved the Chinese animation *Why Crows are Black* 乌鸦为什是黑的 *Wūyā wèishénme shì hēi de* that was said was reportedly mistaken for Soviet at the Venice Film Festival (Jones 2019: 7) but in the end was revealed, according to Jones, to have been the subject of a fabricated story intended to promote nationalization policies (Ibid).

One could argue that animation was also a tool to promote Chinese unity also through the use of minorities portrayed as “Chinese” or part of the great nation. In *Heroic Little Sisters of the Commons* and *The Story of Avanti* where the designs of the protagonist were heavily inspired by Uigyr culture and appearances (Sun 2022: 98) this is arguably the case. Another example can be extracted from *The Golden Wild Goose* where Buddhist symbols are linked to Mao, eventually strengthening the representation of Tibet and Buddhism as part of China.

Such narratives remain part of the wider ideology of nationalization of animation. Considering the target being children, such ideas were the starting point for the growth of a generation with a wider sense of national culture that also included those minorities. In some sense, it can be argued that such animated works participated in the integration and assimilation such minorities

into the Chinese societal structure. Considering the strong position held by the Han ethnicity throughout Chinese history (Wu 2018: 18), however, this tendency is not at all surprising and can be regarded as a continuation of previous policies linked to the theme of security and the need for unity against internal division.

The theme of cultural protection became relevant again during the 1990s and early 2000s, especially after the Tiananmen Square crackdown. The idea that foreign animations flooding the market and its intrinsic “cultural pollution” became an important worry of the Chinese Communist Party. They thus promoted the development of a strong domestic animation industry to contain foreign influence, since censorship was not simply enforceable. (Liu 2023: 94).

Coming from a period of tensions, the effort from the ideological standpoint remained largely consistent with what came before, thus protecting Chinese culture and character from contamination.

This made it possible to support a new generation of animators who, gradually, started to overcome their initial technical and financial limitations, allowing them to compete more effectively with foreign animation, develop new ideas and have more tools at their disposal.

This process led to a gradual diversification of content. As mentioned before, children were the main target for animation. The entire philosophy of cartoon creation was oriented towards helping children start their lives with good moral values (Du 2022: 75).

Before animation mainly targeted children with the main purpose of serving them and providing a didactic function. Since Chinese animation had to compromise with the State (after the 1990s also with the market), the didactic role was thus increasingly shaped by both State authority and market tendencies.

Even after the early 2000s, animation and children’s programming continued to be closely associated in state funding initiatives, such as special funds given to outstanding children’s programs in animation (Liu, 2023: 96) or the 2005 document issued by the State Administration of Radio, Film, and Television (JQET 2005) which included a rigorous discussion on the establishment of industrial sites which had the primary objective to facilitate the creation of an economy of scale within domestic animation production. The conceptual linkage between animation and children’s media remained strong.

However, the rapid development of the sector and changes in society gave rise to the diversification mentioned above. When at the end of the 20th century American and Japanese cartoons flooded the market, the idea of an animation only being destined for children was severely challenged. Chinese animation contents started to evolve and move beyond that simple audience to the point that now it can in fact be divided according to three different targets: adults, children and all-age animation (Zhou and Lin 2025: 29).

Even though some Chinese scholars suggest that the content of animation and comics entering during that time and after often promoted individualism, materialism, hedonism and sometimes pornography (Liu 2023: 94), it still forced Chinese political establishment to also rethink its ideas about target audiences and push for measures to prevent a form of “ideological pollution”. An aspect to consider is the expansion of dedicated animation channels and the mandate that domestic content be screened during prime-time hours, in strict conformity with national regulations (Ibid). This policy was driven by a desire to insulate minors and the educational system from perceived “cultural contamination” by foreign media. It remains a common ideological stance that foreign cartoons promote values such as individualism and hedonism, which are viewed as contrary to Chinese societal interests. Consequently, the state prioritized domestic animation to portray its own distinct values and beliefs, viewing the younger generation as essential for the perpetuation of the national culture.

Even though Chinese animation gradually started to leave behind the old framework of targeting solely young children, the majority of the television audience for animation up until the 2010s was still composed of children. Adult viewership was also significant, but this was primarily mediated through the “co-viewing” model known as 小手拉大手 *xiǎoshǒu lā dàshǒu* “little hands pulling big hands” (Ibid).

Considering instead the idea of cultural protection and Chinese “character”, that concept remained present also at the start of the 2010s and afterwards. Under the 12th Five-Year Plan, it was emphasized that the animation industry should develop by leveraging regional advantages while continuing to pursue both national and local characteristics (Liu 2023: 98).

In fact, despite the transition into the 2010s, central government policy remained largely consistent with previous frameworks. This continuity highlights the ongoing urgency for Chinese animation to achieve a “leapfrog” development in order to compete effectively with American and Japanese productions while also sustaining a nationalist perspective for the future of the sector. Also official policies (ZGZY 2015) made it clear that Chinese animation (and art in

general) were highly encouraged to draw from Chinese history and culture, using modern tools to modernize it and make it internationally marketable (Si and Ren 2025: 40).

The use of folktales to express Chinese national culture and as a simple but effective way to convey Chinese character is another very relevant path taken by today's animation industry. In 2017 a crucial point was made about the implementation of Chinese folk tales in animation (CTWH 2017), with substantial funds given to a selected pool of works (Liu 2023: 107). The aim of such policies seems to continue the path of creating an idea of Chinese animation with a strong national character.

It can thus be said that the perceived notion among Chinese audiences and commentators is that Chinese animated movies have to portray collective memory, Eastern philosophy, and distinguish themselves from the “individualistic heroism” found abroad, especially in the West (Zhou and Lin 2025: 27). This goes hand in hand with the importance of localizing narratives and expressing Chinese cultural backgrounds.

Given the stringent control on the sector and the rigid industrial structure, as well as the ideological discourse around it, the concept of pluralist artistic expression is still not positively viewed within China's institutional framework. In his research, Liu describes the Chinese classification of media content as a strategic process that needs to be consolidated based on audience demand, while conversely dismissing the Western model as a “so-called artistic democracy”. This rhetorical distinction may suggest a deliberate positioning of China as an ideological alternative, even while maintaining the pragmatic possibility of receiving external cultural influences. The core argument is that Chinese animation should develop by targeting diverse age groups and market segments, provided it respects state policies and national regulations. Through this approach, a controlled form of thematic plurality is achieved while ensuring that fundamental national conditions and political boundaries are fully observed (Liu 2023: 108).

Obviously, by following this approach, creative freedom became more constrained, reducing the possible independent nature of the creative effort. This goes in the opposite direction of other schools of thought, such as the one pointed out by Wells in citing the ideas of Eisenstein. “Eisenstein effectively equated the apparent freedom of the animated form with personal and ideological freedom. He implicitly suggests that audiences recognised that animation succeeded in demonstrating liberation from social constraint and the fulfilment of personal desire” (Wells

1998: 22). This marks an interesting ideological difference in how animation is framed in China and may help explain the long term criticisms given to some of the sector's productions.

As we have seen throughout the early years of animation politics entered heavily into animation. This was due both to the artist's desire to educate and promote their views and also due to government policies being enforced on production teams. Due to the long history of oppression by Western powers and then the bloody war of liberation against Japan, the theme of fighting an enemy who sought to divide, rule and exploit became present in many works of the time. This conceptual framework also includes the classic theme of good versus evil, which has remained a dominant narrative thread in Chinese animation from its historical origins to modern times (Sun 2022: 176). This binary thematic structure functions not only as a narrative mechanism to attract children with uplifting and powerful stories but also as an ideological tool to communicate and reinforce State-supported moral values.

One of the most interesting examples, in terms of creativity and vision, was *Super soap* 超级肥皂 *chāoji féizào* by A Da, an animated short film that delves into the themes of corporate greed, mass consumption and the manipulation of demand.

Another one is the *Story of Avanti*, where the protagonist has to deal with the evil deeds of a rich tycoon. (Ibid)

What emerges from this is that from the very beginning of animation in China, looking back at the Wan brother's work during the War of Resistance, it seems that the push for national unity and national pride has remained at the center of Chinese policies. The distinction between State and industry has been very fluid in the course of the sector's development, and it will remain so while the institutional structure continues to combine substantial State influence with industrial production.

3.3 Myth, Folklore and Tradition on Screen

One of the most striking characteristics of Chinese animation is its reliance on specific narratives, history, and cultural traditions. Considering its large corpus of productions based on traditional stories and legends, it is not surprising that those narrations represent one of the largest sections of the Chinese animated productions. It's also worth noticing how all this coincides with the overall tendency towards building a strong national-style environment, a

distinct cultural identity that permeates many narrations. Reliance on Chinese myths and legends thus becomes one of the most effective tools for conveying this idea of “Chinese character”.

Since the very foundation of Chinese animation careful attention was given to legends, folktales and myths. Among those stories *Journey to the West* is probably one of the most influential of all. This story has been a recurring presence throughout the history Chinese animation and even in the contemporary evolution of the media. From the magnificent first animated feature film, to the pinnacle of the Golden Age *Havoc in Heaven* and the modernization of *Monkey King: The Hero is Back* up to the recent expansion into the international stage with the gaming industry, which also incorporates animation, with the *Black Myth: Wukong* release.

Such reliance on mythology, as discussed, served possibly the purpose of creating a sense of national identity. It was, in some sense, a form of both intrinsic and extrinsic recognition. On one hand the Chinese could build their own cultural image and sensitivity, on the other foreigners could clearly see the diversity of the industry in China compared to their own productions.

However, it should not be forgotten that mythology served animation just as it served previous generations of storyteller and teachers: by teaching values and morals. In this case, having the most of the attention pointed towards an audience of children or young people in general, this didactic purpose is eventually even more important to consider. The figure of the hero, the villains and all the various reinterpretations of myths both conveyed respect for the tradition and reflected a century spanning necessity to teach important values.

For example, when considering *Princess Iron Fan*, the subtext was one of resistance against the oppressors and, when turning to *Havoc in Heaven* the political scenario changed, but the idea of a triumphant Wukong echoed the triumph of the newborn China in the world stage.

One other aspect that goes along with mythology is religion. As animation aims to teach moral values and promote certain ideologies, great importance is also placed on matters of religion and spiritualism. They are a rich source of stories and interesting settings, as well as being the quintessential compendium of a culture's beliefs.

Chinese animation inherits important Daoist and Buddhist stories as well as previous artistic representations of such ideas. During the making of *Havoc in Haven*, for example, the Dunhuang murals were an important source of inspiration (Sun 2022: 121).

According to Yan Dinxian, an important Chinese animator, while working on *Havoc in Haven*, they realized something very important. If they wanted to make interesting and good designs, they had to work starting from folklore (oftentimes encompassing matters of spiritualism, religion and philosophy) and then adding to it, instead of starting from scratch. (Du 2022: 59). This approach suggests that the idea of cultural identity was very strong across that generation of Chinese artists, serving as the foundation for their own creativity.

The use of folktales to express Chinese national culture and as a simple but effective way to convey a distinct Chinese character is still very much relevant in today's animation. In 2017 a crucial point was made about the implementation of Chinese folk tales in animation (CTWH 2017), with substantial funds given to a selected pool of works (Liu 2023: 107).

It seems, then, that this clear creative pattern is long from fading out or disappearing. *Nezha 2*, being the most recent blockbuster success in China's animation landscape, further proves how the attention is still very much focused on the retelling of ancient stories.

Looking at the constant representation of myth and folklore, one aspect that is striking is the lack of a large volume of animation dealing with contemporary, realistic representations of China. Realism seems to be far from the central purposes of Chinese animation and there are only a handful of examples of animation that decided to represent reality and take risks with it. In particular, *One Night At the Art Gallery* is one of the most important examples (Wu 2018: 34). In that animated short, much emphasis is put on denouncing the Cultural Revolution's disruptive force on art and the terrible consequences for artists. It also satirizes on important political figures, thus being a unique work in Chinese animation.

Giving the constant intervention of state measures and organs inside the animation production itself, it's not surprising that the majority of artists do not want to risk being accused of depicting China in a wrong way, thus deciding that folklore and mythology are better options. Animation becomes thus a tool to evade reality completely by depicting the fantastic elements or the historical past of China. Staying away from depicting everyday life is, in fact, one of the best ways to avoid any unnecessary social commentary and all the related risks (Wu 2018: 166). However, the myth itself, given the right conditions, can become an important tool to portray the present. One of the most important examples being *Nezha Conquers The Dragon King*, where the political context of the plot can clearly be contextualized by noticing the period in which it came out. (Wu 2018: 38). In that case the movie, even while depicting a famous story, was able

to represent the scars of the Cultural Revolution, being both a denunciation of the bad that happened and hope for the construction of a new national conscience.

The use of myth and folklore became also a tool to test the overall commercial value of animated products, since animation was still aimed at children and, especially after the digitalization of the market, focused more on imitating and drawing from the old Chinese School than employing new narrative techniques (Wu 2018: 88). This was eventually destined to change after the 2010s, when an effort of narrative modernization was made to increase the overall quality of animated works and the commercial performance. In fact, moving into the 2010s, Chinese animation gradually became more diversified, with creators exploring varied thematic landscapes and alternative modes of storytelling. As the target demographic expanded, the reductive assumption that animation was a medium relegated strictly to traditional fantastic mythology or historical folklore became outdated (Chi 2025: 37). To navigate this shifting paradigm, filmmakers began strategically blending mythological archetypes with contemporary narrative tropes to attract a broader spectrum of viewers. This hybrid approach directly drove the success of *Monkey King: Hero Is Back*, a film that effectively paved the way for subsequent domestic blockbusters such as *Nezha 2* (Ibid).

3.4 The Artistic Language of Chinese Animation

As discussed previously, Chinese animation since its very beginnings was developed as a way to express precise Chinese characteristics. Despite important limitations both in technology and capital, the beginnings of the Chinese School eventually opened up the path for the future trends of the media. We have already discussed the importance of mythology, the use of legends and ancient stories as form of both cautionary tales and didactic parables. However, the overall landscape of artistic expression evolved from the already pre-existing fundamentals of Chinese arts, in particular its visual arts such as painting and sculpture. Not only that, but music, shadow-play theatre and Beijing opera also determined the direction in which animators envisioned their works. At the center it was still crucial to bring forth products that possessed both technical quality and an intrinsic national flavor. In general, it can be said that Chinese animation was based on (1) didactic formulation, (2) representation of the “spiritual essentials” through writings of meaning, and (3) the comprehensive heritage of Chinese painting (Wu 2018: 52). It is not a surprise that it was mostly aimed at children, given the strong didactic approach used by animators, as well as the strong cultural references in which animation were deeply immersed.

To point out the artistic language used by Chinese animation it's useful to consider the most important genres within Chinese animation production and, when it comes to the artistic framework in which animation was made, five different genres of animation characterized China over a long period of its history, especially up until digitalization and the large scale use of 3D animation. These types are ink-wash animation, paper-cut animation, paper-folded animation, puppet animation and hand-drawn cel animation (Wu 2018: 47). While the only one of these to be considered a specifically a Chinese invention is the water-ink animation, Chinese animation largely used, especially in its beginnings, paper animation and puppet animation. Of course, the caveat was always to draw from the rich history and culture of the country. Their artistic nuances derived from Chinese paintings and the imitation of Chinese ethnic styles, while still revolving around these major animation techniques.

Another important aspect of Chinese animation, when it comes to its artistic vision and depiction of Chinese culture, is the use of poetry and idioms. Many works of animation made large use of idioms or poetry to further convey meaning. One example of it is the already discussed *The Proud General*, an historic piece of Chinese animation built around a specific idiom, as well as the more recent animation *Chang'An* 长安三万里 *Cháng'ān Sānwàn Lǐ*. In both cases the importance of the language is also paralleled by the historical setting. Such works clearly aim at further reinforcing the concept of Chinese character inside Chinese animation itself by leveraging Chinese culture. In such a way those animation works may very well distinguish themselves from the foreign competition, creating a strong sense of belonging in the Chinese audience and attracting interest from outsider perspectives.

A wide range of animation genres and analyses of the medium were especially important before and after the Cultural Revolution. Some important works of art of the period were simply frozen during the Cultural Revolution, thus making artists unable to further sustain and continue their projects. During the grim period of the Cultural Revolution, instead, a different approach to animation was preferred, that is a strong emphasis on realism, both in the depiction of characters, animals, places and in the storytelling. Fantastical elements were reduced or suppressed entirely, while real-life settings were preferred with an important political lens for their depiction (Jones 2019: 10).

It's worth stopping to focus on the topic of realism, not only because it has impacted strongly on Chinese animation storytelling, but also because it has always been an important matter of

discussion for all forms of movie-making and storytelling in general. With animation, the concept of realism has undergone many important changes and filters that need to be considered, especially when mentioning Chinese animation. As mentioned, for a long period of time during the Cultural Revolution, Chinese politics pushed for animation with realistic characters, abandoning talking animals or fairy tales, and diving into realistic stories about people, especially good role models in the Communist China.

However, when discussing the issue of realism in animation, it should be understood what realism actually means when considering this media. For many, realism is the representation of everyday life through film, books, comics or other form of narrative. Such representation tries to depict the world as it is, without applying filters of any sort. (Wells 1998: 26) It is obvious, however, that such a thing may be contradicted by the fact that such representations are always partial, coming from specific authors with their own views and tools.

With animation, such a thing becomes even more relevant, since reality itself is not simply represented but constructed through drawing and digital forms of rendering. And, thus, it becomes difficult to define what realism means in animation, to the point that many, including the notorious critics Eisenstein found that overly realistic approach (citing Disney's *Bambi*) were essentially a betrayal of the language of animation itself. In general, however, looking at animation, Wells opt to classify hyper-realist movies by a few characteristics, such as imitating live-action movies in context and design, observing the physical laws of the world, contextualized sound, appropriate movements similar to the real-world. In the end, reality in animation can only be comparative (Ibid).

Such an important classification helps to understand many of Chinese animation works of the so-called realistic genre. It's not a case that, when the Cultural Revolution ended, Chinese animators felt immediately compelled to return to the fantastic world of mythology or simply straying away from mere realism. We have in fact already discussed how *One Night at the Art Gallery* may represent this tendency to rebel against the oppressive authority and satirize it, as well as the expanding production of animation in the period immediately after the Cultural Revolution. Such phenomena are somehow representative of the creative power of animation, especially when it is suppressed within only a limiting form.

Returning to the varied artistic genres of Chinese animation beyond the period of the Cultural Revolution, it's worth taking some time to discuss important differences with foreign methodologies and perspectives.

For example, backgrounds in Chinese animation tend to be different from those in American and Japanese animation, with the emphasis put on freehand brushwork and the simplicity of the trait and composition. It becomes a way to convey characters emotions, themes and narrative points in a unique way (Sun 2022: 280). The roots of such an understanding of the backgrounds come from the long tradition of Chinese painting, where minimalist expression and the use of white and voids were essential in order to convey meaning. Taking as an example the beautiful *The Proud General*, the animation team, in order to convey ideas of loneliness and autumn used white space and simple sporadic use of lines (Sun 2022: 114). This same approach is present on the narrative side of animation, especially during the first golden age of Chinese animation where often, instead of long and complex plot-lines, simple stories were preferred, while conveying meaning through use of symbols and silence. In such a way, instead of verbose storytelling, Chinese artists could employ non-verbal ways to communicate their visions.

Another example of the same concept can be found in the short-movie *Feeling from Mountain and Water*. Being a wonderful animated short movie with deep philosophical themes, it also does not use dialogue to convey any meaning at all (Ibid), *de facto* continuing on the path to a Chinese form of expression, distinguished from Western or Japanese forms, with a distinct understanding of how to convey emotions and tell stories.

An interesting perspective is given by Lin Wenxiao. The animator, while talking about *The Snow Kid* 雪孩子 *Xuě háizi*, mentions how attention was given to detail and research. However, instead of opting for complicated and rich direction, the story was told through simple but effective camera movement and smooth sequences (Du 2022: 74).

This is common ground of the first and second golden age of Chinese animation. Apart from the direct influences of Chinese traditional painting, music or opera, the idea of simplicity and simplification to better convey meanings was very common and appreciated. It also marked difference with foreign animation. Lines in the West were mostly used to define a character's appearance, separate them one from another, distinguishing objects, etc. In China, historically, the use of line is closer to the idea of reflecting the inner spirit or the mind (Sun 2022: 111). This creates a difference with Western perspective and gives a unique form of expression further cementing the Chinese tradition and creating an independent voice.

This concept is not simply drawn from Chinese paintings, but also from the Beijing Opera. In that kind of artistic expression, decorations, especially facial paintings, aim at expressing character's personality (Sun 2022: 112). It is a crucial artistic difference that creates many possibilities for expressive communication and artistic intent. Emotions and personality do not necessarily need dialogue or gestures to come out, but are immediately recognizable by the ways characters are drawn. In *Havoc in Haven*, as we have seen, the protagonist Wukong is depicted with his face being influenced by Beijing Opera.

From an external perspective, for a viewer not familiar with such costumes and values, it would become more difficult to understand the work. In some sense, such reliance on specific cultural patterns may hinder the understandability of a specific work. However, such use of cultural artifacts is a testament of Chinese artists will to pay homage to their own cultural heritage while still trying to innovate the medium through alternative ways of storytelling and expression. In fact, such use of Beijing opera is not simply applied to facial expression or the way characters are dressed, but it's often portrayed through the way characters move. The way they walk, move their hands and approach objects. Even their own body proportions help to make the viewer understand which type of personality they have (Du 2022: 84). Animation becomes thus the art of movement, further cementing the artistic language and expanding on that.

3.4.1 Marketization and the Transformation of Content

After the death of Mao, under the new China of Deng Xiaoping, important changes started to occur in the economic system. A new market-oriented system began to replace the old state-centered system, bringing drastic changes in the landscape of Chinese animation as a whole. In fact, after China opened up in the 1980s, the industry started to find itself in a position of needing to balance its creative effort with the newly formed market necessities. As already seen, this created important changes that had a lingering effect on the sector's development.

With foreign animation entering China at an unprecedented rate, Chinese domestic productions needed both to adjust their practices to the newly formed system and to face the fierce competition posed by low-cost, technically superior foreign works. However, important changes happened also in the official measures and ideologies implemented from above. Such changes were reflected in the content of Chinese animation, and since this chapter focuses on the content of animation and not on the already discussed economic development of the industry, this is the point that is worth expanding on here.

In fact, with the new system, renewed importance was given to the idea of pragmatism and scientific development. The notion of scientific knowledge and modernity was treated as a form of technological problem. As China's government was trying to build a solid industrial base with the help of foreign technology, huge stress was put on investing in scientific research and creating a population with a higher understanding of science or, at least, a much higher appreciation of scientific knowledge.

Such ideologies' effect reverberated in animation, where animation content immediately started to deal with the rethinking of myths, the relevance of history and the stress put on the future and modernity. One example is *Dingding vs. The Monkey King* 丁丁战猴王 *Dīngdīng Zhàn Hóuwáng*. (Wu 2018: 57). This work showcases the overall revolutionary impact of technology, portraying it as superior to the strength of one of the strongest legendary Chinese heroes. Such a choice marks an absolute distinction from the previous ways of understanding Chinese mythology and animation in general. Before, the Monkey King was victorious in *Havoc in Heaven*, a symbol of China's renaissance. Now, the Monkey King is conquered by the strength of China's new scientific capabilities and the marvels of technology.

When it comes to the commercialization of Chinese animated works, as well as the new stress on the importance of scientific knowledge, especially after China opened up, nothing has been as much controversial and ground breaking, particularly at the end of the 1980s, as much as *Black Cat Detective*.

That animated series was aimed at children, was full of science-based gimmicks that echoed the Four Modernizations that China was aiming to achieve, but was also very much different from other Chinese animation of the time. The character design was not heavily inspired by Chinese paintings or art, and the narration, as well as the visual effects, were very much reminiscent of Western cartoons. New ways to understand individuality in society, with a protagonist that is alienated, also recalled of Western plot tropes and ideas. At that time, children loved the series, but many adults were not satisfied with it (Wu 2018: 66).

For Chinese animation content, this series became an important blueprint to understand the future development of the market and it is a wonderful tool for the analysis of future trends in the industry. The series, in fact, incorporates many fantastic elements and much more plot-oriented elements, making it different from the more aesthetic or abstract animation that China produced before. It was, in itself, a step toward modernization of narrative techniques and the

overall understanding of the necessity of the marketization within the sector. In a newly formed market economy it may have been necessary to adapt to the tastes of the public, especially given the fierce competition with foreign animation and the educational requirements of the sector.

It would be, however, a mistake not to consider how important foreign animation was for the development of these new ideas and ways to portray them in Chinese animation. For example, *Astro Boy* launched the idea of science fiction and complex morally gray characters, as well as having both a fascination with the fantastic element and a scientific vision of reality (Wu 2018: 59). Following the success of this series, Chinese animation had to face a period of rapid changes and animators were put to the test. The result of foreign influence would extend far beyond affecting the economic results of Chinese animation companies, but will gradually spread to the content of animation itself and the approach taken during the production of animated works.

Astro Boy's creator Osamu Tezuka managed to influence the future development of Chinese animation just as his own creativity was deeply influenced by the first Chinese School of animation with works such as *Princess Iron Fan* (Sun 2022: 81).

The trend of modernization of both the narrative aspects and the aesthetics started by the 1990s and to some scholars it marks a clear distinction from the old Chinese School (Wu 2018: 102). Modern Chinese animation often moves between a simplified imitation of traditional Chinese arts and a strong modern sense of both narration and marketization of the content, both in terms of market positioning and in terms of content emphasis.

The creation of a Chinese imagery is often achieved through simple reiteration of certain aspects, from music to landscapes, from costumes to myths. However, many pointed out how, compared to previous works of the Chinese School, such modern interpretations are often shallow and simplistic, made with the overall purpose of marketization of the animated work. One example being the statement given by Chang Guangxi on the movie *Lotus Lantern*, arguing how the movie's main intent was to be effective in the industry market, being much simpler and shallower than older masterpieces like *Havoc in Heaven*. (Ibid).

With the overall digitalization of the market in the 1990s and the profound change in methodology and thinking behind production of animated movies and series, important aspect of creativity of the old Chinese School became less relevant. Cutting costs, employing digital tools and aiming at market results were the core objectives of the strategy.

The use of classic Chinese imagery was often devoid of real meaning but served as a useful strategy to gain attention and foster a sense of national unity. It was also a way to sell more to Chinese audience, appealing to a fetishizing image of the self. One example is the director Zhou Xiaowen saying that while directing he was not interested in history, but just liked the overall aesthetics of dresses and palaces. The director thus illustrates an interesting tendency much similar to the already cited Chang Guagnxi (Wu 2018: 84).

However, despite such important changes resulting from a shift in perspective on animation creation, it would be a mistake not to consider the technological development of Chinese animation and its industry scale ramp-up as only problematic. In fact, technical capabilities and capital at disposal helped animation to embrace new forms of storytelling and increase the sector's possibilities. Research into China's unique artistic expression did not conclude with the advent of computer animation and 3D technologies. Rather, research and development (R&D) departments focused heavily on simultaneously improving production efficiency and engineering innovative methods to evolve traditional Chinese aesthetic styles.

A foundational milestone in this artistic evolution is the film *Deep Sea* 深海 *Shēn Hǎi*, alongside *Nezha 2*, which placed significant emphasis on the development of a proprietary “dynamic ink wash rendering engine”. This breakthrough technological innovation was specifically designed to seamlessly blend the fluid, freehand spirit of traditional Chinese ink wash painting (*shuimohua*) into 3D stereoscopic imagery (Chi 2025: 42).

Also, the phenomenon of parent-child moviegoing has become increasingly significant, thereby catalyzing a rapid transformation in the scope and content of Chinese animation (Chi 2025: 42). Even after the 2010s, overcoming the structural redundancy of fantasy and traditional mythological elements, while shifting the medium away from being exclusively targeted at children, remained a primary objective for animation producers. This shifted paradigm centers on entertaining children and adults simultaneously, creating narratives that offer profound emotional resonance and intellectual value for both demographics (Ibid). Such a shift had a lingering impact on the medium, with much more variety and a more appealing range of works not only for Chinese viewers but, increasingly, for foreign ones.

3.5 Creativity, Innovation and the Future of Chinese Animation

The concept of developing animation and sustaining it in order to pursue a Chinese national character has been at the center of many State policies and one of the most important pillars of

the sector's development. In the preceding chapter, we discussed the shortcomings of State intervention. In this final section of chapter three the point will shift to the issue of creativity and innovation in a system where State funding and intervention are the norm.

According to many students of animation, what distinguishes animation from other tools of storytelling is its intrinsic personal nature. Instead of relying on the material world to represent reality, it often encourages the use of abstraction to explore personal perceptions, unique traits or personalities, as well as avant-garde technical experimentations (Wells 1998: 29). All of this is easily hindered by ideological constraints, as well as by limited producer's perspectives. The consequences may reverberate through the perceived quality of the medium and on the long-term enjoyment of the works produced. That is to say creativity works parallel with the possibility of taking risks and exploring new ideas. However, due to the high degree of IP concentration and the increasing volume of capital involved, the Chinese animation industry has been in fact criticized for its tendency to avoid risks (Zhou and Lin 2025: 24).

Further complicating the environment, the idea of a "Chinese character" and the search for it have become one of the most discussed topics not only among creatives working in the sector but also in the academic sphere researching Chinese animation, its history and future trends. The idea of what constitutes the "Chinese character" has changed in its application, but mostly derived from the same exact sources such as the imitation of ancient Chinese art, for example paintings, the usage of specific historical periods of China, the use of specific types of costumes, music and myths to tell stories.

However, facing the inevitable lack of creative input and the repetitiveness of such content, Chinese creators have been engaged in a constant search of what constitutes creativity, often asking such questions in universities abroad or asking foreign creators about it. As Giesen pointed out, the idea of creativity was often difficult to explain and point out, since it is the consequence of individual tendencies, education, and the necessary freedom to experiment and freely approach many different subjects. (Giesen 2015: 29). In such a sense, Chinese animation may seem heavily hindered by the double nature that constitutes its system. On one hand, there is the strong controlling influence of the ruling party, which has always taken part in both the creative aspect and the filtering of which products could be broadcast or enter the market. On the other hand, there is the worry about marketization, due to high costs and a centralized financing

system, that pushes creators to the easiest routes, often leading to repetition of the same tropes and patterns, sometimes continuing with the trend of imitating foreign animation.

In its essence, the issue of creativity is at the center of Chinese animation research. Even though the industry has managed to produce a certain peculiar style, such as the ink-wash animation or important box-office hits, this issue still remains relevant. Long periods of its history revolved around imitation and drawing from other works or methods and that can be traced even into its very beginning, with the first animation short by the Wan Brothers imitating *Out of inkwell* using the same theme of the foreign animation by having an artist fighting against his own creation, which tries to escape (Du 2019: 36).

After the marketization of the industry and the end of the Cultural Revolution, with more and more works trying to capture the audience attentions, narratives were changed, myths rearranged and previous conventions challenged. With all of this, a new interest towards a more “individualistic” form of storytelling started to take place, with more emphasis on rebellious figures facing oppression and overcoming huge obstacles (Wu 2018: 56). Works such as *Nezha Conquers the Dragon King*, *Dingding Conquers the Monkey King*, and also recent reinterpretations of the Monkey King, prove that the image of the rebel is widely appreciated. In some sense, it may have originated from a form of repulsion towards totalitarian oppression during the Cultural Revolution and a profound fascination for those mythical figures embodying superhuman strength and strong will (Ibid).

In the final chapter of this paper, we will examine an interesting example of such tendency, that is a concrete manifestation of these changes and a possible indication of future trajectories that the medium could take.

4 *Niulai*: An Independent Low-Budget Film and the Contemporary Chinese Animation Industry

Recently, an animated movie has sparked online controversy in China. The release of 牛来 *Niú Lái* (Here Comes the Cow) on August 5th 2026 (He 2026) represents an interesting case to analyze in light of the premises already established in this paper. This section aims to examine the phenomena underlying the success of the movie, while relating the case to the concept of brandization of animated movies, the idea of independent production, and the role of social media as a transformative element in marketing.

The movie is the result of the work of two people, a mother and a son, who decided to embark on the journey of filmmaking without previous experiences and with little to no budget available. The entire production process of the movie required five years, during which there was very limited certainty that the project would be completed (GC 2026).

When the movie was released, it initially received very little attention during its first week, and its box-office performance was low (He 2026). However, through social media exposure and word of mouth, the movie rapidly attracted considerable attention, transforming its release into an experience that many audiences did not want to miss.

The result was a substantial increase in box-office performance and an extraordinary economic success, given the limited budget involved.

In this final chapter we are going to discuss the reasons behind the movie's success, while framing the analysis around the assumptions already presented in the previous parts of this paper.

4.1 Synopsis and themes

The movie tells the story of Niulai, a young ox who needs to grow up while facing the dangers of the world around him. Eventually, through many difficulties and thanks to the wise figure of his mother and those around him, Niulai becomes capable of facing his fears and overcoming his laziness, standing up and becoming a stronger version of himself.

The story is narrated using animals as characters, stylistically adopting a realistic approach in their design. Interestingly, the movie proposes two different styles. One is a more realistic one, with all the bovine animals standing on four legs, while the other is more anthropomorphic, with bovine and some other animals standing on two legs instead of on their natural four legs.

Such a division seems to be a deliberate choice to separate two parts of the movies, de facto distinguishing between the beginning and the ending sequence and the whole rest of the movie.

The author Xin Yumeng had no background relevant to the world of animation. Coming from an entirely different field, Xin Yumeng had to learn how to make the movie both beforehand and while making it. When discussing the reasons why he embarked on this journey, he mentioned how he had always liked watching animation since childhood, consuming both Chinese and foreign animation (GC 2026). Growing up in the 1990s and early 2000s, he lived in a period when the Chinese domestic market was trying to push for stabilization. Reducing the screen time given to foreign cartoons and increasing the time dedicated to domestic ones (Sun 2022: 150) was in fact one of the reasons that enabled the crisis of Chinese animation of the 1990s to reverse and find a more positive outcome. The author, having lived through this period, was probably exposed to the influence of both the wave of foreign cartoons and the rebirth of Chinese animation after a period of internal turmoil.

Xin Yumeng revealed in an interview how the story came to be and what its most important inspiration was. In general, he wanted to represent a protagonist who was very willing to take risks despite the many struggles and challenges (GC 2026). Mirroring the long and difficult path of making the movie, what is particularly interesting is the way the author describes the idea of giving up in the face of one's own difficulties using the term 躺平 *tǎng píng* "lying flat".

The concept of "lying flat" has found popularity online, becoming a representation of the idea of giving up on competition and the struggle to obtain success or other traditional aspirations, de facto limiting oneself to sustain only a minimum level of living and work-life balance. (BB 2026)

In the very competitive Chinese job market, many people found themselves supporting this concept and the idea began to spread rapidly online, receiving a great deal of attention.

The movie *Niulai* thus tries to motivate people to try their best and not give up in the face of hardships or setbacks (GC 2026). Such a thematic implication is recognizable from the very beginning of the movie, where we find Niulai unwilling to try to stand on his four little legs, while his mother by his side tries her best to encourage him to be strong. Eventually, the protagonist does not listen to the mother and falls asleep starting the dream sequence that constitutes the whole remainder of the movie.

In the dream, other instances of such a theme are represented, with each of them placing Niulai on one side, being unwilling to commit himself or struggle, and on the other side, his mother managing to reassure and encourage him to try his best.

Commenting on his thoughts about life and modern life, the author said that he wanted to give to his audience something new to hope for and help them face their hardships and difficulties, calling modern life, with its problems and setbacks, something that cannot be described with simple words like “hard” or “difficult” (GC 2026).

In this sense, social reflection and individual thinking can be contextualized as a form of commentary not only on humanity but also on Chinese society itself.

Despite the storytelling implications, it is interesting how such a theme is brought to the big screen by an independent production. Speaking directly of such an important social discourse is an important signal of awareness of the various discourses present in contemporary Chinese society.

The author himself, discussing the movie and its making process, admitted that the most important factors contributing to its success were his perseverance in continuing to make it despite the many difficulties and his hard work (GC 2026). Such a statement makes clear how the movie encapsulated all the efforts of the five years spent making it and may have been the result of an individual reflection. Given that the two most important characters in the movie are Niulai and his mother, it may be possible to infer that the movie operated as a mirror of the relationship between the two creators of the work itself, who were a mother and a son embarking on such a titanic effort.

Another important theme that is present throughout the movie is the theme of altruism and the universality of suffering. The movie starts with a bird who is trying to fly his way out of a sandstorm. Later, he is injured and manages to save himself with the help of Niulai’s mother. For the rest of the movie, the bird becomes a constant presence, becoming part of the family and helping them on many different occasions.

Similarly, Niulai helps a leopard cub whose mother has probably been killed and who is starving to death. Even though the leopard is feared as a predator, later, thanks to the bond created with Niulai, it saves the ox herd and the family multiple times.

By setting aside differences and cooperating to survive in a desperate environment, these characters are able to grow and protect each other from the many dangers waiting for them. In this regard, the movie starts and ends by referring to the initial surreal, dream-like dialogue

between the bird and the protagonist. In this dialogue, the statement is reinforced that, even though bovines and birds are very different, since an ox cannot fly and a bird cannot run freely on the ground, they are also the same, since they both have to bear the burden of life and the suffering that derives from it. It is thus probable that the overall thematic discourse is to encourage people to help one another in order to create a better environment, and possibly suggesting that the most plausible start would be by recognizing the suffering of others.

When discussing the content of the movie, Xin Yumeng himself stated that the movie formed gradually from his ideas on life, developing into something unique, shaped by his perspective on life and death (GC 2026). This affirmation aligns well with the more recent tendency of Chinese animated works to not shy away from showcasing individualist perspectives, in particular characters overcoming difficulties and with rebellious personalities (Wu 2018: 56), crafting narratives with a more individualist flavor.

In this sense, the movie positions itself at an even wider extreme, being the effort and fruit of a single person, instead of the product of a greater team devoted to the whole of the work.

Despite this, the movie does not present itself as a classic story about a hero being successful on his own, as the importance of the herd and thus of society and family remain well engraved in all the story beats.

Further commenting on the individual-collective nature of this work, one interesting aspect mentioned in one of his interviews is the fact that he had some important discussions with his mother about the writing of the story and the direction it would take. Eventually, while considering giving up on the movie practically immediately, he listened to the suggestions of his mother and went along despite their diverging opinions. In the interview Xin Yumeng mentions that, by referring to the life experience his mother had, probably understanding society and the world differently, he valued her perspective (GC 2026).

Even though applied in another context, much of Chinese animation history is made of similar considerations, especially regarding the creative aspect. When something new was approached, the tradition came to help, with its accumulated experience. One interesting example is the approach taken while making *Havoc in Haven*, where in order to make an interesting and beautiful design, the creators realized that they had to start from traditional forms and then build upon them (Du 2022: 59). Only through this process could something entirely new and functional could be presented to the public. In this sense, Xin Yumeng respected the opinion of the older generation in order to create a better work, following a similar tendency.

Another fascinating aspect of the author's statements is how they are reflected in the movie's own story and thematic construction. As the movie progresses, the theme of the relationship between the young and the older generation becomes more and more evident. The mother of the protagonists takes a leading role in the movie, comparable even to the protagonist himself. She teaches Niulai how to face difficulties and encourages him to overcome his fears and laziness. Interestingly, the idea of accumulated experience formulated by the author in the interview is also reflected in the movie's dialogues as the mother says to Niulai that eventually he will grow up and see the world before doing great things.

Such thematic centrality becomes even more reinforced when, in the later half of the movie, the mother sacrifices herself in order to save Niulai and his friends from a pack of wolves.

4.2 Visual Style and Aesthetics

One of the most striking aspects of the movie is its visual roughness, making it an interesting experience. However, when the movie was still not a success, the first wave of viewers was attracted by the beautiful ink-wash style poster (Figure 4.1) (Xingxing 2026). Such a contrast may be considered part of its subsequent success, being one of the drivers (even though a minor one) of the various controversies that put the movie at the center of social media attention. Later, apart from the beautiful poster, many cinemas started to adopt a variation of the poster that was handmade (Figure 4.2), similar to a child's drawing. As such, the image of the movie was preserved and seen as more coherent with the overall aesthetic of the movie while still preserving the overall online discourse around the movie.

Concurrently, distancing itself from a false image rendered through professional tools, the idea of making posters in such an unpolished state was considered appealing also considering the wider idea of the movie being a product with a handmade flavor, quite distinct from traditional production practices and thus in need of preserving and highlighting its different identity. However, it can be said that for this movie the interest was not due to how beautiful it could be, but quite the opposite. The new poster exemplifies that in a direct way.



Figure 4.1: Official Poster for *Niulai*
(Source: Maoyan Movie)



Figure 4.2: Handmade poster recreation for *Niulai*
(Source: Wikimedia Commons)

Additionally, it is interesting to go back to the original first poster, since it is revealing of some aspects already discussed in relation to the Chinese domestic animation industry. In fact, the ink-wash painting style used in the poster has a strong bond with traditional Chinese arts. Chinese animation itself managed, in its early stages, to define an entirely new genre of ink-wash animation. The foundational work was *Little Tadpoles Looking for Mama* (Sun 2022: 211). Taking inspiration from the works of the Chinese master Qi Baishi, such an animation technique was the culmination of decades of research to achieve a national style with unique Chinese characteristics.

By using this style for the poster, while not reflecting the real aesthetic quality of the product, the movie was able to appeal to an audience (Xingxing 2026) that practically did not know anything about the work at all, since it did not have any substantial marketing or promotion process. As such, the first wave of viewers went to see the movie and set in motion the mechanisms that would make the movie a success in itself. Concurrently, the movie positioned itself as a Chinese movie through the use of the poster. The long search for a Chinese identity can still be seen in this specific choice, echoing the enduring influence of policies and aesthetic objectives established since the beginning of Chinese animation.

Moreover, during one of the interviews, the host referred to the movie as a “Chinese style” movie (GC 2026). Such an expression has already been discussed and refers to the construction of movies that contain persistent elements of the Chinese culture, whether visually or thematically.

In the movie, however, China is not only never mentioned, but all the characters are modeled in such a way as to be universally recognizable. The only instances of explicitly Chinese cultural elements are obviously the language spoken by the characters and the song used for the end credits, which is written and sung in Chinese.

Echoing these influences related to the aspect of cultural confidence, members of the audience and workers in the sector have raised their voices to express worry about how a movie like *Niulai* could damage the image of Chinese animation, especially in the eyes of foreign audiences (Xingxing 2026). The roughness of the animation, and all the imperfections that characterize the work, may be seen by many as representative of the industry as a whole, notwithstanding the extraordinary achievements of other more recent productions. In general, such a view is highly concerned with the image of Chinese animation and wants to distance itself from a work that does not conform to the standards of the animation industry.

Such a tendency may well be connected to the need of the Chinese animation market to find its way abroad, where until now it has not achieved its potential and it has been slowly expanding, facing many difficulties. With the issue of the internationalization of the Chinese animation industry still being central (Si and Ren 2025: 41) a Chinese movie that is receiving international attention due to the perceived poor quality of its production may seem in fact damaging. For some, this may recall times where animation techniques in China were still behind those of foreign competition, and thus may seem to undermine the slow and long process that made it possible for Chinese animation to reach the level of its competitors. These concerns and false rumors, which will be discussed later, regarding illicit funding used to make the movie compelled some cinemas not to screen the movie in order to avoid reputational risks (Xingxing 2026).

Others, however, encourage a different point of view, more lenient and tolerant. While the idea of cultural confidence remains central in the discourse, to them the animation industry should be

flexible enough to encompass a wide range of productions and themes, with the possibility to both host high-value blockbusters and smaller passion projects like *Niulai*. (Xingxing 2026). In this sense, we have already discussed how small independent productions have been quite rare in the Chinese animated field and how new ways of funding animation have been sought and promoted since the early 2010s (Chi 2025: 40). One of the first examples of small independent productions was the 2006 movie *Thru the Moebius Strip* (Sun 2022: 183), and now *Niulai* seems to be an even more peculiar example of such a phenomenon.

4.3 Independent Production and Creative Process

When looking at the entire production process of the movie, one of the most relevant aspects is the movie's independent nature. In his interviews the author discussed how every aspect of the movie was curated by him and his mother, making it the product of a small team of two people, both of whom had no prior experience in the field.

The author had a background in landscape architecture, and to approach the creation of the movie, he said he had to redefine his way of thinking. The whole learning process was lengthy, involving many mistakes and corrections made along the way (GC 2026).

The Chinese animation industry could hardly be more different. As discussed previously, Chinese animation companies have been undergoing long processes of conglomeration (Sun 2022: 157) with many departments and a high degree of coordination between sectors and specialists (Chi 2025: 38). In this sense, this movie presents itself as a real outsider. The whole coordination was managed by a handful of people, with some stages even being handled by the parents of the author, as he was unable to sustain every aspect of production and distribution by himself (GC 2026).

Further discussing the consequences of such a production process, the author explained that, over the course of these years, there were many instances in which he had to completely scrap a scene and redesign it. In doing so, he realized how such a situation would have been devastating for a large production (GC 2026), whereas for him it was primarily a matter of mental energy and lost time.

With relatively little external pressure beyond that which he imposed upon himself, the author could take as many risks as he wanted, without having to rely on already strong IPs or bear the pressure of economic returns.

Evidently, such a tendency is not observable in the wider Chinese animation industry, where the opposite scenario has already been identified in discussions of its current state (Zhou and Lin 2025: 24).

That, however, should not lead to the conclusion that Xin Yumeng was uninterested in building a clear and distinct identity for his product, or in creating a recognizable brand image. As he states in an interview, one important aspect of the movie's creation has been the construction of its IP, particularly through the design of the characters (GC 2026), which was intended to make them immediately familiar to the public.

Concurrently, rumors have been circulating online about a possible sequel to the movie, while another interview reports that the author will soon start to work on another animated project (SH 2026). Starting from a single movie, what appears to be the broader goal is to continue the story and expand the brand. In this sense, even though the movie operated far outside the industry's conventional production model, the overall direction remains similar to the trend discussed previously, a development started in the 2000s with the establishment of animated movies and television series following the exemplary success of *Pleasant Goat and Big Big Wolf: The Super Snail Adventure* (Si and Ren 2025: 38).

The movie's image may therefore benefit from the creation of a distinct identity encompassing its story, production methods and aesthetics. At the same time, when looking at the wider domestic Chinese animation sector, the attention devoted to marketing has also become increasingly recognizable across recent releases.

One aspect that has been emphasized is the employment of famous celebrities, such as actors or singers, as voice actors or performers of songs featured in the movies (Zhou and Lin 2025). This movie, with its independent origin and unusual production schedule, again managed to distinguish itself by operating in an entirely different way, while remaining coherent with its overall ideological direction. In this sense, the author's mother took the role of voice actor and singer for the movie's entire ending-credit song (Xingxing 2026), further strengthening the image of a handcrafted movie, made with passion and love in an era characterized by large-scale capital, corporate interest and the increasing proliferation of AI tools at the expense of human creativity.

4.4 Marketing, Social Media and Box Office Success

After an initial release with disastrous results, in a matter of a few days the movie transitioned from earning very little at the box-office to becoming one of the biggest successes of Chinese cinema this year. The reason for such success, however, cannot be attributed to the traditional ways by which similar animated movies reach their high numbers.

When the movie was initially released, the first results at the box-office were not at all encouraging in any sense, with the movie performing as the lowest-grossing animated movie of 2026. However, in a matter of a few days, due to online posts, a wide audience came in contact with the movie precisely because of both its poor performance and the striking contrast between the movie poster (seen as beautiful) and the visual roughness of the movie (He 2026).

Looking at the movie's success, it is clear that the already mentioned strategy of using social media to raise awareness, capture interest, and create a space for discussion played a crucial role in the popularity of the movie (Zhou and Lin 2025).

In this case, the success is quite different from that of other animated movies of the Chinese digital era, while still sharing the common ground of being closely connected to the widespread use of the internet. In fact, while other movies had long and complex production lines, high budgets devoted to marketing and promotion, as well as gadgets and strategic planning for specific release schedules, *Niulai* presents itself in an entirely different and unusual way. It can be said that the success of the movie was due to a form of "passive marketing", in the sense that it was not consciously pursued by the creators but was enacted mostly by the public, media outlets and the internet (He 2026).

These aspects are striking in their total opposition to the average operations conducted in the industry. While companies have been investing in order to maximize the possible value of their animated products through the creation of strong IPs, related products and social media content (Chi 2025: 39), the movie *Niulai* operated in quite the opposite direction, if only because it did not operate those activities. The success of the movie was thus due to external factors, not because of deliberate movie marketing strategies or a specific intended choice made by the creator to achieve such an outcome. Being the fruit of fortunate timing, *Niulai* presents itself as an interesting alternative that seems more like the product of its time than of its intrinsic marketing strategies.

A crucial aspect of such a phenomenon is the controversies that surrounded the movie after its first release. These ranged from the debate on the use of AI to the competition at the box office

with the recent foreign movie *The Odissey* (Li 2026), as well as the debate around the obvious visual deficiencies that the movie presents or rumors about inappropriate use of State funding. Such controversies were probably among the most important drivers attracting audiences out of curiosity (He 2026).

Drawing an immediate parallel with last year's success of *Nezha 2* (Chi 2025: 42), it's particularly striking how having a robust social media discussion helps the diffusion of the movie. People's reviews, posts and videos are becoming an essential tool in the marketing of movies, and, of course, controversy has helped *Niulai*'s social media presence, by encouraging discussion. As discussion occurred, word of mouth propagation increased drastically.

In fact, after the first audience had mocked the movie, many people wanted to really see how bad the movie was, as part of a different experience from the usual moviegoing (Xingxing 2026). Normally, movies attract audiences through compelling visuals or engaging storytelling. Positive word of mouth and recommendations online can help a good film gain popularity or reach a wider audience. However, the opposite phenomenon is also possible, as this case demonstrates. A film can, in fact, become a sensation because of how poorly it is perceived.

Another factor that favored the movie's staggering success is China's high number of cinemas (He 2026). Following China's rapid economic development, with the birth of a growing middle class with a higher income, the need for entertainment became more widespread and sophisticated. Thus, starting in the 2000s, there was an increase in the number of cinemas (Zhou and Lin 2025: 24) to the point of surpassing any other nation.

Having 42% of world's cinemas screens (He 2026) has made China one of the most important markets when it comes to the box office. It's not by chance that, given the robust and active social media environment, as well as an high number of cinema screens, such factors may have contributed to the rapid success of the movie, flipping the Chinese movie market upside down in a matter of a few days in such an unexpected way.

A further element that helped create a wider social discourse around the movie has been a viral wordplay associated with the title of the story. *Niulai* has been brought up along with the expression *Niu Shi Lai* 牛市来 “the bull market is coming”.

As many investors in the stock market suffered losses, some of them decided to purchase movie tickets to bring themselves some luck for future investments (Xingxing 2026).

Chinese animation is not new to playing around with words and concepts, often even in the movie titles. A case already mentioned is the movie *The Proud General*, where the entire

narrative is developed around a Chinese idiom; another interesting example is the title *Go After an Easy Prey* where the title itself is a Chinese idiom (Sun 2022: 90). However, despite previous conscious wordplay on the part of creators, the author confirmed that while making the movie he never thought about a possible connection with the stock market (SH 2026). Instead, Xin Yumeng admitted that the choice of the Ox as the main character was due to 2021 being the year of the Ox. Since the movie production started that year and his father was also born in the Year of the Ox, he wanted it to be a good omen for future success (GC 2026).

In terms of controversies surrounding the movie, one in particular deserves careful attention. It has been in fact been reported that the movie has been initially considered suspicious of potentially being involved in money laundering or having been produced specifically to exploit State subsidies given to independent companies in the film and animation field (Xingxing 2026). Such suspicions may also reflect a widespread disbelief in the efficiency of the system behind the funding and the making of animation, a system already criticized by other commentators for not being overly reliable in the long-term and having negative consequences for the creative and qualitative aspects of production, if not revised correctly (Liu 2023: 108). Despite such rumors, these allegations were dismissed completely, since the movie presents itself as a complete exception to the other Chinese animated movies that proved to be commercial successes. Financially, the scale of the project was too small to even try to abuse State funding or operate for money laundering (Xingxing 2026).

The movie's success has attracted the attention of foreign producers and festivals. One example is the rumored possible participation of the movie at the Cannes Festival (TN 2026), and another being the interest of Toronto Film Festival programmer Peter Kuplowsky in contacting the distributors to screen the movie. In the latter case, Kuplowsky directly tried to establish contact with the distributors of the movie through social media, asking if there was anyone who could put him in contact with them (TN 2026).

The cultural phenomenon of the movie thus finds ways to be peculiar also in other unexpected ways. Not only social media is a vital tool in accessing the movie and information around it, since the entire production process did not follow the industry's usual production schedule, but the movie also presents itself as a unique case where important workers of the sector have difficulty reaching what would normally be considered easily accessible information, such as the distributor's contacts.

Just as the movie feels “human” and clumsy, made out of passion and simplicity, the entire environment that has slowly developed around it has also acquired these characteristics.

4.5 The Debate on AI

Recent years have seen the surge of AI not only as a useful tool for a wide variety of works both as a form of assistance and replacement, but also in the field of arts. Debates around the use of generative artificial intelligence for the production of bodies of work such as books, movies and music have been quite prominent.

The movie *Niulai* offers a compelling example of how those discourses have shaped public opinion and influenced the way art is perceived both in China and abroad.

Some have taken the movie as an example favorable to AI-produced content. In essence, given the roughness of the product and its commercial success, some have argued that AI produced content looks more refined. Thus, *Niulai* is used as an example of the possibility of overcoming concerns that AI-produced works may not be on a par with the standards of the industry (He 2026). Given the substantial economic return achieved by such a small independent project with unpolished visuals, many wondered why artificial intelligence, which could achieve better visual results, could not be part of the industry.

However others have analyzed the movie with quite the opposite point of view. In France it has been proposed that the movie could take part in the Cannes festival, while describing it both as a Post-Impressionist movie and a pioneering “Anti-AI” movie (TN 2026).

Possible reasons behind these statements stem from two major factors. One was the essential nature of the movie, being made by just a team composed of two people over the span of many years, and the second being what the author declared himself about not having used AI-tools in the making of the movie (GC 2026).

Favoring this interpretation is the idea of a strong craftsmanship behind the project, with the movie made by a team composed of two people, none of them having experience in the sector and with very little budget at their disposal. Sharing their story on a few interviews, they revealed how they purchased second-hand equipment (SH 2026) and operated over a long period of study both of the tools at their disposal and the theory behind their usage. Overall, such

a slow process of production included all aspects of the movie, from drawing to animating, and from voice acting to the music itself (Xingxing 2026).

It is not a coincidence that, with the capabilities of AI increasing and the high numbers of AI-made animation circulating online, such a strong symbol of commitment and passion could be easily associated with an opposite tendency more inclined toward a slow pace of production, a “human spirit” infused into moviemaking and a sincere representation of creativity. Initiatives like the French one clearly represent a specific point of view adverse to the use of AI, interpreting the movie through this lens.

Despite that, one aspect that is worth considering is what the author suggested about the use of AI. According to the interviews that form the basis of my analysis, the author does not criticize the use of AI in any way. Quite simply, He states that throughout the long production of the movie no AI tool has been used mostly due to two explicit reasons: the fact that at the time he started generative AI was still not available and, secondly, that when it was first released it was still rough and unpolished (GC 2026).

In another interview He goes also as long as defining the experience he wants to create with the movie and the future sequel as providing a sense of clumsiness, with dreamlike abstract visuals (SH 2026), still not framing his creative vision as an “Anti-AI” philosophy.

In essence, these frameworks imposed on the movie are somehow interesting in highlighting the position of the product at a critical point in time. The debate around the use of artificial intelligence is taking over public opinion both in China and in the rest of the world.

As such the idea of a human touch in artistic creation has become widely shared as one of the reasons to repel the use of artificial intelligence for the creation of works of art (Xingxing 2026), and the movie, with its rough, unpolished and sincere appearance, somehow found itself to be one vivid example of such humanity found within art making.

4.7 Conclusions

The movie *Niulai* stormed China’s summer box-office without any prior indication that such a success was possible. Sustained by strong support on the internet, it eventually achieved one of the most impressive box-office performances of the year. However, despite the unpredictability

of this event, the overall movie's success can be explained by considering the various changes that have occurred in the industry over the past 20 years.

The digital age has made the audience part of the marketing process, and with this film social media became the driving force behind its success. By generating controversies, *Niulai* was able to penetrate large portions of the online space. Fostering discussions, it captured people's interest and aroused curiosity, becoming more of an internet phenomenon than a simple visually rough and unpolished movie.

Shifting the paradigm of the movie's usual production process, *Niulai* has also been able to capture the sympathies of a portion of its audience through its sincere, independent and "handcrafted" approach. Being the product of the efforts of two people, it may have been able to connect with audiences on a personal level, distancing itself from an industry perceived as distant, large and capital-centric. This point of view also attracted the favor of a large portion of the audience that does not support the use of artificial intelligence in artistic works. This axis of the debate, in particular, managed to find resonance abroad, partly fostered by foreign press and the broader public discourse around artificial intelligence.

Overall, the movie may have benefited from being the underdog, an exception that attracted public sympathy, while also benefiting from the timing of its release. Presenting interesting exceptions to the industry's trend and characteristics, as well as similarities in approaches to IP development and storytelling, *Niulai* may be taken as an interesting example of the influence of the digitalization on the creative industries. Its success illustrates not only the growing influence of social media and audience involvement, but also how digital development has blurred the boundaries between marketing, reception and IP-building in contemporary Chinese animation.

5 Conclusions

During the birth of animation, China became one of the most prominent examples of the medium in Asia. From the beginnings of the Wan Brothers operating during the war period, to the artistic research of the 1950s, Chinese animated films proved to be both culturally significant and widely appreciated abroad.

After the adoption of a market system and the beginning of the digital age, the sector was revolutionized, with new actors and a newly formed environment to deal with. Consequently, important reforms were made both to sustain domestic production and to elevate the quality of animation, with the maintenance of a distinct national style as a backbone of the measures implemented.

The result was a drastic change not only in technical realization, but also in the overall narrative of animated stories. As society transformed, so did the stories represented, with new content created for a new audience. In this sense, Chinese animation, as a sector, grew exponentially in terms of numbers and revenue, creating a system with its own unique characteristics.

Chinese animated brands and movie series became some of the most important cornerstones of the industry's operating model. At the same time, the capital involved gradually increased, often revealing complex industry chains, large companies operating within a conglomerated network, and a large, constantly evolving technical architecture.

However, important problems need to be addressed going into the future. These range from the lack of independent productions and limited creative sparks to the repetitiveness of narrative approaches and the increasingly high concentration of capital within a few well-established brands. On top of that, the sector also needs to put into practice new ways to expand its attractiveness to international audiences, a market where the success of Chinese domestic animation has been limited up until now.

Interestingly, despite these problems, new phenomena may appear and redefine the sector's trajectory. One of the most interesting ones is the case of the movie *Niulai*, which achieved significant success mostly due to passive marketing on social media, word-of-mouth, and important contemporary debates that surrounded the movie itself, such as discussions on the use of Artificial Intelligence and the importance of human imperfection in artistic creation.

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