

Production Allocation Strategies and Spatial Structure of International Division of Labor in Japanese Animation Studios

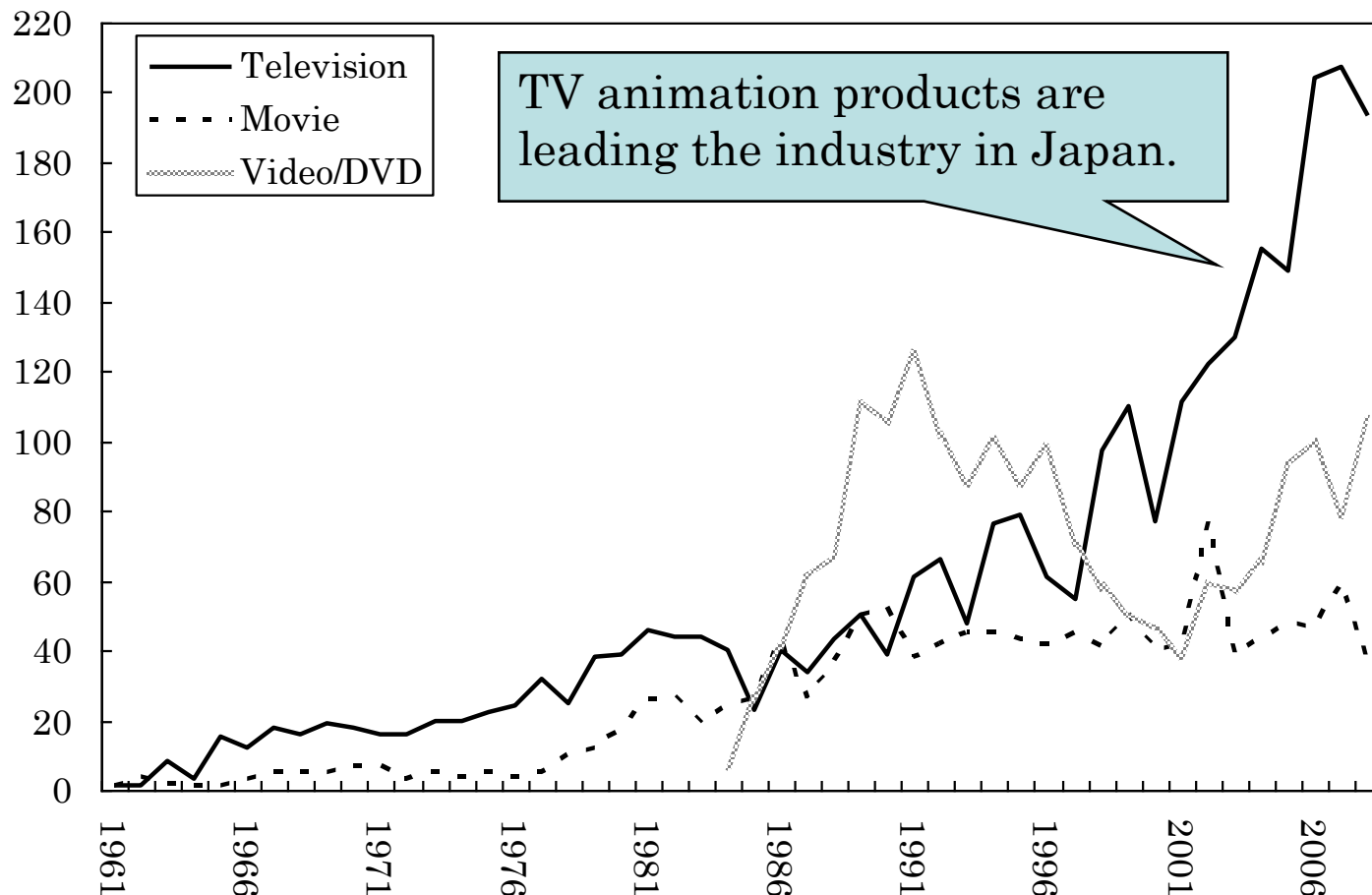
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Market scale and structure in Japan

According to “Digital Content White Paper 2006”, annual sales of Japanese animation industry in 2005 are 2,122.4 million dollars, and 91.8 % is from domestic market.

→ **Major customer** for Japanese animation industry is **domestic market**.



The purpose of this study
is

to examine the spatial structure of the international division of labor in Japanese animation industry through a comparison of the production allocation strategies of three studios having different backgrounds.

Outline

- International Division of Labor in Japanese Animation Industry
 - Production Process
 - International Division of Labor
- Case Studies
 - Studio A
 - Studio B
 - Studio C
- Conclusion

International division of labor

Country	S. Korea		China				Indonesia		U.S.A.	-
City	Seoul	-	Shanghai	Wuxi	Changzhou	-	DPS	BDO	L.A.	-
Produce										1
Key picture	5	2			1					3
Animation picture	5	4	2	2	1	2				2
Coloring	4	4	2	2	1	2				1
Background	5						1	1		2
Edit									1	
-	2									
Order	11	4	2	2	1	2	1	1	1	3

15

7

DPS= Denpasar, BDO= Bandung
 L.A.=Los Angeles, -=unknown
 Source: Yamamoto (2009)

South Korea and China are major subcontractors for Japanese Studios.

Major jobs ordered by Japanese studios to Korea are not only animation picture and coloring, but key picture.

On the other hand, the major processes ordered from Japanese to China are only animation picture and coloring.

Case studies

Japanese animation industry is sustained by international division of labor, however, production allocation strategies are different from each studios.

Next three case studies would reveal the determinant of each allocation strategy and business network formed through strategies.

Service types

Primary contractor	Total coordinator of product process
Professional subcontractor	Specialized processing and subcontracting from other firms

The case studies of production allocation strategies

Studio Backgrounds

ID	Manager		Studio	
	Origin	Last job	Service type	Transaction partner (s)
A	Taiwan	Language school Manager	Professional subcontractor	China
B	Japan	Animation Assistant Director	Primary contractor	South Korea, China
C	Korea	Animation Assistant Director	Professional subcontractor	South Korea, China

Studio A

ID	Manager		Studio	
	Origin	Last job	Service type	Transaction partner (s)
A	Taiwan	Language school Manager	Professional subcontractor (animation picture, coloring)	China

Advantage

Manager had had Shanghai-based networks for Chinese subcontracts in the animation industry (The firm helped Taiwanese animator for establish his studio in Shanghai)

History

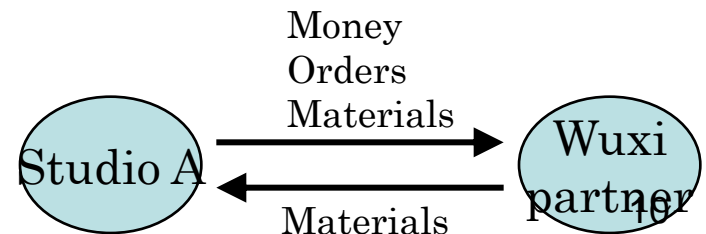
1996 established as a trading firm

2004 became animation subcontractor through tie-upping with Wuxi studio, spun-off by studio A's support

Relations to partners

Dominant

Simple forms of bilateral trade



Studio B

ID	Manager		Studio	
	Origin	Last job	Service type	Transaction partner (s)
B	Japan	Animation Assistant Director	Primary contractor	South Korea, China

Advantage

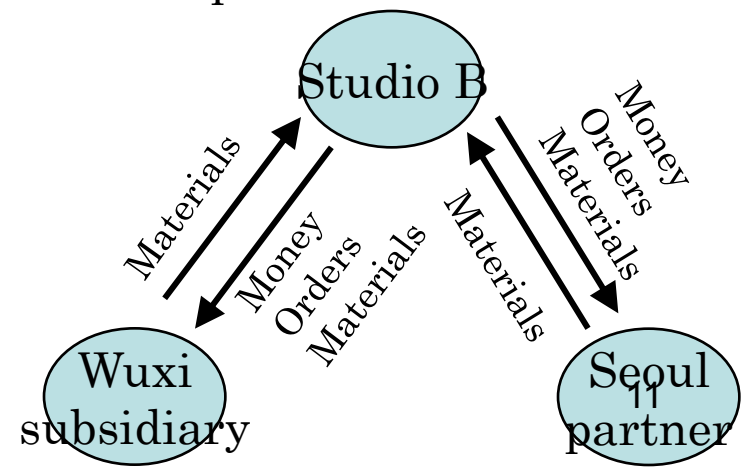
Manager had had the management know-how for Japanese animation

History

- 1986 established as a subcontractor for foreign animation studios.
- 1990's changed major clients from American studios to Japanese studios
- 2000- became a primary contractor
- 2001 established subsidiary in Wuxi

Relations to partners

Competitiveness (between Korea and China)
 Developmental forms of bilateral trade



Studio C

ID	Manager		Studio	
	Origin	Last job	Service type	Transaction partner (s)
C	Korea	Animation Assistant Director	Professional subcontractor	South Korea, China

Advantage

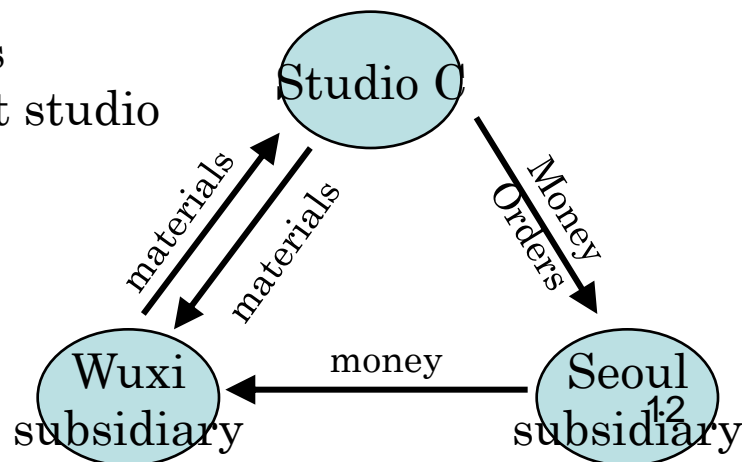
Manager used Korean networks and he established studio in Seoul easily.

History

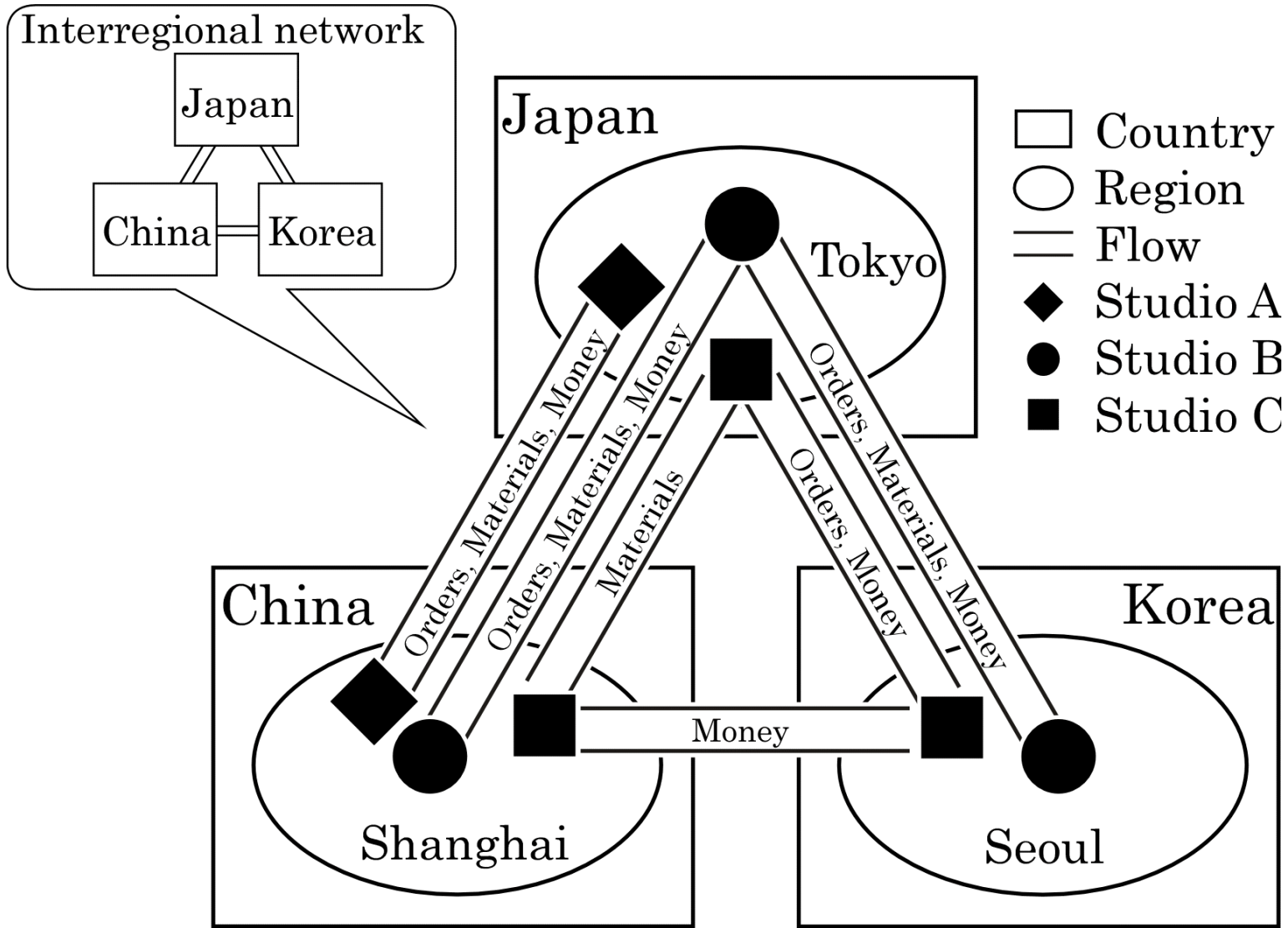
- 2002 established with Wuxi studio as a professional subcontractor for the parent studio
- 2003 started to take orders from other studios
- 2005 dissolved capital ties between the parent studio
- 2006 established subsidiary studio in Seoul

Relations to partners

Accommodative
Tripartite trade



Conclusion



Actual transaction space