

# Asian Animation and Its Search for National Identity and Global Markets: 1995–2007

By John A. Lent

Though Asian animation reaches to at least 1915 and, over the years, has experienced some golden eras, it has been mainly since the mid-1990s that the art form and industry have been radically transformed. During those dozen years, Asian animation industries sought ways to contend

with the perplexing challenge of finding national identities while fighting to enter the global market.

A number of factors either hindered or abetted this transformation, including foreign

influences and connections, national governments' involvement, digitalization advances, increases in domestic production, and heightened professionalism.

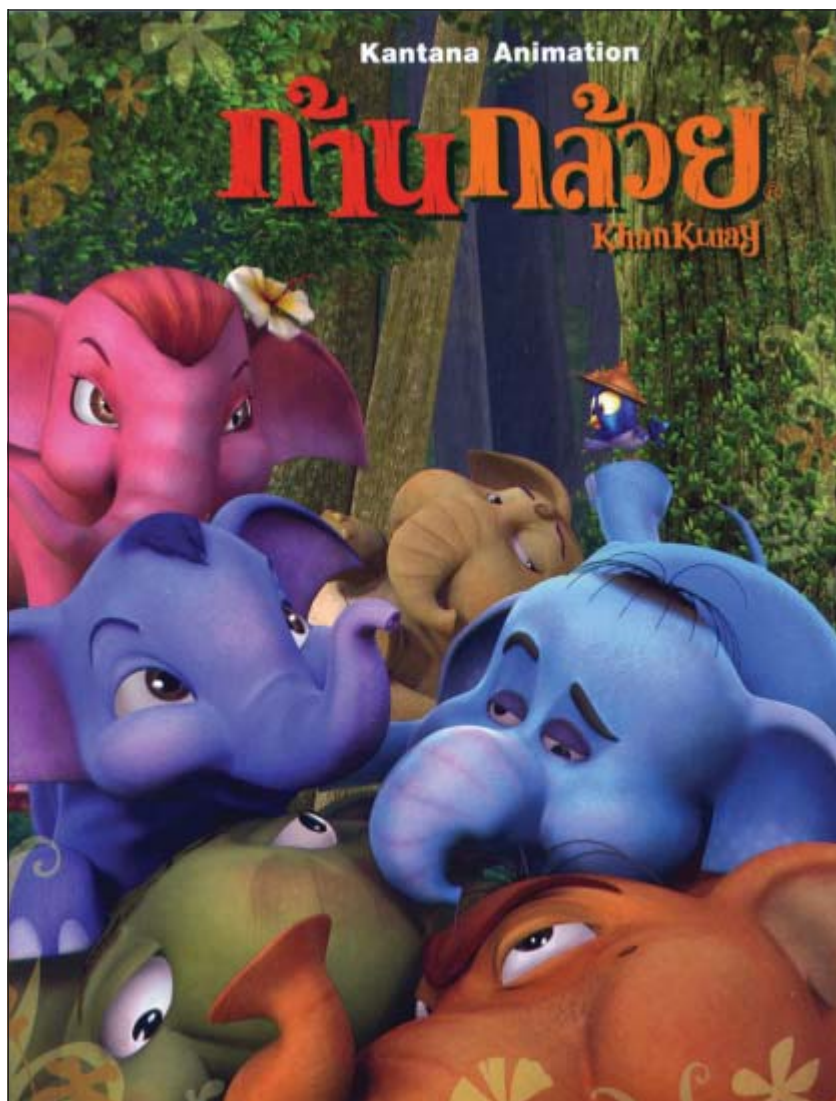
## Foreign influences and connections

Outside forces – imported programming, subcontracting agreements, co-production efforts, and international marketing – , all of which have had impacts upon Asian animation historically, have themselves been altered in recent years.

## Imported programming

Foreign-produced animation, particularly from the United States and Japan, has filled much screen time all over Asia for decades. One mid-1990s' survey of Malaysia, Singapore, Thailand, Indonesia, Japan, India, and Sri Lanka, found that the combined number of annual television hours devoted to foreign animation was 81,163 compared to only 11,313 domestic hours. Much of the foreign animation enters Asia through multinational TV broadcasters (e.g. STAR TV, BBC, TNT, Cartoon Network, Nickelodeon, Disney Channel, Animax). These and other companies compete furiously for Asia's cartoon markets, launching customized cablecasts as Disney Channel and TNT/Cartoon Network did; creating content specific to the region, such as Disney's production of a series based on popular Southeast Asian folktales; or indigenizing cartoons by language as Cartoon Network and others have

*Below: Khan Kluay, Thailand.*



done in India and elsewhere. Disney's presence in Indonesia expanded considerably in mid-2002 when ABC Cable Networks Group launched a Disney Channel capable of reaching 70 per cent of pay television homes. Japanese anime is so popular in Asia that AXN's Animax Asia in 2004, started a 24-hour exclusively anime channel. In Singapore, the major television channel increased its schedule of Japanese animation from 2–4 hours weekly in the early 1990s to 12–15 hours in 2000. In India, major cartoon carriers such as Cartoon Network, POGO, Animax, Disney and Toon Disney, United Home Entertainment's Hungama TV, and Nickelodeon are very evident.

Elsewhere in Asia, foreign animation has left its imprint. In China, surveys show that 80 per cent of the animation market consists of Japanese and Korean shows, 10 per cent European and American, and 10 per cent Chinese. Sixty per cent of Chinese youth polled favored Japanese animation, 29 per cent European and U.S., and 11 per cent Chinese/Hong Kong/Taiwanese. In India, almost all TV animation is foreign. Although in South Asian countries, exposure to Japanese anime is a recent phenomenon, it has already taken Nepal by storm, via Animax and Cartoon Network and shows such as *Beyblade*, *Dragonball Z*, *Voltron*, and *Transformers*. Despite decades of government and other efforts to ban or limit anime in South Korea and Taiwan, it still dominates TV program schedules. James Wang, Taiwan's major animation producer, explained the fascination with anime:

Children here like Japanese animation, because it has no limitations. And, the Japanese do series of 26 or 54 episodes, while the Americans do 13. Japanese animation teaches children who the good and bad guys are; children in the U.S. develop this concept themselves. Asians want big episodes, more

episodes like the Japanese give (Wang, 2005).

Perceptions concerning the impact of foreign animation vary. On the one hand, arguments are made that the importing of animated shows has renewed interest in the medium and even stimulated local production. Others contend the foreign shows have had negative impacts on children's values and morals, on the creation of a national identity, and on Asian artistic creativity. Believing foreign animation unsuitable because of the values it imparts, the government of Malaysian Prime Minister Mahathir, in the 1990s, banned some works, guaranteed local animation shows slots on government television, and offered contracts to animators to produce a number of episodes of suitable series. Earlier, one school district launched a "Watch Less Cartoons on TV" campaign to eradicate negative aspects of foreign cartoons (Mulyadi, 2001: 136). In the Philippines, the Marcos authorities in 1979 stopped the showing of Japanese robot cartoons in theaters; censors tried again in the 1990s to stop foreign

animation violence.

With the intents of nurturing local animators and curbing foreign cartoons, China's State Administration of Radio, Film, and Television, in 2005–2006, limited the amount of foreign cartoons on television to 40 per cent, barred foreign channels such as Disney, banned TV shows and movies that blend animated elements with live-action performers, and eliminated foreign cartoons from the favored 5–8 p.m. time slot.

But, the foreign impact on artistic styles, formats, and contents had already permeated China (and by extension, Asia) by the time of these rulings. Increasingly, complaints are heard in China, South Korea, and Taiwan that their locally-made works look and feel like anime. Similarly, in Southeast Asia, the influences are noted. The two top works at Indonesia's first animation festival in 2001 had plots similar to Japanese robotic animation and the American film *A Bug's Life*; Thailand's *Pang Pond* TV series was criticized as being foreign-influenced (Rithdee, 2002), and much of Malaysia's recent



Right: Hanuman, India.

animation was accused of copying anime (e.g. *Sang Wira*, *Anak-anak Sidek*, *Yokies*, *Edi and Cici*, *Silat Legenda*, *Mann Spider*), or U.S. fare (examples being *Ngat dan Taboh* and *Keluang Man*) (Hassan, 2004: 8, 10; Muliyadi, 2001: 136, 143).

## Subcontracting agreements

Another reason animation production has sped up during the past decade is the push foreign animation contractors gave as they used the region as a workhorse. Originally, in the 1960s–1970s, studios of the U.S., Canada, and parts of Western Europe sought out the inexpensive and stable workforces of Japan, South Korea, and Taiwan to carry out production, while pre- and post-production stayed in the “home” countries. As the cost of labor in this first tier of overseas producers increased, the work was transferred to China, Southeast Asia, and India. Exports accounted for more than 70 per cent of India’s animation revenue in 2006, with the major part of the animation workforce involved in outsourcing. Nepal recently entered offshore animation through Incessant Rain Studio. Even the nationalistic April 26<sup>th</sup> Children’s Film Studio (SEK Studio) of North Korea and the Hanoi Cartoon Studio of Vietnam became havens for overseas production. In the case of North Korea, its opening-up to the outside world between 1985–1994, and the “sunshine” policy between the two Koreas after 1996 were catalysts. When inter-Korean economic development became possible, Leader Kim Jung-Il singled out animation as a possibility for joint work, the result being South Korea “farms out” some production to the North (Kim and Lent, 2005: 276). The North Korean studio also subcontracts work with major North American, European, and other Asian clients. Despite U.S. economic sanctions on North Korea, U.S. animation is made by North Koreans.

In some cases, North Koreans are brought to China to work exclusively on U.S. animation; the contracts come through South Korea (Lee, 2007). Disney subcontracted TV series of *Lion King* and *Pocahontas*, designed for Europeans, to SEK Studio.

Factors contributing to a change of direction for the Hanoi studio were the collapse of its donor nation (Soviet Union), a subsequent shift to a more capitalist economy, the re-establishment of diplomatic and trade relationships with the U.S., and the linkup with the Internet, thus lowering communication costs.

The attractions were aplenty for the overseas animation houses. Besides an inexpensive and stable (protected in some cases by non-strike or non-union legislation) labor force, some parts of Asia also offered a Western disposition and competency in English and French languages because of long periods of colonization. Other favorable factors were, in the case of India, technologically sound studios, and in the Philippines, artistic and creative skills, love of storytelling, keen sense of humor, consistent quality and speed of production, and an understanding of the nuances of American humor. Further, animation fit neatly into already-existing governmental programs to spur industrialization, which allowed foreign companies to set up plants and take advantage of inexpensive labor and official incentives such as tax breaks.

Strong arguments are voiced for both sides in the controversy concerning use of overseas labor. Those criticizing the practice have called it labor exploitation with no visible transfer of skills, as almost all of the more creative pre- and post-production work is done outside the region. At Thai Wang Film, most of the 319 employees in the 1990s were women working as colorists, and none worked at the creative or management levels (Poonprakon, 1999). In the Philippines, criticism is

expressed that Filipino artists are reduced to artisan status, following codified rules, without much chance of exercising artistic free rein. Furthermore, the work is insecure because of the seasonal nature of animation production and because of the highly mobile nature of an industry that follows inexpensive labor (see Lent, 1998). Managers of offshore studios saw it differently. Ram Mohan, a father figure of India’s burgeoning animation, said: “I don’t see it as such ... [but] as an opportunity for young people to find a career” (Mohan, 1993), and the head of Shanghai Yilimei Animation Company pointed out his studio’s wages were above median compared with other companies involved in foreign investment (Jin, 1993).

Defenders of overseas animation production claimed that it provided employment and skills for young people, brought in needed foreign capital, and added to the creation or enhancement of domestic animation. They insisted that without it, animation would not exist in parts of Asia. By the late 1990s, Malaysian animation houses were being partially sustained by projects obtained from international partners such as Toei, Disney, and others, and the animation industry of Singapore was born in the 1990s from attempts to attract foreign investment when efforts were made to turn the city-state into the media hub of Asia. Oftentimes, the domestic animation films of much of Asia emanated from offshore studios. Kantana Animation of Thailand, started in 1987 to subcontract for Japan’s Toei, made the domestic *Twin Witches* in 1994, and other works since, and in India, DQ Entertainment, started in 1999 to do outsourcing work, now employs 3,200 laborers who devote 75 per cent of their time working on domestic or co-production projects. Though the amount of domestic production was seemingly insignificant compared to that for overseas clients, the steady flow of funds and resources from abroad



Left: Mousedeer series, Malaysia.

ensured a modicum of local animation that otherwise might not have existed.

The tendency in a number of countries has been for the start-up of subcontractor studios, which, over the years, built up their financial and technological resources, skilled labor pools, and export potential, in the process, becoming big enough to catch the attention of national governments, which then decided animation (including domestic) was an important commodity. This happened in South Korea, China, Thailand, India, and to lesser degrees, in Malaysia and Singapore, as will be discussed later. The South Korean case is exemplary. Although animation exports (mostly outsourced work) dropped from US\$160 million to US\$77.3 million between 1999 and 2003, exports of original animation increased from 3 per cent to 35 per cent, from US\$4.7 million to US\$27.3 million, during the same time. Between 2000 and the first half of 2002, the share of subcontracting of total animation revenue decreased from 84.4 per cent to 49.5 per cent, while that of original production (including co-production) increased from 13.5 per cent to 49.4 per cent.

A couple of other factors associated with the subcontracting business can be offered as reasons why domestic animation was increased: (1) Overseas contract studios had less work-for-hire to do

when the demand for TV cartoons diminished in the U.S. and Europe in the late 1990s; (2) Over the years, animators working for subcontractors had learned pre- and post-production techniques and were now capable of producing works from start to finish. The Philippine animation industry, which was slumping by 2000, recovered to become a global animation haven because of the latter. In 2006, 40 studios with 4,500 fulltime employees garnered US\$54 million in revenue.

Particularly hit hard as the century turned were East Asian service studios. The success of “Pokémon” showed that Japanese animation could financially benefit U.S. television, leading to a sudden drop in U.S. production, which, in turn, devastated studios of South Korea, Taiwan, and the Philippines. Added to this were the late 1990s’ Asian economic slump, the movement of much contract work to less expensive China and India, and trends to computerization. Deneroff (1999: 15–17) provided other clues for the downswing: widespread consolidation, leading to the demise of many independent studios as U.S. major companies tended to send work to the larger overseas facilities; the hiring of crews on a project-to-project basis by large U.S. studios, again meaning less work to outsider studios; increasing competition for Asian studios from service providers in the U.S., Canada,

Estonia, Denmark, Hungary, France, and Spain. Nelson Shin, head of the large Korean studio AKOM, reported production in his country down by 60 per cent, with a number of studios on the verge of folding (Deneroff, 2000: 18).

## Co-production efforts

Because of some of the above-mentioned woes, Asian service studios entered into co-production agreements with American, Australian, Canadian, European, and other Asian partners. Benefits accruing to the Asian studios include moving from strictly work-for-hire to a more creative role in animation, enlarging capital investment pools, being involved in larger, more prestigious projects, and gaining a wider distribution abroad. Also, because sales of animation in Asia were almost impossible because of widespread piracy, Asian studios sought co-production deals in which they would share in profits from North America and Europe. Deneroff (1999: 15) said a downside was that the co-production arrangements, at the insistence of Canadian and European television producers to cut costs, put East and Southeast Asian studios in a situation where they “end up with little or no profits in exchange for Asian distribution rights having little or no current value”.

The most formidable partnership – that of Walt Disney International (WDI) and Japan’s Tokuma Shoten Publishing Co. to distribute the latter’s films worldwide through Buena Vista Home Entertainment – did not involve a service studio, but rather, Studio Ghibli Co., a Tokuma subsidiary famous for the work of its resident animator Hayao Miyazaki. The pact gave WDI global video rights to market eight animated features already produced by Miyazaki, as well as theater release worldwide of his *Princess Mononoke*. Perhaps more importantly, it provided WDI entry into the anime

market, which one Disney official said they hoped to “legitimize” and bring into the mainstream. WDI already controlled 65 per cent of the Japanese market for children’s videos. Critical of Disney films, Miyazaki was not thrilled by the deal. Previously, he would not grant rights for outside distribution of his anime to foreign companies for fear they would alter his work. He reversed his policy to help Tokuma, which, he said, had always been good to him and now needed the money to be gained from the partnership (see *New York Times* articles, 24 July 1996, 1 February 1998).

Disney more recently partnered with Chinese and Indian companies to gain parts of the huge audiences of those countries. In 2007, Disney teamed with Chinese producers to make its first ever non-Hollywood film, *The Secret of the Magic Gourd*, a blend of live action and animation. The storyline of this film was done by Centro Digital Pictures of China. Disney, which always struggled with “American fare” in India, began working with Yash Raj Films in 2007, to create Disney branded animation, but using voices of Bollywood stars. Plans call for Disney and Yash Raj to produce one animated film yearly. Disney is also converting U.S. franchises into Indian versions.

Besides the Disney-Tokuma Shoten cooperative effort, others were formed in Japan between MADHOUSE Studio and Korea’s Samsung Entertainment to produce *Alexander*, Nippon Animation and Mitsui and U.S.’s LA Animation to work on *The Monkey King*, Tezuka Productions and RAI of Italy, Nippon Animation and Doro TV, also of Italy, and Nippon Ramayana Film and Ram Mohan of India. The latter resulted in the production of the epic *Ramayana* and *Swan Princess III*.

Putting themselves in a position where they no longer had to live or die by contracts from U.S. studios, Asian studios increasingly went into co-production with a multitude of partners, while investing in

equipment and training in digital, 3D, and web-based animation. They also began making domestic animation and kept an eye on the Internet for potential service work and development of their own properties (Raugust, 2000: 14).

By the end of the 1990s, China’s Morning Sun Studio joined with Fred Wolf Studios to make *Dino Babies* and with Warner Brothers and Fred Wolf to produce *Sinbad the Sailor*; Shanghai Yilimei partnered with CINAR of Canada on a TV series *Rumble & Growl*, and other Chinese studios with Yoram Gross Village Roadshow of Australia, Network of Animation (Canada), the Storm Group of England, Tokuma Group of Japan, and Moro Animation Film Studio of Spain. Internally, Chinese studios joined forces to produce TV series and feature films. In more recent years, Chinese studios worked out agreements with Agogo Corporation (Hong Kong), Telemagination (U.K.), Porchlight Entertainment (U.S.), Antefilms (France), and Sunwoo Entertainment (South Korea) (Nagel, 2004: 26–27).

The rapid development of animation in India since the 1990s has resulted in a number of co-productions, besides those with Disney already mentioned. In 2007, Turner Entertainment tied in with three Indian production houses (Famous Studios, Graphiti Multimedia, and Miditech) to produce local CG animated features; India’s Shemaroo joined hands with Sony Pictures Entertainment USA; DQ Entertainment formed partnerships with Universal, Cartoon Network, Nickelodeon, BBC, Italy’s RAI, and France’s TFI; UTV co-produced with Overbrook Entertainment (U.S.), and Toonz worked with the Italian Rainbow Productions. Also in 1997, France’s Thomson bought into Paprikaas Animation Studio of Bangalore to bolster its position in the rapidly-growing Indian entertainment industry.

All types of partnerships have

been put together involving Korean and /or foreign broadcasting systems, governmental and educational institutions, animation studios, toys and games developers, and digital graphics companies. *The Island of Inis Cool* series is a co-production of Korean, Irish, and Luxembourg companies, while the clay animation series *Dragon* is a joint venture with Canadian studios, and others, such as *Odd Family* with a French firm, *Netibee* and *Dr. Cookcook’s Big Math Cooking* with Chinese TV and animation companies, and *Antenna Tales* series with Sante Fe Communications of the U.S. More specifically, the globally-popular *Beyblade* (also *Topblade*) television series, released in the U.S. through Nelvana, is a collaboration between Seoul Broadcasting System, Seoul Animation, and toy company Sonokong, all in Korea, and Tokyo TV and Madhouse Studio in Japan, and Dongwoo Animation has several projects with U.S., Canadian, and Japanese support. Dongwoo’s *Tank Knight Fortress* is affiliated with seven other Korean studios, game developer CCR, and Japan’s Bandai Co., and its new *Teenage Mutant Ninja Turtles* series is tied to 4 Kids Entertainment of the U.S. In 2007, a pact was agreed upon by the Weinstein Co., Gotham, and the provincial government of Chungcheongnamdo to co-finance and co-produce six to ten 3-D features budgeted at US\$40 million each. The production work will be done by a consortium of 30 Korean studios. Because animation represents the strongest growth area among Korea’s TV exports, it is able to attract foreign finance. For example, Korea’s top ten animation companies receive about 60 per cent more of their finances from foreign than from local sources.

Korea, China, and Japan, with similar cultural, philosophical, and linguistic roots, in 2003–2004, began exploring a number of possibilities of working together in animation, such as joint production/distribution of at least eight television series, the

trading of festival exhibition space, and the extension of meetings for future cooperation. Animators from the three countries are proud of their joint activities thus far, pointing out those operational decisions and procedures and the division of credits have been executed democratically, allowing each company in these arrangements to reach its full potential.

In the Philippines, *pasi* (Philippine Animation Studio Inc.) boosted in-house animation, but, not wanting to finance it alone, teamed up with Nelvana, BKN, Ellipse, and others. Malaysia has had a number of co-productions, including *Persistence of Vision 3D*'s tie-in with two British firms, and *Kampung Boy*, based on the print cartoons of Lat (Mohd. Nor Khalid), made with input from U.S., Canadian, Malaysian, and Philippine studios. In Singapore, the governmental Media Development Authority has encouraged partnering, co-investing in 2006 in three 26-episode TV series that Peach Blossom Media will co-produce with South Korea's Sunwoo Entertainment and the Dutch company Submarine. Media Development Authority's involvement partly fulfills a 2005 agreement to help fund seven animation projects over three years. Other Singapore co-productions have been with the Shanghai Media Group and Germany's ZDF.

Even North and South Korea, despite ideological differences, have made animation films jointly since the late 1990s, the most notable works being *Empress Chung* and *The Laziest Cat Dinga*. Both countries worked eight years on *Empress Chung*, a feature based on a traditional Korean tale of a young princess who sacrifices herself to save her father's eyesight.

### International marketing

Globalization trends in the 1990s and the profits Asian service studios saw being made by the foreign animation they produced led them to seek regional and international markets for



Right: *Wonderful Days*, South Korea.

their own works. Also, as governments sank more funds into animation development, they needed to find markets to recoup their investments; the local market was not enough. To attract outside buyers, studios and government agencies made co-production agreements intra-country, regionally, and globally to improve the quality of work, set up screenings at international festivals and competitions (such as Cannes, Annecy, MIP-TV, etc.), and sponsored home-grown events (such as Seoul International Cartoon and Animation Festival, Indonesian Animation Festival, Puchon International Student Animation

Festival, Thai Anima, Singapore Animation Festival, and scores of others in China, Japan, etc.)

When Asian animation industries think globally, they aspire to reach the achievements of Japan, whose anime and related products are popular worldwide and constitute one of the country's largest revenue sources. As an example, in 2002, Japan exported nearly \$4.4 billion in animation products to the U.S., a figure four times greater than the value of Japanese steel exports to the U.S. That year, Japanese popular culture products (e.g. anime, music,

toys, games, manga, etc.) exported accounted for \$14 billion in revenues (Terada, 2003). But Japan is the exception; no other country of Asia has had anything near to that success in animation exports.

Recently, Korean animation found a niche in the international market, selling its product abroad and partnering with foreign producers and distributors. “Lineage”, a popular game evolving from a comic book, was animated as a 13-part TV series by global animation company Cyper; the award-winning “Mari Iyagi” was distributed in North America in 2004, first in theaters, followed by Anime Network and home video release, and the 26-episode series, *Ki-Fighter Taerang*, was exported to U.S. distributor Crash Media Group at the highest price among all Korean animated films to be sold abroad. *Wonderful Days*, a groundbreaking feature because of its colossal US\$12 million budget, about seven years of production, and mixture of traditional 2D, 3D computerized methods, miniatures, and live action, was sold to Spain’s Manga Films and was released in other European countries. Hong Kong and Taiwan purchased *Spheres*, the center of a merchandising push, and Kids WB aired the 2001 series *Cubix* on U.S. Saturday morning television. In 2007, *Eon Kid* (formerly *Iron Kid*), a robot, martial arts, animated series co-produced in studios in South Korea, Spain, and the U.S., made its debut in those three countries.

Efforts of Southeast Asian countries to market their animation abroad have had limited success. When Malaysia (like so much of Asia) suffered an economic downturn in the late 1990s, the government decided to concentrate on exports, including of animation. Through the National Film Development Corporation (Finas), and Multimedia Development Corporation, efforts were made to promote animation globally, among other ways, by dubbing cartoons into English, Spanish, Mandarin, and Arabic

(Muliyadi, 2001: 137). But, with tight deadlines and low returns locally, producers were not able to reach an optimum level of quality for the overseas market. Stating that Malaysian animation is “at a crossroads” and pointing to the difficulties of breaking into the international market, pioneering animator Hassan Muthalib (2004) wrote, “Sold at a low cost with a high cost of marketing, it is not cost-effective for producers to continue making them”. However, Malaysia did sell a few animated programs to Jordan, Singapore, and Hong Kong, in addition to marketing more broadly, *Kampung Boy*, a TV series based on the antics of village children a generation before. In 2007, in an effort to create original works for a global audience, Malaysia’s Elemental Ventures Sdn. Bhd. teamed with Hollywood’s Epoch Ink Corporation and formed the international animation firm Tripod Entertainment Sdn. Bhd. Seed capital funding came from the governmental Malaysia Venture Capital Mgt. Bhd.

In 2003, a Thailand studio created *Ray-Mimi Reaching the Star*, the country’s first TV series intended for an international audience, and the following year, a Singapore 52-episode TV series, *Tao Shu – the Warrior Boy*, was acquired by US-based Nickelodeon for regional release. The latter, a traditional Chinese folk art animation with a contemporary storyline, was part of the Singapore government’s “Global Media 21 Blueprint”, a plan to increase the media sector’s contribution to gross domestic product from 1.56 per cent in 2003 to 3 per cent in ten years. Nevertheless, for all Southeast Asian countries, foreign sales of their animation works have been meager, mainly because they are produced at high cost and sold at low prices, are not of sufficiently high quality, and usually are not universally appealing.

China has made a number of attempts to succeed in overseas sales,

not only of its animation, but also of all the merchandise associated with the cartoons (dolls, notebooks, clothing, etc.). So far, there have not been many rewards, because, first of all, the industry does not have enough experience globally (Wang, 2005), and second, the animators have not yet solved the difficult puzzle of meeting the expectations of hundreds of millions of Chinese at home while appealing to an international market (Yan, 2006) – “fitting into the world and yet, finding the lost Chinese spirit” (Wang, 2005). Veteran animator Qu Jianfang (2006) explained:

We got pushed back 20 years in terms of television and the international market. In the 1980s, foreign companies rushed here to have work done. We were not creating then; we had to learn mass production, mass consumption. But, no creativity as we had to face the challenges of the market. Sure, we had a glorious past in animation, but we have to change. But we don’t have to change our culture to have a market economy.

A break through occurred in 2007, when, for the first time, an original Chinese cartoon, *Pacoo Fruit Table*, debuted internationally.

Indian animators by 2007, were also at work trying to tell Indian stories with a global appeal. That year, *Ghatothkach – Master of Magic*, which was made with a global audience in mind (including an English dub track), was promoted at Cannes.

To sum up, exports of Asian animation, with the exception of Japan, have been meager, because, 1. they are produced expensively and sold abroad at low cost; 2. they do not have a large enough local market to guarantee high quality production; 3. their characters and stories do not have universal appeal; and 4. they must break into an international market tightly controlled by transnational behemoths who determine who gets in and under what terms.

Right: *Mazu, Taiwan.*

## Government involvement

Major propellants for the development of animation in a few Asian countries are government leaders, ministries, and agencies who view animation as a cultural product capable of bringing in immense revenues at home and abroad. That was the motivation of the South Korean government, probably the first to take notice, when a 1994 report showed that animation (mostly for hire) was the country's top cultural export. Immediately, the government primed animation studios with many incentives – changing the industry's status from service to manufacturing which triggered a 20 per cent tax break, launching the Seoul International Cartoon and Animation Festival (SICAF), and inaugurating the annual Korean animation awards, all in 1995. Results were equally swift with the release of five feature-length films and the creation of a 24-hour cartoon cable network, some animation schools, additional festivals, and a slick animation periodical, *Animatoon*. In effect, the South Korean government changed its economic policy, retreating from direct involvement in strategic industries such as electronics and automobile, to uphold and support cultural industries.

A second metamorphosis occurred in 1997, when the three major U.S. TV networks quit hiring out production work to Korea and after the economic debacle that hit Korea and most of Asia that year. The government again came to the rescue of animation, supporting and promoting it as a national strategic industry. Animation was listed as part of culture contents technology, one of six designated high tech fields for the future. To coordinate cultural contents, the Korean Culture and Contents Agency (KOCCA) was set up in 1997, under the Ministry of Culture & Tourism, to handle



animation, comics, film, television, music, and games. KOCCA annually has at its disposal US\$10 million for the advancement of animation, and since 2002, has given three Star Projects Awards annually to support individual works.

The national government's financial support spurred local governments and the private sector to get involved with animation. Seoul authorities fully support the multi-purpose Seoul Animation Center with its training academy, museum, libraries, theatres, exhibition halls, festivals, and incentive award programs for animators, and will donate US\$1 million annually for the next decade

to SICAF. Bucheon and Chunchon City officials have offered help for office rent and production costs to animation studios in their provinces; Bucheon also sponsors the Bucheon Cartoon Information Center, Korean Comics Museum, and annual Bucheon International Comics Festival.

Development and professionalization of animation proceeded at breakneck speed after 1997, with the establishment of various animation-oriented agencies in the ministries of Cultural & Tourism, Telecommunications, and Energy & Resources, a number of professional associations, and about 150 university, college, and high school

animation and cartoon schools and departments. In 1999, the “Basic Law for Promoting Cultural Industries” was promulgated, ensuring state responsibility in promoting cultural industries as pillars of economic growth.

One of the results of the government’s heavy subsidization of animation, and a government quota system enacted in 1998, that required 50 per cent of TV animation be Korean, has been the phenomenal growth of television series. The downsizing of the overseas animation industry directed most of the country’s 200 studios to switch to production of Korean television series – as well as features – and to prod some of them to diversify services. One such studio is AKOM, which in 1996 produced 20 one-half hour shows monthly for foreign clients, down to five or six now. To compensate for the loss of foreign business, AKOM has plans for a 39 episode series on an era of Korean history and an entertainment complex of studios, theaters, centers, museums, and theme park to be called Shinanix. Other studios have also spread their services. Independence Digital Visual Effect Studio, with divisions of animation, commercial (commercials, music videos, etc.), film production and VFX, research and development, and contents development, has co-produced *Wonderful Days*, is finishing another feature *Egg Cola*, and does overseas animation, short films, TV series, commercials, and visual effects. Sunwoo, owners of four of Korea’s largest digital and traditional animation studios, produces many works for Disney, Paramount, Klasky Csupo, and Nickelodeon, but has also brought out the Korean feature, *Mari Iyagi* (*My Beautiful Girl, Mari*), which won the best animation award at 2003 Anney International Film Festival, and other original shows, and makes online and mobile content, commercials, and live action films.

Throughout the 1990s, the

Chinese government modified the animation industry in a number of ways to bring it from a planned to market economy. As studios had to scramble to support themselves, they sped up production (at Shanghai Animation Film Studio, from 500 minutes of animation annually in 1995, to 5,000 in 2000 [Jin, 2001]), primarily to satisfy the television market; served as work stations for overseas clients; sought global markets for their own works, and increasingly entered the digital world. The Shanghai studio branched from educational and artistic animation to a commercial variety, and its infrastructure was changed by authorities to meet market demands.

During the past four or five years, the Chinese government has begun to take notice of animation in a manner similar to that of the South Korean authorities a decade before – requiring China’s television stations to use more domestic cartoons, singling out nine cities as animation industrial bases, supporting dozens of international animation festivals and extravaganzas, and encouraging the development of four national animation teaching and research bases (Beijing Film Academy, Chinese Arts University, Jilin College of the Arts, and Communication University of China). In 2004, SARFT announced it was committing 1,000 hours of animation programming to its 2,000 television outlets, and a year later, sponsored the Promotion of Outstanding Domestic Animation Awards, whereby four works are nominated yearly by provincial and municipal broadcasters to be given priority on all channels. Of course, provincial and municipal governments have taken notice of these changes mandated from higher up.

Speaking at an animation festival in Changzhou in 2005, Director of Culture Market Department, Ministry of Culture, Liu Yuzhu, talked about areas where the Chinese government plans to help. He said the central government,

1. Will increase investments and set up a special fund for animation. The government will help build a base for folk art, help in giving awards to artistic animation works.
2. Will improve enterprise competitiveness, providing substantial support for enterprises doing research and development. In addition to this financial support, the government will give favorable help to the software industry, such as software industry parks.
3. Will support animation bases integrating the industry and academic research. The industry is in bad need of high-end technical talents and more professionals will be cultivated. Institutes of higher learning and research institutes will be involved in training to provide high-level, high-end creative and marketable talents. Youngsters will be encouraged to enter animation through competitions and interest groups.
4. Will implement a complete industrial changeover for the animation industry. Production takes a critical position. We will encourage separation of production and the broadcasting of animation and make full use of derivative products, such as toys, apparel, etc.
5. Will improve efforts in copyright regulation and crack down on piracy. We will also increase self-regulation in the animation industry (Liu Yuzhu, 2005).

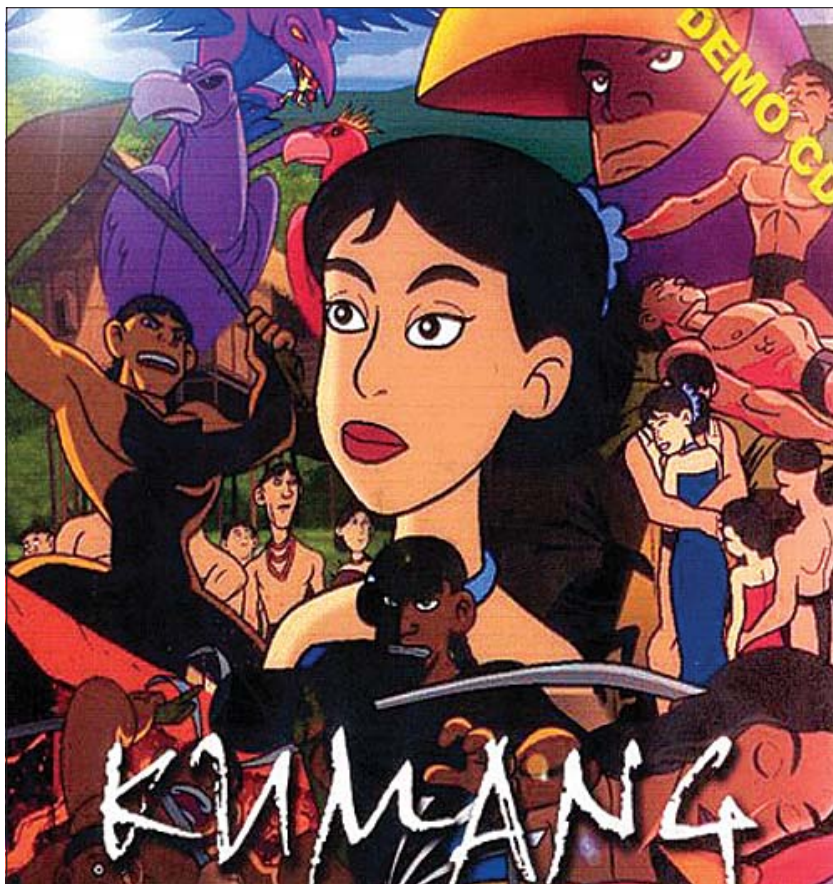
Liu said Chinese federal and state governments have instituted policy statements because of a number of obstacles to growth that the animation industry faces. Among these, he said, were a public mentality concerned with children’s addiction to animation, the loss of the adult market for which animation is not geared, low-level quality and quantity of domestic animation (only one-half of the nation’s needs are now met), lack of Chinese stories and a propensity to imitate, an immature

Right: Kumang TV series, Malaysia.

industrial base with insufficient markets and loss of part of the local market to cheaper foreign animation, a non-integrated administrative structure of the industry, and a lack of sufficient professionals, especially screenwriters and market personnel with creative ideas (Liu Yuzhu, 2005).

In Thailand also, the government has been the impetus for an accelerated growth in animation. In January 2004, the Information and Communications Technology (ICT) Ministry announced, that over the course of five years, it planned to expand multimedia and animation into an 80 billion baht (US\$2 billion) industry. Information and Communications Technology Minister Surapong Suebwonglee said short-term goals included joint agreements with the private sector to produce animated movies of “world-class content with a Thai brand name” (Karnjanatawe, 2004). Other plans in the works are setting up Thailand pavilions at many animation and multimedia shows abroad, establishing digital content courses, providing facilities for the government’s “GoodNet” project (a low-cost, broadband Internet service meant to provide access to and learning of digital content), increasing the labor pool in animation and multimedia from under 1,000 to 25,000 people over five years, and giving tax privileges to animation and multimedia houses.

Support for the plan emanates from the state-run Software Industry Promotion Agency (SIPA), which, in March 2004, signed a one billion baht (US\$25 million) deal with seven Thai animation firms to co-produce ten projects. SIPA planned to invest 30 million baht (US\$750,000) in each project, dispensing the funds to Imagimax Animation and Design Studio, Thomas Ideas, Kantana Group, CyberPlanet Interactive, Chiang Mai Digital Works, and two unnamed Thai companies. Kantana was promised 400 million baht



(US\$10 million) to produce the cartoon feature *Khan Kluay*; Imagimax used its allotment to develop a 3-D cartoon and a movie (Pornwasin, 2004). Kantana staff (2006), in late 2006, said they had not received the government support and proceeded to make *Khan Kluay* on their own.

To bring attention to animation, the Thai government also sponsored two festivals, Thai Anima 2003 – The First International Animation Festival, in January 2003, and Thailand Animation Multimedia, a year later. Also in 2003, the ICT Ministry said it would establish a National Animation and Multimedia Institute to serve as a coordination agency to handle the marketing of animation and multimedia domestically and abroad. The institute was to be responsible for standards and was to set up training courses.

Besides Vietnam and North Korea, where animation was an administration arm used for

educational and propagandistic purposes, other countries owing the success of their animation industries in part to government support are Singapore, Malaysia, Taiwan, and India.

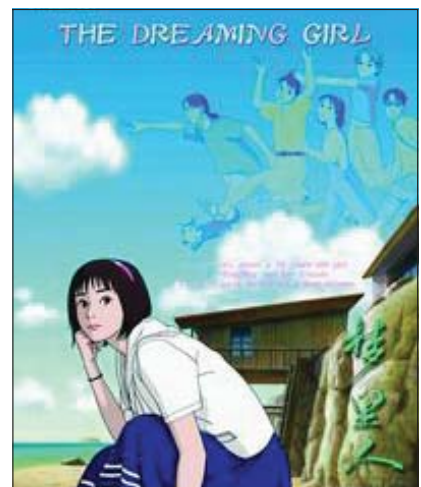
In Singapore, the Economic Development Board (EDB), a government statutory body, lent a hand in furthering animation by helping set up animation training programs, combining local companies with international counterparts to co-produce and distribute for the overseas market, and enticing a number of foreign firms to set up studios in Singapore. EDB heavily invested in the establishment of training programs at Nanyang Polytechnic Institute (1996, a 3-year diploma course in digital media design), Ngee Ann Polytechnic (with a digital effects studio), and Temasek Polytechnic (media design, animation) (Soon, 2001: 162; Hu, 1997: 33; Lent, 2000: 5). Temasek personnel, with support of the

National Arts Council, founded the first Animation Fiesta in 1996, a biennial event that showcased Singaporean animation. Also instrumental in helping Singapore animation is the Media Development Authority (MDA), formed in 2003. With the goal of creating original local works worthy of generating global sales, MDA helps animation companies with the following assistance programs: Digital Content Development Scheme, International Co-Production, Capability Development Program, Synthesis-Online Content Initiative, Digital Technology Development Scheme, Market Development Scheme, and Screen (program where MDA co-invests in animation projects). Grants from these programs have assisted animation studios in scriptwriting, screenplay development, pilot creation, training, international co-productions, feature film making, management, licensing protection, marketing, and co-funding (see Hock Wong, 2006). In Summer 2007, MDA announced an Animated Short Film Initiative, designed to support the production of ten short (under 15 minutes) and five long (up to one-half hour) animated works, with S\$9,900 and S\$26,400 each, respectively. In a 2006 plan, "Invigorate", the government promised to give cash awards to game developers/designers in an effort to make Singapore a global center for interactive digital media.

As indicated before, Malaysian government concerns about possible negative impacts of foreign cartoons prompted more local production, after the Ministry of Information offered contracts to produce 13 episodes of animation to a few capable companies and signed long-term agreements with them (Muliyadi, 2001: 135). Also beneficial to the animation industry

has been the Multimedia Super Corridor (MSC), launched by the government in 1998 to expedite the expansion of Malaysia's information and communication industries. As part of the MSC, Entertainment Village was set up in 2000 to accelerate animation and multimedia growth. More than 900 foreign and local companies are housed in the Corridor. The governing body of MSC, Multimedia Development Corporation, has taken an active role in animation, producing the first 13 episodes of the 3D TV animation series *Saladin*, hailed as a "national project" that could cost MDC RM10 million. In 2007, the Malaysian deputy prime minister, expressing a desire to emulate South Korea's animation success, said the government would set up a center in MDC to develop an animation and content industry like that of South Korea. About the same time, the National Film Development Corp. (Finas) began co-productions with South Korea to learn software content and thus, to enhance Malaysian animation to a competitive international scale. Actually, the government took an interest in animation even earlier, when one of its branches, Filem Negara, made the first animated cartoon, *The Story of Mousedeer*.

In Taiwan, government promotion of animation has seen investment in the local industry rise threefold in recent years, topping NT\$1.1 billion (US\$35 million) in 2004. As part of an ongoing move from manufacturing capability to intellectual creativity as a business paradigm, government ministries and offices have taken an interest in cartoons: the Ministry of Economic Affairs instituted a Digital Content Industry Promotion Office; the Government Information Office, through its movie fund, has given priority to animated films (such as



Above: The Dreaming Girl, China.

*Fire Ball*), and, since 2003, has sponsored an international animation festival (Gao, 2005: 15).

The Indian government has played a small role in animation development, establishing the country's first Special Economic Zone in 2005, solely for animation and computer games, in hopes of bringing in more subcontracts. In 2007, the Indian government trade body, Ficci, proposed a 10 per cent mandatory local animation content quota on TV networks, up to 30 per cent after three years, and sought a 10-year tax holiday for the industry, and the removal of the service tax and the sales tax on animation, gaming, and VFX software.

In an unusual twist, the Japanese Agency for Cultural Affairs in 2007 put aside 440 million Yen to recruit animation, computer graphics, and video game programs talent from abroad. Three million Yen grants will be awarded to artists who win contests or are recommended by experts. The agency figured that if recognition of anime is further enhanced overseas, profits will pour into Japan.

*The Bibliography for this article will appear with the Part 2.*

**Dr. John A. Lent** is founding publisher/editor-in-chief of the *International Journal of Comic Art*, and chairs Asian popular culture, comics, and Asian cinema organizations with global reach. He has been teaching at the college/university level since 1960; has researched Asian media and popular culture since 1964, and edited or authored 70 books and hundreds of articles, many on comic art, including *Animation in Asia and the Pacific*.