

Center for Strategic and International Studies

Online Event

“A Partnership for Taiwan and Latin America: The Creative Economy”

RECORDING DATE:

Tuesday, December 15, 2020 at 8:00 a.m. EST

FEATURING:

Representative Albio Sires (D-NJ),

Chairman, House Foreign Affairs Subcommittee on the Western Hemisphere, Civilian Security, and Trade; Co-Chair, Taiwan Caucus

Ambassador Tah-Ray Yui,

Director-General, Latin America Department, Taiwan Ministry of Foreign Affairs

Ambassador Bocchit Edmond,

Ambassador of the Republic of Haiti in the United States and Chargé

Dr. Carlos Diaz-Rosillo,

Chief Operating Officer and Senior Deputy Chairman, National Endowment for the Humanities

Alejandra Luzardo,

Lead Specialist in Innovation and Creative Economy, Inter-American Development Bank

Carlos Argüello,

CEO, Fundacion CA; CEO, Studio C

Tai Fan Chan,

Director General of International Digital Commerce Research Division, Commerce Development Research Institute

CSIS EXPERTS:

Daniel F. Runde,

Senior Vice President; William A. Schreyer Chair and Director, Project on Prosperity and Development, CSIS

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Daniel F. Runde:

Good morning. My name is Dan Runde. I'm a senior vice president at CSIS. And I head the Americas Program. Thank you for joining us today for a discussion on the opportunities for the creative economies of Guatemala, Haiti, and the rest of the region, taking into consideration lessons learned from Taiwan. Before we begin, I'd like to remind you that you can submit questions to our panelists by clicking on the link on the event webpage.

Taiwan has become a global economic success story by taking steps to avoid the middle-income country trap, increasing innovation-led economic growth and emphasizing its creative economy. Before the pandemic, Taiwan focused on increasing and supporting intellectual property rights, promoting democracy and free speech, providing financial incentives to support the creative economy and to support small and medium-sized enterprises. During the pandemic it has – like everyone else, Taiwan has switched to virtual events, has been fostering to reach the world and Taiwan through local digital streaming platforms.

Colombia is one example here – in the region, in the Western Hemisphere – of the economic importance of cultural and creative industries. Three percent of Colombia's economy is comprised of its creative industries and the goal is for creative industries to make up 6 percent of the country's GDP by 2022. It's a very ambitious goal. During the pandemic, the creative economy unfortunately has shrunk has by as much – more than 30 percent in Colombia.

Haiti – we're very lucky to have the ambassador – the Haitian ambassador to the U.S. with us today – also has enormous potential to expand its creative industries. There's been an emphasis on rebuilding culture after the – after the earthquake, aided by UNESCO. The foreign minister of culture, Limond Toussaint, said in 2017 that Haiti has an impression bastion of creators, will provide a competitive advantage to leverage Haiti's cultural and creative industries.

Guatemala's creative industries grew over \$100 million in less than 10 years. Their creative sectors account for 3 percent of the country's GDP. Young people in Guatemala account for 60 percent of the creative economy's employment. And there's an enormous youth bulge in places like Haiti and Guatemala. So if we want to answer the challenge of a youth bulge, the creative economy is going to be a part of that – answering the mail on that.

So you know, the other thing is that, you know, we've got – we're very, very fortunate, though. I think the creative economy is something we need to understand if we want to escape the middle-income country trap, if we want to think about diversifying economies away from commodities, if we want to leverage the creativity of human talent that's innate in all of us and in all societies, then we can learn a lot from Taiwan and there's a lot of potential in the region. That's the point of this conversation today.

We're very fortunate to have Congressman Albio Sires from New Jersey. He is – we really appreciate him being with us. He's been a congressman for 13 years. He's currently the chair of the House Foreign Affairs Subcommittee on the Western Hemisphere. He also is the co-chair of the Taiwan Caucus. He's a very

strong supporter of Taiwan, encouraging stronger U.S.-Taiwan relations. And we're very, very grateful. He's also very focused on supporting human rights and freedoms across the globe.

We also have one other keynote speaker, who is Ambassador Yui. Thank you, Ambassador Yui, also for being with us today. He's the director-general for the Department of Latin American and Caribbean Affairs for Taiwan's Ministry of Foreign Affairs.

But without further ado, I'm going to turn the floor over to Congressman Sires first. Congressman, thank you for being with us today.

Congressman, I think you're on mute or your screen is frozen. Yeah, now – to unmute, Congressman.

Uh-oh. Technology is –

Rep. Albio Sires: How's that?

Daniel F. Runde: Much better.

Rep. Albio Sires: Can you hear me?

Daniel F. Runde: Yes. Yes, we –

Rep. Albio Sires: Can you hear me?

Daniel F. Runde: Yes, sir.

Rep. Albio Sires: Well – good. Well, first of all, thank you, Mr. Runde, for that kind introduction and all you do for the Western Hemisphere. And I know you're in my office often and talking – (inaudible, technical difficulties) – everything that we do, especially when it comes to some of these countries that need so much. So thank you for all your efforts.

I want to recognize Ambassador Yui. Nice to see you again. I know it was a year since we last saw each other. But hopefully it won't be that long next time we can sit down and discuss important issues in my office in the near future. So nice to see you.

Ambassador Edmond, same thing. Nice to see you too, and the distinguished panel of speakers, along with everyone joining us – who is joining us virtually today.

I want to thank the Center for Strategic and International Studies for convening this event to discuss the important diplomatic and economic partnerships between Taiwan and Latin America. As chairman of the Western Hemisphere Subcommittee, I work every day to deepen the United States' engagement with Latin America and the Caribbean.

I also serve as co-chair of the Congressional Taiwan Caucus, because I am committed to strengthening U.S. relations with Taiwan. And I believe Taiwan is

a force for good in the world, including in Latin America and the Caribbean. For decades, Taiwan has worked to support democratic institutions, promote human rights, and advance economic opportunity (in the Western ?) Hemisphere.

As the coronavirus pandemic (devastated ?) communities throughout Latin America and the Caribbean, Taiwan has donated over 13 million surgical masks to countries in the region. Taiwan also provided material support for the United States and sent masks to hard-hit areas, including my home state of New Jersey, which I greatly appreciated.

In recent weeks, many communities in Guatemala, Honduras and Nicaragua were devastated by Hurricane Eta and Iota, affecting over 7 million people and leaving hundreds of thousands displaced. Taiwan stepped up again, providing over \$600,000 in direct humanitarian assistance.

Unfortunately, it has become clear in recent years that the Chinese Communist Party would not accept Taiwan's constructive relations. The Chinese government has sought to isolate Taiwan by aggressively targeting countries which recognize Taiwan diplomatically. In the last few years, El Salvador, the Dominican Republic, Panama have all decided to end their recognition of Taiwan. Government officials throughout the region have told me they feel pressured by China, but that it is – that it is difficult to resist China's offers for instant capital with few strings attached. Yet, in some cases Chinese investments – (inaudible, technical difficulties) – America – (inaudible, technical difficulties).

Let me give you an example. In Ecuador, China provided over \$18 billion in loans for a series of infrastructure projects. One project, the Coca Codo Sinclair – (inaudible, technical difficulties) – billion dollars. The dam was built next to an active volcano. Today, this dam has thousands of cracks and is routinely clogged with debris, prevented it – preventing it from (functioning ?). Ecuador's government has had to implement emergency measures to try to minimize the dam's erosion and prevent it from collapsing.

By any objective assessment, this project was a failure, a true failure, yet Ecuador is sending approximately 80 percent, now, mind you, 80 percent of its oil exports to China to pay back the debt for this – (inaudible, technical difficulties) – dam and other wasteful (projects ?). A former Ecuadorian minister told The New York Times China took advantage of Ecuador.

It is the same formula we have seen the Chinese government use around the world. It is a strategy that exploits murky public procurements processes and takes advantage of short-term thinking on the part of local governments.

I mention this example not to cast blame upon every government that has accepted Chinese financing. This is a simple question of political and economic incentive. I also recognize in many cases the United States government has been quick to criticize Chinese – the Chinese while slow to offer any alternative. I believe that if we want to advance the values of economic competition and accountable governance, we need to be at the table.

The U.S. needs to do much more to open up opportunities for private-sector-led development and investment in the region. We need to reengage in multilateral institutions. And we need to commit to doing the hard work of combating corruption even when that hurts our own political interests in order to – (inaudible, technical difficulties).

Earlier this year, I introduced a House companion to a bill from Senator Menendez and Rubio that calls for a long-term strategy to expand our diplomatic and economic cooperation with Latin America and more effectively counter China's growing role in the region. I look forward to working with the incoming Biden administration and the new Congress to deepen our ties with allies in Latin America and the Caribbean.

U.S. support will be critical as the region seeks to recover from a devastating pandemic and begin distributing a COVID-19 vaccine. As we all know, Taiwan provided a model for the world in its virus response. With just seven deaths out of a population of nearly 24 million, not only has Taiwan served – saved lives, it has provided an example of what a transparent government response can look like. Taiwan has followed the science and deployed effective testing and contact-tracing strategies. Looking ahead, it will be important to learn from Taiwan's success as we seek to spur economic recovery and promote innovations in science and public health. I look forward to working closely with Taiwan during this next phase of the pandemic response.

Again – (inaudible, technical difficulties) – for inviting me to – (inaudible, technical difficulties) – and thanks to everyone joining us today. Thank you.

Daniel F. Runde:

Thank you, Congressman. We so appreciate it.

Ambassador Yui, over to you.

Amb. Tah-Ray Yui:

Thank you, Dan. Again, thank you, Dan, for – and CSIS for hosting another conversation on Taiwan and Latin America and how we can collaborate together.

And also, I want to especially say hi to – my respects to Congressman Albio Sires. As we mentioned at the beginning of this event that we met about a year ago at your office and talked about very important things about the Western Hemisphere.

And I look forward to, myself and my government, to working with you on Western Hemisphere in the next Congress to come. At the same time, I understand that the designated chairman for the Foreign Affairs Committee at the House, Congressman Gregory Meeks, is also a staunch supporter of Latin America, particularly Caribbean region and Haiti in particular. We've got the ambassador here. We also look forward to working alongside with Congressman Sires, and also with Congressman Meeks to work not only with Latin America but also the rest of the world.

To my good friend Ambassador Bocchit Edmond, hello and congratulations on your new assignment in Washington. We've had many strange time conversations – (laughs) – which maybe one day when we publish our

autobiographies we'll share our very interesting conversations. But also, you know, Dr. Tai, a fellow Taiwanese countryman who is joining us, she is the real expert for today's event. And all the distinguished panelists who are with us today, thank you for joining us to talk about Taiwan and Latin America.

You know, most people – what they know about Taiwan is that we make a lot of things. We make toys, we make electronic apparatus. Nowadays maybe people know that we're the country which makes most of the chips in the world. You know, there was an article today in The New York Times, an op-ed, saying that pound for pound Taiwan is probably the most important place in the world because of the chips that we're making. But perhaps, Mr. Carlos, what you'll know also about Taiwan is that we're also a cultural powerhouse.

You know, back in the '60s, '70s, you know, most people in Asia when they saw movies – when they went to see movies they went to see Taiwanese movies. You know, martial arts and others, you know, the romance. And we were very famous on novels – you know, romance novels, TV soap operas, books, literature, et cetera. So Taiwan's – and also performing arts. Visual arts, Taiwan – some data I just read, you know, just preparing for this event – Taiwan, I think, ranks number six in terms of visual arts market in the world. We're behind Germany, but way ahead of Singapore in terms of visual arts market.

So Taiwan cultural is the powerhouse. And every year when we hold the Golden Horse Awards, which is the Asian equivalent of the Oscars for the movies, it's a well-respected event in Asia. But the difference that we have here against the PRC is that we are like-minded countries with you. We share the same values. We share the same principles. And being a free and democratic society, we inspire, you know, creativeness. We inspire, you know, freedom of speech. And that makes the reason for a variety of opinions and ideas.

Taiwan has, I think, again, according to the data I just looked at earlier today, probably about 10,000 publishing houses, which means we are very flourishing – you know, we transited from authoritarian regime when the nationalist government came to Taiwan in 1949 and evolving to a fully full-fledged democracy. And now people in Taiwan, they speak their minds, you know, without any hesitation. And having 10,000 publishing houses that marks the spot.

But to be honest, when Dan invited me to this event and I said, well, creative economy, what is it? So I had to look it up. And thank you, Dan, for that, because doing my Google I saw this – you guys published an article in September, I think, on what the meaning of creative economy is. So it was last minute, you know, but – so I'm not the expert in this field. But I have my own definition of what creative economy is, you know? I think creative economy basically is making, like, economic activity out of creative ways of doing things, you know? But it has to do with intellectual property. It has to do with performing arts, film industry, TV, gaming, et cetera.

And it has to do a lot with culture and tourism. But a lot of what we do in Latin America, in my definition, has also a lot to do with creative economy, and basically things that were not done before in Latin America, in certain

countries. And we share our experiences with these countries, with our brothers in Latin America, to improve their economies, to improve the social wellbeing of these people. And I consider that as an economic creative economy, which I'll very happily share with you later, as we discussed.

But Taiwan, as Dan mentioned and Congressman Sires mentioned, you know, we are at odds with the PRC. And the difference between us and them is that, for example, their loyalty or their value towards, you know, what they serve for and to is the CCP, the Chinese Communist Party. Even if they joined the international organization section of the world, you know, World Health Organization, the United Nations, which you're supposed to work for the common good of humanity and the universality, which most – even though you're Colombian, you're from Argentina, but you work for this, you know, bigger entity.

But for the – but for the Chinese from mainland China, when they join the United Nations, they're still working for the CCP. And in many cases – there was also an article probably yesterday about this leak in Telegram, about a list of the Chinese Communist members in London or in Great Britain that pledged allegiance to the Chinese Communist Party, but they were working in different consulates, in defense industries in London, in England, or the government offices.

So that is the difference between Chinese from Taiwan and someone from the PRC. And this makes a whole difference when we – when you work with Taiwan and Latin America, or when Latin America works with the PRC. And which also Congressman Sires has pointed out some of the caveats of working with them. I think I'll leave it at this – at that right now, because we have a lot of experts to talk about creative economy. But also I'll put it – I'll pitch in later on during the conversation. Thank you very much.

Daniel F. Runde:

Thank you, Ambassador Yui. Thank you so much. I'm so appreciative of you and Congressman Sires for being with us today. We so appreciate it.

We're now going to turn to our panel. We've got some excellent panelists, some really thoughtful people. And the conversation we're going to be having today is about the concept of the possibility of partnership for Taiwan and Latin America and the creative economy. Before we get there, maybe let's have a conversation. Let me start with – I want to start with Alejandra Luzardo about the concept of a creative economy.

Alejandra, you've been working on these issues at the Inter-American Development Bank. And you're the lead specialist in innovation and the creative economy at the IDB. What is – when I say to you "the creative economy," what is the creative economy? And what does that mean in the context of Latin America? You're on mute, Alejandra..

Alejandra Luzardo:

Yes. Yes. Thank you, Dan, and thank you for all the panelists for this invitation.

Basically at the IDB when we started working with the creative economy we defined that the products and services that are coming from the creativity. But it is related to the copyright issue, to the intellectual property. So for example,

when we produce a video game, you can basically copyright some part of that. The same thing with a film. So all these products and services are part of the creative economy. This is what we call it. And we have many sectors. We have more than 38 sectors, from publications, the editorial sector, video games, film industry, and many others.

Daniel F. Runde: Is advertising part of it?

Alejandra Luzardo: Advertising, yes.

Daniel F. Runde: ICT?

Alejandra Luzardo: ICT when you are talking about developing software that are related to content, mmm hmm.

Daniel F. Runde: How about music?

Alejandra Luzardo: Music is also another sector, yes.

Daniel F. Runde: Publishing houses?

Alejandra Luzardo: Publishing houses, yes.

Daniel F. Runde: How about artists?

Alejandra Luzardo: Obviously. Everything related to art is part of the creative economy, yes.

Daniel F. Runde: Dance?

Alejandra Luzardo: Dance, yes.

Daniel F. Runde: Theater?

Alejandra Luzardo: Yes.

Daniel F. Runde: Museums?

Alejandra Luzardo: We have more than 38. Yes, museums too.

Daniel F. Runde: Well, let's just – just humor me a little bit here in terms of there's a lot of – it's quite broad, and when people think of the creative economy they shouldn't just think about art and museums and writers.

Alejandra Luzardo: No.

Daniel F. Runde: It's about – it's broader than that.

Alejandra Luzardo: It's broader than that. What we have here is an amazing opportunity, because if we think about what happened during the pandemia (ph) when everybody's locked down at home, when you have actually consuming content through many different platforms, all this content and all these sectors that are creating this content – (we save it ?) for the musician, the animators that do the

animation for stories – and a lot of that are these – this is translate an amazing opportunity for an economy to actually produce the content we consume. Because what happened in Latin America, for example, is we are very big consumers of content but we are not the biggest producers. So we have to make the switch about how we can really produce what we consume.

Daniel F. Runde: And what percent of the GNP of Latin America and the Caribbean is the creative economy?

Alejandra Luzardo: It's approximately 2 percent. Especially now that we – you know, with the pandemic (ph) we have so many effects, it's down. We are talking about more than 80 and 90 percent of employment coming from the creative economy that are lost and affecting many sectors, especially sectors that do not use technology. Like we are talking about performing arts, (editorial ?), festival, carnivals; all those sectors are impacted.

On the other hand, we have sector like, for example, that use technology, like app tech, like videogames, like the audiovisual sector, that have less impact in the – in the – (inaudible). We have also sector(s) like videogames or app tech that actually grow during the pandemic (ph). And this is one of the thing(s) that we are looking because, obviously, from the bank we are focused on job creation, but there is no doubt that we have to start thinking out of the box, taking seriously a sector like videogame(s). Never having taken that serious in the past, today, that represent(s) an opportunity.

Daniel F. Runde: Are you seeing – Alejandra, are you seeing traditional sectors moving to digital platforms? And what kind of success are they having with that?

Alejandra Luzardo: Definitely. Right now what we see is in order to survive, you know, in the next two or three year(s), where we are not sure about how is going to be the impact of the vaccine – we don't know how many time we have to be close again and come back, et cetera – so let's give you an example. Like carnivals, how they're going to actually monetize if that – they are like a physical experience, so they have to start thinking in different ways, or creating a small product of something that the consumers capture, inspire, and also try to be able to monetize from that. Because right now, nobody's traveling. So how we are going to be able in that process to keep the – I would say the inspiration to people that want to go to different part(s) of the Caribbean, for example, to travel and to actually consume before you get there? So this is a challenge that we have and this is something that all this industry has to start rethinking how they can diversify the model – the business model they has today.

Daniel F. Runde: Great. I know we're going to hear more about this. Thank you so much, Alejandra.

Dr. Tai, thank you for being with us. I think it's very appropriate that I turn to you, given that you're the director general of International Digital Commerce Research Division. Thank you, Dr. Tai, for being here.

So how are you seeing, because of the pandemic – I mean, the pandemic's been a disruptor and an accelerator, and perhaps created opportunities. How has the

– how has the pandemic disrupted the creative economy? And how can we see digital platforms as a way to help respond to some of this?

Tai Fan Chan:

Thank you, Mr. Runde.

Actually, yes, after – I think after COVID-19 it is well-recognized that e-commerce and also the digital platform that you mentioned has become a very essential infrastructure to keep the society function under lockdown. So we see that during the country's pandemic experience that a lot of people stopped traveling, so they have to find a way – the industry has to find a way to – as Alejandra said, you have to replicate that experience, that physical experience, through the digital platform to keep the consumers spend money over these digital platform. So that this digital platform, it becomes the intermediaries that can channel these artists' performance or artists' work to convey that experience to the consumers, to keep the artists to still have income under the lockdown. So we see that.

But you know that in Taiwan the COVID-19 has been controlled very well, so we haven't felt that need, that urgent need to accelerate the development of digital platform. But we see the experience in America and some of the Latin American countries that we need a digital platform, we need a digital service, in order to make the artists' daily live or their production be normal. That's what we see.

And we also see – we also urge that governments around the world start to see e-commerce and also digital platform not only as an industry, but we need to start to see it as an infrastructure, an infrastructure that help the human society to fight the COVID-19, fight the virus, because we see that there may be COVID-20 or COVID-25 or whatever; a lot of waves coming. So the virus will not vanish. The virus will only evolve.

So the e-commerce or digital platform will become our tools, our weapons, to help our society's resilience to this virus attack. And that's what we see.

Daniel F. Runde:

Great. Thank you so much, Dr. Tai.

One of the things I've taken away from my work with Taiwan in Asia is that there's been several things. One is you need strong intellectual-property rights. Second, you need education and training systems that support various professions in the arts and – whether it's film schools or dance schools or music schools, but also even enabling young people to code and to participate in the ICT, having a strong advertising sector.

Many of these things are present in the Americas, but I also think we're going to have to add this issue of having strengthened digital infrastructure, because unfortunately, Dr. Tai, I think we're going to have, like you said, a COVID-25 because of a variety of things; zoonotic transfer of diseases between – from animals to people. Unfortunately, we're going to continue to have that.

I plan to get on an airplane, and I hope other people do too, and people are going to continue to travel over air. And so that's going to create – that's the – you know, there's a down side to that, and urbanization all mean that there – that we're going to have to think – we're going to need to be prepared and more

resilient as societies, because unfortunately we may have another one of these again and it may be worse or not.

But we need meaning in our lives. And I think that the creative economy not only enriches us and gives us a sense of meaning and gives us a connection oftentimes to the divine – you know, I think that there's something special about the creative economy.

Tai Fan Chan: We keep ourselves sane when we lock home. (Laughs.) So we still can get –

Daniel F. Runde: And Dr. Tai, does it matter that – Taiwan's a democracy. And the Western Hemisphere largely is democratic, except for a couple of glaring exceptions in the Western Hemisphere. Doesn't it matter for the creative economy to participate in having free speech and freedom of association and freedom of thought? Isn't that – those are important things; freedom of religion. Those are all probably important things to having a creative economy. Is that true, Dr. Tai?

Tai Fan Chan: Yes, yes, yes – to be able to speak up your mind, to be able to exercise the creativities that you have, to have that freedom, is actually the soil, the foundation, of creative economy. I think so.

Daniel F. Runde: I think so. What I was – noticed when I was in Taiwan is you had many artists and – oh, and we didn't talk about the fashion sector, Alejandra; one of the other sectors we didn't talk about earlier. There's a fashion sector in Taiwan.

Tai Fan Chan: Yes.

Daniel F. Runde: There are prominent filmmakers in Taiwan. Some people come from other parts of Southeast Asia to move to Taiwan –

Tai Fan Chan: Yes.

Daniel F. Runde: – to do work, films, because they don't feel free to do that in their countries. Is that correct, Dr. Tai?

Tai Fan Chan: Yes, from Burma, Myanmar.

Daniel F. Runde: Myanmar.

Tai Fan Chan: So because – Myanmar, yes.

Daniel F. Runde: OK. Well, look, thank you so much. I just think there's so much that Taiwan can be doing to partner. There are nine countries that recognize Taiwan diplomatically. You're a generous cooperator with many of them. I'm going to turn to the ambassador of Haiti in a minute. And there's so much potential in the region. It seems to me that Taiwan – a partnership between Taiwan and the Americas, given this context, is a logical one and a big opportunity.

So as Taiwan thinks about its development cooperation and thinks about its trade relationships and its commercial relationships and its foreign policy, that I hope to see even more – I know you've been leading, Taiwan's been leading on this and doing more on this, but I think there's a demand pull from the region,

as Alejandra was talking about, and you all are a potential solutions provider on a number of different ways to this demand that you're seeing in the region. So I hope, Dr. Tai, that – I hope to see more of you in person, whether in Taipei or Washington –

Tai Fan Chan: Sure, sure.

Daniel F. Runde: – or the Western Hemisphere at some point. We have to stop meeting like this over blue jeans.

Tai Fan Chan: (Laughs.)

Daniel F. Runde: I hope we can meet in person.

Tai Fan Chan: Sure.

Daniel F. Runde: All right, thank you, Dr. Tai.

Ambassador Edmonds, thank you for being – Edmond – thank you for being here. You represent the country of Haiti here in the United States. When I think about Haiti, one of the things I think about is the great artists that you have in Haiti. You have great musicians in Haiti. And you have a lot of important – culture is an enormous asset of the country of Haiti. So thank you for being here, Ambassador Edmond.

Amb. Bocchit Edmond: Thank you so very much, Dan.

First of all, let me take this opportunity to thank CSIS for inviting me to take part in this panel. And it's a pleasure to see all my friends, those I know already and those I will have to meet soon.

Yes, indeed, Haiti – you know, the Haitian people are very imaginative as far as the steps are that we are taking to harness the creative abilities of our people and to economic opportunities and generate wealth and economic growth. So, in fact, we do have a lot of artists, a lot of potentialities, that we believe that a creative economy has no single definitions. If I want to refer to the UNCTAD definition, as well, this is an evolving concept which builds on the interplay between human creativity and ideas and intellectual property and technology. Essentially, it is the knowledge-based economic activities upon which the creative industries are based.

So it's very important, this item today to discuss about Taiwan and Latin America, because Taiwan has made significant strides and growing its economy and becoming an economic success story, therefore, you know, as well as a democratic country. So it is also a country that has been working to escape the middle-income-country trap by increasing innovation-led growth and technology, including creative economy.

So we understand and we believe the Taiwan model could be an example to follow and to try on. But at the same time, it's very important for Taiwan in our discussions, in our bilateral relations, to see how they can be more of good effort to strengthen that particular economy from those small countries. So we

can, you know, strengthen them and make them more productive, you know, and contribute particularly in the standardization. And so they could be more competitive and so on.

So, therefore, as you well pointed out from the introductions, Haiti has a lot of potentials in this area and to unlock our craft, artists, and performers, and so on. So we do have those potentialities, but we just need the time and the moment to unleash them or to continue to unleash them so this kind of potentialities can be converted in economic growth.

Daniel F. Runde:

Ambassador, thank you so much. I couldn't agree more. Thank you so much.

I'm so pleased to have my friend Dr. Carlos Diaz, who's the chief operating officer of the National Endowment for the Humanities, a friend of CSIS, a friend to many of you here, a friend to Taiwan. Thank you, Dr. Diaz, for being here.

You are dealing with – you see culture and the National Endowment for Humanities as a driver of jobs and growth in the United States. And so you were early to this conversation. But also I know you're also thinking about partnerships and developing partnerships around the world, including in the Western Hemisphere and potentially with Taiwan. So Dr. Diaz, thanks for being here today.

Carlos Diaz-Rosillo:

Thank you, Dan. And thank you to CSIS for this great invitation. And hi to all the panelists.

Dan, as you know very well from having me come to some of these sessions, beyond the intrinsic value of minds and souls enriched, I also speak about the importance of the cultural sector in two different but complementary ways.

First, in terms of dollars and cents. The creative economy is one of the leading sectors of the global economy. As you've heard me say, in the U.S., for example, for the past two years the Bureau of Economic Analysis has reported that the arts, entertainment and recreation industries had nominal growth output on average in the range of more than \$370 billion – that's billion with a B – up until the first quarter of this year. And that is using a very conservative definition of what constitutes those industries. So investing in the creative economy, simply put, makes a lot of good economic sense. And we need to do a better job promoting how much economic sense it makes.

The second way in which I often speak about the creative economy stems from my background and interest in national security policy. I firmly believe that targeted, strategic investments in the creative economy can lead the nation to the promotion of the type of soft power that can be harnessed to great effect through a wise foreign policy. That is why, during my time working both in the White House and now at the NEH, I try to put this at the forefront of my efforts through a number of initiatives, but emphasize the importance of soft power and that take advantage of opportunities to collaborate with other nations on projects that bring ideas, that bring insights, and that bring new perspectives to our policy efforts.

So let me share with you some of the highlights or some of the projects that we have been working on at the NIH over the past couple of years to promote these partnerships. We have hosted the President of the Republic of Colombia Ivan Duque Marquez for a discussion on culture and the creative economy. We have partnered with the Department of State to do a number of things, such as leading the U.S. delegation to the OAS eighth annual meeting of ministers of culture to reaffirm American leadership on cultural diplomacy and to deepen cultural cooperation with our western hemisphere partners.

Promoting cultural cooperation at the third U.S.-Qatar strategic dialogue, engaging with Doha on their year of culture. Promoting cultural cooperation at the inaugural U.S.-UAE strategic dialogue and executing an officious interagency agreement to showcase the best of American culture, history, and heritage to a worldwide audience at the U.S. pavilion in the upcoming Expo Dubai. Partner with the embassy of France in the United States on an international culture festival that will take place around the world. And another project that we haven't yet announced, so I'm not going to get ahead of myself with those.

But these are just a few of the many examples in which our small agency is helping to shape the narrative that the United States cares deeply about culture and promoting the creative economy. And I can unequivocally say that I would be honored to add Taiwan to the list of successful partnerships that we have cultivated over the years with our closest allies. Because culture, as we all know, is a powerful instrument of global American leadership. And in my opinion, it needs to be – have a more central role in our foreign policy strategic objectives.

As we all know so well, and as the congressman pointed out a few minutes ago, we're not the only nation that has figured out the power of culture in helping to promote foreign policy objectives. The money coming out of Beijing and going all across the globe is meant to supplant and take the place of the goods and services that our democracies organically produce by virtue of the fact that we're part of a free and open society.

Beijing understands all too well the importance of soft power, and it's clear that they will do whatever it takes to shift the balance away from the U.S. through their international investments in things like Confucius Centers all around the world, in telecommunications, in infrastructure, in heavy industry, and so many other ways. So the United States and its partners need to take a much more aggressive and concerted effort to strengthen the cultural partnerships that nourish our creative communities, and to use the power of ideas and of shared values to counter the suitcases of cash that are leaving Beijing and going all over the world.

I believe that the dissemination of our creative goods and services can speak directly to individuals around the globe and earn goodwill and understanding for our nation. The creative economy indeed is not a dismissible luxury. It is essential to our national security. And I know that everyone in this virtual room shares a passion for creative economies. So let's ensure that we continue to promote their growth, their importance, and their effectiveness. And there's no way to do this than through tangible projects and mutual cooperation between nations.

And that is why it's so critical, I believe, to have discussions like this one, sponsored by CSIS, to explore different ways in which we can generate those projects and collaborate together as free nations. Thank you.

Daniel F. Runde:

Carlos, thank you so much.

Ambassador Yui, Dr. Tai, Dr. Diaz is one of the most effective, most strategic public servants the U.S. has right now in government. I encourage Taiwan to call my friend, Dr. Diaz, today – our friends at TECRO, and have a conversation with him, because you have – it's quite clear the United States has an open door with Taiwan on this issue of culture. I encourage you to call him as soon as this is over, please. I encourage that, because I completely agree. And I've known Dr. Diaz a long time. And he's really one of our most strategic and most effective public servants. And so, Dr. Diaz, thank you for being with us today. I really appreciate it.

Carlos Diaz-Rosillo:

Thank you. Thank you.

Daniel F. Runde:

Carlos – OK. Thank god for blue jeans. (Laughter.)

So Carlos Argüello, you're from Guatemala. We wanted a creator, a doer. We talk about theory and grand strategy. These are all important things. I do this for a living. But we needed to talk about something that was real, and tangible, and creative because you're in the creative economy, you make a living in the creative economy, Carlos. You're Guatemalan and you have a video to show us to give us a sense of sort of what's there. So please, I'm going to start. I'd ask my friends John (sp) and company on the tech team to start the video. And then we'll give Carlos Argüello a chance to comment on his video afterwards. OK, Carlos Argüello, is that all right? It's all on you.

(A video presentation is shown.)

Carlos Argüello:

My name is Carlos Argüello. And this is some of the educational visual aid I had in Central America when I grew up. I have dyslexia, and letters and words were very difficult for me. At 17, I left Guatemala, where I went to San Francisco to art school, where I had encounter with computers. And I started working through the mixture of art and technology.

Music videos for Michael Jackson and movies like "Space Jam," "Batman and Robin," "The Mummy," "Armageddon." Then I went back to Guatemala. And I realized that there was a lot of youth with talent but no connections to the industry. We started Studio C. At that time, there was no schools in Guatemala, so everybody learned in the studio. I came back to L.A. and I started working in "Chronicles of Riddick," "The Ring," "Fast and Furious," and other big productions. Then "Chronicles of Narnia" came in. We worked on 370 shots for "Chronicles of Narnia," and it was nominated for the Oscars.

Since then, we separated the studio in two – a nonprofit that helps with the education and a studio to help to bring the jobs. There are several projects we would love to work with Taiwan. In Guatemala, we want to train from 100 to 500 youth to work on educational projects to revolutionize the way Central

America and the rest of Latin America learns. In Colombia, we are concentrating in visual effects. Netflix have grown from doing five series to planning on doing 50 series a year. This is *Always a Witch*, filmed in Cartagena, and *Green Frontier* in the Amazons.

Due to Colombian film and digital content incentives, Hollywood will produce more in Colombia. We are trying to do an additional effects studio of 100 people with Ruta N, and we're also trying to do animation studio with three known producers from Hollywood – Andrew Adamson from "Narnia," Aron Warner from "Shrek," and Dan Shule (sp) from "Angry Birds." We have three movies and series in different stages of production. And finally in Colombia, a (CA ?) digital academy, a distance learning digital academy to be able to standardize the way Latin American youth learn animation and visual effects.

(Video presentation ends.)

Daniel F. Runde:

OK. Carlos, that was fantastic. Thank you so much. There's an enormous youth bulge in Guatemala. And we need to find jobs and opportunities for young people in Guatemala. And obviously, this is – I think one of the areas is the creative economy. And one of the things I've learned is, working with my friends in Taiwan, it's about creating pathways for them to participate in various parts of the creative economy. So, please, I'd welcome some additional thoughts that you have, Carlos Argüello, about this.

Carlos Argüello:

Yes. You know, I came into the creative economy sort of by chance. I left Guatemala when I was 17 to study art in the U.S. That's where I encountered computers, and I immediately touched computers. And my first job was with NASA and Ford Aerospace, then moving into, you know, the movies that I showed, like "Space Jam," "The Ring," "Fast and Furious," "Chronicles of Narnia," and so forth.

The idea is that, basically, talent is everywhere but opportunities are not. And essentially, when I went back to Guatemala in the year 2000 I found out there was a lot of use. Basically, Latin America is a very creative country – I'm sorry, continent by itself. There's a lot of writing, paintings, dancing, colors in general. And if you mix that creativity from Latin America with technology, then you can create products that you can sell not just in your country but in the region and the world. So the idea is, basically, how do we bring jobs especially to the young people in Latin America and we connect them to a global economy? And we believe that creative industries is the way to go.

We concentrate mostly in what we call digital content for animation, series, movies, education. There's a lot of different levels that you can participate in the creative economies.

So I've been lucky enough now, with our foundation, I've been traveling all over Latin America. I worked with Tomy International Animation for the last three years seeing animation and what's happening in Latin America, and then with Netflix in the area of visual effects. So the talent is there in Latin America. We do have issues still about connectivity in countries like Guatemala, but I also work very closely with Colombia. And Colombia, for example, in Antioquia, Medellin, we trained 2,000 youth in six months. So the talent is there. We can

connect them to the global industry. And we would love to work with Taiwan, also, on several projects. I know that there's a lot of animation for education for youth that we can participate and work with. I know you have film, visual effects, technology also that we would love to share with you guys.

And one of our other issues is that we don't have standardized education, so we're trying to create a long-distance digital academy to be able to teach the same in Guatemala, in Haiti, in Mexico, in Argentina, Colombia, everywhere, so then the youth can work from different countries and different places but work as a unit with the same sort of knowledge and sort of helping the numbers that the global industry needs because this industry moves with a lot of numbers. So Latin America has a lot of studios of people that have 10, 15 studios, but really over here in Los Angeles where I am the studios are 1,500 people, 2,000, and 5,000 people in one studio. So ideally, we want to increase our numbers by mixing our countries and working together. But we're open and we're glad to work with Taiwan in any of these projects.

Daniel F. Runde:

I love this. I love this. This is fantastic. Carlos, thanks for being with us today.

I've got some really thoughtful questions from the audience. Let me start with my friend Christina Borrelli (sp). I understand that as part of the creative economy Taiwan is also hoping to be a leader in sustainable alternative activities – agroforestry, et cetera – to be developed in the Amazon. Is this true? Can you talk about this? Ambassador Yui, let me go to you about this, about sustainable alternative activities, agroforestry, et cetera. Do you have a – do you have a comment on this, Ambassador Yui?

Amb. Tah-Ray Yui:

OK. Well, not in particular. We're not – we haven't incurred into the Amazon yet. We haven't been invited. But if there was – if there was a chance, we will be more than happy to – you know, again, we have developed many technologies and sustainable. You know, Taiwan – you know, the Taiwan development model, we spent a lot of time developing our industries, the first since 1949 and on until the '70s, without putting much attention to pollution, environment, et cetera. But in the early '80s we – it was not until the early '80s that we set up an EPA. Imagine that. But since then, we have placed a lot of importance on environmental protection, sustainable economy, or what they call a circular economy – you know, things that we recycle being given a new life. So we've been placing a lot of importance on that lately. But we're more than happy to share.

But I would like to also put – make some input on Dr. Tai's – when she mentioned the digital – or, Dan, you mentioned about the digital platform and how to use it in the creative economy, or Dr. Tai saying, well, how to make people, you know, open their purses during the lockdowns. Well, digital platform – but I'll just make one example of this – the combination of all of this.

We have a very famous band, you know, pop band, called Mayday. You know, it's four or five guys, you know, a very popular band in Taiwan. But during our early stages of pandemic (ph), we also had lockdowns. You could not have mass concentrations such as a concert. So what they did – this band, what they did was they did make a concert in a stadium, empty stadium, but they did a live concert, and then people logged on to a certain, you know, code through the

internet, and they paid to see the live concert via the internet. So they – actually, they were in the live event, but not physically at the – in the concert stadium. But they were looking at – so that was a very creative way of making money, even though people were not in the stadium.

But my – when I mentioned at the beginning my definition of creative economy is also like the ambassador mentioned. You know, it's not just the 38, you know, that Alejandra mentioned. But for example, in Haiti lately we've been – the president has been – President Moïse and my ambassador has been going to the countryside for what I consider a creative way of, you know, making an economy. Haiti has a chronic shortage of electricity, especially in the countryside. So what we've done in Haiti is we've set up – and they also need water for irrigation. So what we've done is we've set up pumping stations using solar energy so they do not need electricity. They do not need to be wired to a power source because they have their own power source via the sun. And we have established so far 17 solar-powered pumping stations across the country, and we'll be setting up more. It has been a fabulous result because, obviously, without – you know, instead of having just by hand, now we have a(n) electrical pump via solar power.

Also, in Guatemala, for example, we – there's a very successful program that we did in Guatemala. It's called OTOP – one town, one product. Because tourists went to, you know, Antigua Guatemala, they went to Peten, they went to, you know, Atitlán, they always bought the same arts crafts. Wherever you go, you always bought the same things. You know, you said, well, there's really no difference. So what we did is we brought our own experience in Taiwan and made two (pods ?) in each town to develop their own particular arts crafts. For example, if this town is good in pottery, you know, concentrating on pottery, if you're good on, you know, woven texture, you would concentrate on that. We also taught them how to improve their products, improve their packaging, and improve their salability or whatever. And as we – you know, a fairly successful project in – not only in Guatemala, but also Nicaragua and Honduras.

Another example, which probably will go a little farther, but in Paraguay, you know, people in Paraguay, they love to eat meat. You know, they're a meat-eating country. They eat meat breakfast, lunch, and dinner. But we brought – about 10, 15 years ago we brought in an alternative to meat, which was tilapia – you know, the fish, tilapia, raised fish. And nowadays, after our efforts, you can find tilapia all over the country as an alternative to beef. But at the same time, using technology, creative technology, we also helped Paraguay. They have their own indigenous kind of fish called pacu, which is sort of like – well, it's a very tender beef, and also – meat – and also called surubi, which is a sort of local catfish which they like a lot, but they can only catch a lot in the river. So we – through our technology, we were able to make it so that it can be farm-raised, you know, in captivity. And that basically changed completely the availability of this fish in Paraguay.

And in my opinion – or, obviously, my broader sense of creative economy – it comes from that, and we've been willingly sharing these experiences with our friend countries.

Daniel F. Runde: Ambassador, that's great. Why don't we – I've got one last question I need to ask our colleagues. Let me to turn to Ariana (sic; Alejandra) and just give her a chance to – how can a digital platform truly help fine arts and impact on the level of intimacy, authenticity of a gathered audience. Alejandra.

Alejandra Luzardo: Well, sorry to talk a little bit, I wanted to go back one thing regarding the sectors, which I think is important. It's important that we actually by country define the sectors well so we can measure the impact. And this is something that will allow to – you know, when we go to the governments and when we go to looking for finance, they will have to finance the sectors under the creative industry. So I wanted to make sure that this is why, from the IDB, we define this sector very specific, so we can help the countries in the region.

Regarding your questions about how we can grow and how we can grow these platforms, I think there are many things that we can do regarding skills. I think there is an opportunity to learning from people like Taiwan, United States, Canada, and many other countries that have been going through that. I will say, reskilling the students in different ways, using technology for a long time, and bringing this knowledge to our region.

The other thing is the volume needed, as Carlos mentioned, in order to produce a movie – let's say, Shrek, you needed 300 animators only for that specific movie. Sometimes in small countries, like in the Caribbean or Paraguay, we don't have the volume. And this is why it's so important to standardize the skills, to understand what is needed to the production of this content in the digital world, so we together as a region can present these solutions and opportunities.

And also one other thing that is important to mention is how we partner with these different – with the private sector. Not only with the government, with the private sector. The private sector is key to help people from small companies to big companies to make sure they can understand how marketing is, how they can take this product to the next level, to the global market. And this is only be able to happen if we actually bring this company and give them opportunity to invest in our countries and to – you know, and to work with them to make sure that we can export these services and products.

Daniel F. Runde: Excellent. I think we have to stop there, sadly. I think we need to – I promised to cut it off at 9:00. I'm sorry, Ambassador Yui and I'm sorry to the rest of the panelists. But thank you all very much. I think this was a really rich discussion. We're grateful that you all were with us today, and I need to end it here. But thank you all very, very much. This was excellent. Thank you so much.

(END)