INFORMATION TO USERS

This manuscript has been reproduced from the microfilm master. UMI films the text directly from the original or copy submitted. Thus, some thesis and dissertation copies are in typewriter face, while others may be from any type of computer printer.

The quality of this reproduction is dependent upon the quality of the copy submitted. Broken or indistinct print, colored or poor quality illustrations and photographs, print bleedthrough, substandard margins, and improper alignment can adversely affect reproduction.

In the unlikely event that the author did not send UMI a complete manuscript and there are missing pages, these will be noted. Also, if unauthorized copyright material had to be removed, a note will indicate the deletion.

Oversize materials (e.g., maps, drawings, charts) are reproduced by sectioning the original, beginning at the upper left-hand corner and continuing from left to right in equal sections with small overlaps.

ProQuest Information and Learning
300 North Zeeb Road, Ann Arbor, MI 48106-1346 USA
800-521-0600

Temple University
Doctoral Dissertation
Submitted to the Graduate Board

Title of Dissertation: (Please type) THE PRODUCTION AND CONSUMPTION OF ANIMATION IN TAIWAN - THE INTERPLAY OF GLOBAL POLITICAL AND ECONOMIC FORCES

Author: (Please type) HONG-CHI SHIAU

Date of Defense: (Please type) JUNE 18, 2002

Dissertation Examining Committee:(please type)	Read and Approved By:(Signatures)
John A. Lent, Ph.D. — Dissertation Advisory Committee Chairperson	
Paul Swann, Ph.D.	
Concetta Stewart, Ph.D.	
Michael L. Maynard, Ph.D.	
Michael L. Maynard, Ph.D. — Examining Committee Chairperson	If Member of the Dissertation Examining Committee

Date Submitted to Graduate Board: _____

Accepted by the Graduate Board of Temple University in partial fulfillment of the requirements for the degree of **Doctor of Philosophy.**

Date 13 AUGUST 02

Mark A. Schneider
(Dean of the Graduate School)

THE PRODUCTION AND CONSUMPTION OF ANIMATION IN TAIWAN - THE INTERPLAY OF GLOBAL POLITICAL AND ECONOMIC FORCES

A Dissertation
Submitted to
The Temple University Graduate Board

---

in Partial Fulfillment
of the Requirements for the Degree
DOCTORAL OF PHILOSOPHY

By
Hong-Chi Shiau
August 2002

UMI Number: 3079147

UMI Microform 3079147

ProQuest Information and Learning Company
300 North Zeeb Road
P.O. Box 1346
Ann Arbor, MI 48106-1346

ABSTRACT

This study examines how the interplay of global political and economic forces reshapes the production and consumption of animation in Taiwan.

In the early 1990s, Taiwan was a major offshore animation production center for Hollywood. Although the Taiwanese animation industry exported production mainly to Hollywood, Taiwanese mass media remained heavily dependent on animation imported from Japan. This phenomenon suggests that the production and consumption of animation in Taiwan are two disparate and self-contained systems; they are integrated into the global communication system, but in different ways.

The study attempts to shed light on the notions of media imperialism and globalization, particularly in the global age. Methods of historical analysis are employed to document how has transnational capital reorganized the world economy toward a more globally integrated, task-segmented system of production. The primary resources for this study were collected through ethnographic interviews in Taiwan. The key findings are: (1) as discussed by many scholars with respect to the global development of diverse industries in East Asia, the linkages to the Japanese and American market and different capacities of technological innovations are crucial factors for the development of Taiwanese animation industry; (2) the economic integration of the Great China Region has greatly reshaped the economic activities in the region; (3) the rise of pan-Asian audio-visual geo-linguistic region was confirmed; (4) notwithstanding all this, the logic of game and the central-peripheral relationships were not altered in the global age.

ACKNOWLEGEMENTS

I would like to thank especially my dissertation advisor, John A. Lent, who was very supportive from the very beginning but also helped me further develop the structure of my dissertation while it was still a sketchy research idea. His longstanding interest in research regarding animation and the new international division of labor enlarged my scope of research, eventually leading me to pursue animation as my research subject. Michael Maynard and Concetta Stewart, as members of my dissertation committee, also contributed significant advice, time, and assistance to the research, ruminating, and writing process of this dissertation. I would like to thank Michael Maynard in particular for his editing and polishing my writing at the last moment.

My thanks to Paul Swann, my dissertation outside reader, who provided valuable commentary on various parts of this manuscript. I have learned a great deal about media studies through our correspondence in each chapter.

This dissertation is indebted as well to my friend, Nathanael M. Stulman, for being my intellectual partner who always inspired me to produce better work. His poignant, critical but always constructive comments greatly improved my dissertation. I am also grateful to Maureen Cody for her patient and expert copy editing.

A special thanks to Cindy Chang, Jane Chien, Cheng-Bing Chuang, Tom Hong, Tsue-Yi (Midori) Lin, Chian-Huey Yang and Wendy Hsiao. They helped me gain access to many important sources and interviewees in Taipei that made my research possible. I also benefited from the generosity of Yi-Min Ching, Fen-Yuan Su and Ted Yang, who provided me with a cozy apartment where I could stay in my visit to Taipei, delicious food as well as emotional support. In the United States, Regina Bannan and Dominique

Monolescu have been sources of good sense and professional expertise. Chia-Shan Lee and Mut-zu Huang have been my constant sources of kindness and excellent conversations. Without all these valuable aids, the dissertation as currently constituted would have been inconceivable.

My mother's unexpected death in 1998 devastated my family. Over the past four years, the repercussions remained. In September 21st 1999, an earthquake rocked my hometown, killing thousands of people and forcing my family to stay in a shelter for a month. All of these incidents have been tough issues for my family as they moved on. As difficult as it has been, my family has made tremendous efforts in preventing all these tragedies from disrupting my study in the United States. Given all this, I would like to thank my father, aunt, brother and sister-in-law. They have provided me with all manner of support in my pursuit of Ph.D. study. During a difficult period, they helped me to accentuate the positive. Thanks for all their support -- this dissertation is dedicated to them.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER 1
INTRODUCTION

Background of the Study

Taiwan was, and still is, one of the largest producers of animation in the world. However, the industry was founded in a dependent position within the subcontracting environment. It relied heavily on the pre and post-production skills of the client countries in the first world, such as the United States (Hollywood) and Japan.

In the 1970s, the clients of Taiwanese animation production companies were mainly Japanese. However, since the establishment of the Cuckoo's Nest animation studio in 1978, the Cuckoo's Nest strategically lured the animators from the other small-sized studios and monopolized the Taiwan animation production industry. As a result, Taiwan was transformed from the chief producer of Japanese made-for-TV animation to the once largest offshore animation production center for Hollywood in the 1980s. As labor costs escalated in Taiwan in the late 1980s, the Cuckoo's Nest managed to move upward from an initially marginalized position, chiefly by the introduction of digital technology and by extending the company's production line to Thailand, Indonesia and China.

Although the Taiwanese animation industry exported production work mainly to Hollywood, the Taiwanese mass media remained heavily dependent on the animated programs imported from Japan. This phenomenon suggests that the production and consumption of animation in Taiwan are two disparate and self-contained systems; they are integrated into the global communication system, but in different ways. Evidence of this difference also can be found in the fact that the production and consumption of

animation in Taiwan are processed by different communication institutions and governed by different regulations.

In reviewing operations of various communications industries across the world, one could hardly find the separation of production and consumption systems similar to the case of Taiwan. This phenomenon is thought-provoking in the sense that the operation of the animation industry is far from that which common sense suggests. Based on this "common sense fallacy", numerous inquiries can be further derived. To name some of them, for instance, as a major animation producer, why did Taiwan not supply its own market? Why has not Taiwan transformed itself into a player rivaling American and Japanese animation studios over the years? Why was the Taiwanese market drawn to Japanese imported animation?

Rather than being an accidental reflection upon the aforementioned phenomenon, this dissertation examines animation as the end product of a complicated relationship between conscious social exchanges and intelligent cultural management. This is an ethnographic study of how animation, as a form of cultural product, was and is, produced and consumed in the global age, as transnational capital has reorganized the world economy toward a more globally integrated, task-segmented system.

Purpose of the Research

Scholarly Purpose

In terms of academic studies, animation seems to have emerged from its previously very marginalized status over the past decade (Deneroff, 1997). This trend is evidenced by the creation of the Society for Animation Studies (SAS) in 1988, and by the growing number of publications with many diverse approaches. However, most publications have examined animation from aesthetic, historical or cultural perspectives, and often investigated demand-side factors. Scant attention has been paid to supply-side factors, such as the production process of animation in a global context. For example, not until 1995 did the SAS conference create a panel for the analysis of animation production in a global context. Given this, the analysis of animation from an institutional perspective has been limited.

"The animation industry and its offshore factories" (Lent, 1998) and "Global division of cultural labor and Korean animation industry" (Yu, 1999) are probably two of the earliest publications shedding light on how the burgeoning animation industry relates to the global division of cultural labor. Yu's (1999) "Development of the Korean animation industry" is probably the first doctoral dissertation dealing with the animation industry from a historical, economic and cultural perspective. The phenomenon of global cultural labor is far from new. In fact, Hollywood's first offshore studio was in Japan in the early 1960s. Korea and Taiwan also have a subcontracting history that spans more than 30 years. Additionally, applying a political economy approach to examine an industry is not new in communication studies. For instance, in 1944 Huettig analyzed economic control of the motion picture industry. However, perhaps due to the increasingly

telecommunication-linked world economic system and to the rise of the integrated "infortainment" sector, some scholars eventually brought up the issue in the late 1990s.

Similarly, there have been few Chinese publications that discuss the Taiwanese animation industry. According to the database of Taiwan's Central Library, which collects virtually all Taiwanese master's and Ph.D. dissertations, more than two hundred Taiwanese master's or Ph.D. dissertations have been written that examine different aspects of animation, mostly from technical or aesthetic perspectives[1]. None analyzed the animation industry specifically. While some dissertations dealing with the Taiwanese comic industry discussed the animation industry, in most cases animation was viewed as a spin-off of comic production rather than an independent art form. The Chinese studies tended to pay attention to the demand-side of the animation industry too. For example. Su (1999) examined the relation between viewing Japanese TV programs, which are mostly animation, and the consumption of Japanese cultural goods. Given this. the study of the Taiwanese animation industry, including the analysis of the processes of production and consumption, is academically significant for the following reasons:

---

[1] As of April 27, 2001, the database of the Central Library of Taiwan has collected 168,527 abstracts of Taiwanese Ph.D. and master's dissertations. I found 278 hits when I searched using "animation" as a keyword entry. Most of the hits discuss the technological aspects of animation related to computer engineering and electronic engineering programs. For instance, "visual programming", "facing modeling", "multimedia", "virtual reality", "3D simulation", and "graphic design" are frequently shown as the keywords in these dissertations. Of the first 60 hits, only three briefly examine the aesthetic aspects of animation. This phenomenon implies that "animation" is more thought of as a technological term than as an art form in Taiwanese academia. Interestingly, if "cartoon" is used as a keyword entry, the number of hits is 22. Approximately one half of them deal with the social, economic or aesthetic implications of cartoons. All of them examine the effect-side of media.

1. The development of the Cuckoo's Nest Animation Production Co. exemplifies a dynamic process of " a world system with a single labor division" defined by Wallerstein (1974). As one of the largest animation production studios in Asia, the Cuckoo's Nest is a crucial case manifesting the animation outsourcing history of Hollywood, the largest entertainment business in the world.
2. The rise of Cuckoo's Nest illustrates a globalization process intermediated by political, economic, technological and cultural factors. Despite the company's obvious importance, studies about the development of the Cuckoo's Nest were not carried out until Lent interviewed the founder, James Wang, in 1992. Yet as a result of rapid globalization and exponential technological innovation, the Cuckoo's Nest has been reshaped rapidly over the past decade. To more fully understand the Cuckoo's Nest, a representative of the Taiwanese animation industry, more up-to-date and comprehensive interviews are necessary.
3. Most studies have paid attention to how the Taiwanese media evolved in the era of globalization by focusing on a specific carrier, such as film, radio, publishing or TV, or an art genre, such as soap operas, advertising or comic books. In most studies in Chinese, animation was treated either as a by-product of comics or a sub-genre of film, and was not studied independently. As a subcategory in the studies, the animation industry is even more marginalized. Accordingly, this study attempts to develop a new vision of the study of communication in Taiwan.
4. The examination of the Taiwanese animation industry will advance the academic understanding of cultural imperialism and globalization. Some findings about cultural imperialism in Asia suggest that there is "relatively little evidence of the

wholesale destruction of Asian indigenous cultural subjectivities and media production" (Chadha K. et al, 2000). However, Chadha's study examined the Asian case from the broadcasting regulation perspective. By looking at the Taiwanese animation industry, this study offers another Asian case to reexamine theories regarding globalization and cultural imperialism.

Accordingly, this study intends (1) to provide a profile of the historical development of the Taiwanese animation industry; (2) to analyze how the interplay of political, economic, cultural, technological forces restructure the production and consumption of animation in Taiwan; (3) to promote academic interest in the study of Asian cartoons and animation; and (4) to advance the academic stature of animation studies.

Social Purpose

Production and consumption of animation in Taiwan are two separate entities. They are involved in two different communication systems, and the social purposes of these two parts should be addressed separately.

In terms of production, this study concerns labor exploitation problems in the global context. Labor exploitation problems were ostensibly related to labor in the goods production sector. Although recent publications, such as "Global production, Labor in the making of the information society" (Sussman & Lent, 1998), raised issues of exploitation and examined the labor problems in the "infortainment" sector, there have been few studies tracing the development of an emerging multi-national subcontracted cooperation, (such as Wang) in depth or have examined how the trends of globalization affect the

cultural labors. Therefore, taking the development of Wang as an example, this study attempts to illuminate the sociological research regarding labor relations.

The second part of this study focuses on the consumption of Japanese animation. Japanese animation and its related merchandise were imported under the new era of the global capital economic system. One study suggested that a preference for Japanese animation substantially affects individuals' desire to buy animation-related goods. (Su, 1999). In other words, the consumption of animation plays an indispensable role in purchasing Japanese animation commodities, as well as possibly cultivating a Japanized Taiwanese youth culture.

Most debates over the influx of Japanese products highlight cultural issues, frequently intertwined with the underlying agenda, such as the colonization experience in the past. This can be reflected by the media's new coined buzzwords, "Japanization" and "Japan mania syndromes" (Ha-4 Zu-4 Tseng-4)[2], which describe this young generation as tamed or lost, as if infected with a cursed disease. Relatively few publications look at the gatekeeping role the media industry plays, such as the decision behind animation programming and the policy-making that governs the industry. Thus the social purpose for this part is to provide the debate with different perspectives and enlarge the purview by looking at the institutional process.

---

[2] After the 1990s, Taiwan's Japanized popular culture is reflected in many coined words. A couple of them were derived from the word root, "Japanese mania" (Ha Zu). For instance, "Japanese Mania tribe (cult)" (Ha Zu Tsu) refers to a specific demographic group in which people not only identify themselves with Japanese popular culture, but also dress and behave like Japanese.

Personal Purpose

Watching cartoons after school was one of the most popular leisure activities for those growing up in the late 1970s in Taiwan, and it has become a collective memory. For example, I still remember theme songs of the major 1970s' cartoons, including their rhythms and lyrics. Some critical scenarios are in my mind, and they constantly reappear just like major life events. At one time, only three terrestrial TV channels were available. Due to a lack of alternatives in the media, almost every child ended up watching the same cartoons.

Despite animation's strong impact on the Taiwanese growing up after the 1970s, few studies have analyzed how and why these cartoons were produced and aired. Not even the descriptive data in Chinese are available. Since the Taiwanese government banned Japanese programs until 1992, I and many other Taiwanese mistakenly considered these Japanese cartoon programs to be Taiwanese. Not until recently did I understand that even "little angel" (English name: *Heidi*; Japanese name: *Alps no shoujo Heidi*)[3], a cartoon about a Caucasian girl living on a mountain in the Alps, was in fact Japanese, and that part of its post-production was done in Taiwan.

Since the 1970s, the Taiwanese have been active participants in the formation of a global animation production line. This experience intrigues me very much in the sense that my upbringing happens to parallel this global development. I have witnessed some of my

[3] *Heidi* is an animated cartoon series produced by Zuiyo beginning in 1974. The story is inspired by the work of Swiss author Johanna Spyri. It is one of the first successful Japanese cartoons to be broadcast in Italy by state television channel RAI. It was so successful that it has been re-run by numerous TV stations throughout the world.

high school and college friends becoming involved in the global production line, in different capacities and for different salaries. Some entered the labor market immediately after high school, others after college. Among the college graduates, two were attracted by a lucrative salary ($40,000 as the entry-level annual salary, according to what they said) and decided to pursue their careers in the United States in the early 1990s. Also they might have looked up to James Wang as a role model, the founder of the Cuckoo's Nest Animation Production Co. who had studied animation in the United States. However, they did not return to Taiwan. Instead, with an eye to improving their position, they chose to work for Hollywood.

In the late 1980s, when Wang set up branches in China and Thailand, Hollywood's production line had extended to other countries. After Hong Kong was handed over to China in 1997, the animation industries of Hong Kong and China were more strongly linked, with Hong Kong interests running joint-venture businesses in China to serve international clients (Halligan, 1996). As the pan-China market is becoming more integrated, I can foresee that some of my Taiwanese friends will probably leave for China or Hong Kong later on, and assume ever-higher positions in the global production line.

Because my friends' involvements in different aspects of the global production line have illustrated the dynamic nature of global production, I am very motivated to explore this phenomenon in depth from different perspectives. Thus, this study relates to me in at least three ways: first, it reexamines the popular cartoons which I grew up watching in a global context; second, it documents how the Taiwanese in my generation have become cultural laborers working for Hollywood in different positions; third, my bilingual ability and bicultural experience will facilitate the process of this study.

Research Methodology

Research Questions

This dissertation raises the following research questions:

Q1. With special attention to the U.S., Japan and China, how did the interplay of political and economic forces affect the Taiwanese animation industry in the world system?

Q2. How did the interplay of political and economic forces affect the Taiwanese media institutions' heavy reliance on Japanese animation? What roles did the Taiwanese government play during the past four decades?

Based on these primary questions, the following subsidiary questions are tied to the above two questions to examine the Taiwanese animation industry. Subsidiary questions are:

Taiwanese animation production industry

1. How did the production of animation in Taiwan develop before the Cuckoo's Nest production studio was established in 1978? What did Taiwanese animation studios produce?

2. Why did Hollywood choose Taiwan as a base to export its animation? What were the impacts of Wang on the existing studios and local animators?

3. How was the Taiwanese animation production industry integrated into the global labor production line? How has its role changed during the past three decades?

4. How did the interplay of political and economic forces in the world system affect the growth and transition of the Taiwanese animation production industry?

5. How was the interplay of political and economic forces reflected in the government's regulations regarding the production industry?

6. How did technological innovation (for example, computer-animation) affect the Taiwanese animation industry?

The Taiwanese media's consumption of animation

1. What animation has been aired or carried by the Taiwanese mass media during the past three decades?

2. How did the interplay of political and economic forces affect Taiwanese TV's heavy reliance on foreign programs, particularly Japanese animation, during the past three decades?

3. What roles did the Taiwan's major regulatory units (e.g. Government Information Office - GIO) play in the media's purchase of foreign animated programs? How has this role changed over the past three decades?

4. How did media globalization, mainly manifest in the trends of deregulation, commercialization, and privatization, affect the media's purchase of foreign animated programs, particularly Japanese programs?

5. What is the market structure of animation-related products? How is it related to the mass media's heavy reliance on Japanese animation?

Research methods

Methods of historical analysis are employed in this study in order to describe or interpret the collected data. These methods are adopted for the following reasons: First,

this study considers particular events in the past in the hope of explaining and interpreting them with fullness and truth, which is exactly the objective of applying such a method. Second, historical analysis has its own unique strengths as compared to other research methods in communication. For instance, it combines methods of social and behavioral science with methods unique to the study of history. Historical research can incorporate most other research methods and therefore can come closest to helping us understand mankind in its full dimension. (Startt & Sloan, 1989)

The techniques used to collect historical facts in this study are documentary analysis and interview. Documents can be classified into two categories: (1) written records, and (2) visual records.

The primary resources for this study were collected mainly in Taiwan. To collect the primary data, ethnographic interviews were conducted. Additionally, the Internet, computerized databases, and journals provided me with rich primary and secondary sources regarding Taiwanese animation. They were addressed specifically in the next section of this chapter.

In terms of the Taiwanese animation production industry, the interviewees of my study were classified into the following six groups. Detailed information regarding these interviewees is shown in Appendix II.

(1) The Cuckoo's Nest Animation Production Company is first chosen for its significance in the Taiwanese animation industry. Since this study concerns labor relations, the interviewees were selected from different positions at all levels.

(2) Some independent animators or production houses did not survive hard times, but their works play a crucial role in the history of Taiwanese animation. In order to

understand different facets of the development of Taiwan animation industry, these animators or animated film producers had to be studied.

(3) The third category includes those from the existing animation studios other than the Cuckoo's Nest. They were all struggling to compete against the Cuckoo's Nest. Some of them have found strategies to cope with the fierce competition. For example, some studios dealt almost exclusively with computer animation. Many local advertising companies were drawn to them because their adoption of new technology could resolve many technical problems at lower cost. However, their rising popularity has nearly driven the traditional small animation studio out of business.

(4) The fourth group of interviewees is amateur animators who have won the Golden Harvest film award[4], presented at an annual film festival founded by the GIO. Since most young animators started their career with the award, my study included the winners as a way of understanding government policy. Besides, their perception of the Taiwan animation industry also reflects the attitude of prospective participants toward entry into the job market.

(5) In order to understand those Taiwanese getting involved in different aspects of the global production line, Chang Cheng-Yi, a Taiwanese expatriate who currently works for Disney, was interviewed.

(6) The sixth group of interviewees is the governors. Their position is further explained as table 1.1 on the next page:

---

[4] The Golden Harvest film award was funded by the Taiwanese government to encourage the financially disadvantaged, indigenous Taiwanese filmmakers to create indigenous work competing against mainstream (e.g. Hollywood or Hong Kong) movies. Animation

Table 1.1
The interviewed governors

Unit	Rationale
The GIO	The GIO is the regulatory body of television and film, which are the two major outlets for animation.
The Taipei Film Archive	It is owned partially by the GIO, and hosts the annual Golden Harvest Festival First annually to encourage young artists to produce animation.
The Economic Department	The project, entitled "Software 5-Year Development", was initiated by the department to boost computer animation production in Taiwan.

In order to investigate Taiwanese media purchase of animated programs, many people were interviewed in this study.

The interviewees can be classified into two categories:

(1) By 1992, Taiwan's TV market had been substantially deregulated. Consequently, the local TV stations have great freedom to import a tremendous number of programs by applying the "free market" rules. Therefore, the programming directors and marketing specialists from various TV stations were interviewed in this study.

(2) Since media institutions generate large portions of their revenue from their commercial sale, the attitude of an advertising agency influences the programming decisions of a TV station. Therefore, employees from advertising agencies who deal with commercial buying for their clients were interviewed in this study.

---

was not eligible for the award until 1982. The first accomplishment of many important young animators was to win this award.

Key Words and Their Definitions

Animation

Although there are a variety of materials used for animation (e.g. paper, clay, puppet...etc.,), this dissertation focuses on "animated cartoon" (or "two-dimensional animation"). These cartoons are created frame by frame by drawing them individually for the camera through the use of celluloid overlays (cels) (Hoffer, 1981). Historically, cel animation techniques have overshadowed three-dimensional animation in terms of commercial success and scholarly discussion. However, increased attention is now being paid to three-dimensional animation, perhaps due to the rise of digital technology (Furniss, 1998, p155).

Taiwan

Geographically, Taiwan is an island located about 100 miles off the southeast coast of mainland China. It is slightly larger in size than the state of Maryland. Historically, Taiwan was governed by the Imperial Chinese government from the mid-1660s to 1895. Then the Japanese ruled it as colony for 50 years. After WWII, control of Taiwan was transferred to the Chinese Nationalists (Kuomintang, KMT), and four years later it became the last territory controlled by the Nationalist government. During the past decades, KMT has continued to claim jurisdiction over the Chinese mainland, whereas the government of the People's Republic of China on the mainland claims jurisdiction over Taiwan. In the 2000 presidential election, KMT lost its 55-year sovereignty. Chen Shui-

bian, a candidate nominated by the Democratic Progressive Party and known as a prominent pro-independence leader, became president of Taiwan.

Outsourcing

In order to lower production costs under competitive pressure, the companies in industrialized countries procure their product components from abroad, particularly from newly industrialized countries including Singapore, South Korea, Taiwan, Hong Kong, Brazil, and Mexico (Kotabe & Helsen, 2000). In the case of this study, the processes of Hollywood's sending the production work to Taiwan and of Taiwan's sending production work to China and Thailand illustrate examples of the outsourcing of the cultural industry.

Globalization

The idea of globalization commonly suggests that "the world is becoming more uniform and standardized, through technological, commercial and cultural synchronization emanating from the West" (Pieterse, 1994, p. 161). Although the conceptualizations and implications of globalization vary slightly one from another, this dissertation focuses on its two primary manifestations. Globalization is first manifested in global production, which is defined as "the growing international labor of men and women sharing a production platform but dispersed into segmented zones of industrial, semi-industrial and Third World societies" (Sussman & Lent, 1998, p. 2). The second manifestation of globalization is media globalization, which is characterized by many trends in many countries, including media liberalization, transformation of the media's major functions,

and integration of national media into a single media system (Robertson, 1990; Hamelink, 1997).

Cultural/Media Imperialism

Even though many phrases have been coined in reference to the notions of "cultural imperialism" (e.g. media imperialism, dependency theories, communication imperialism), this dissertation does not make a distinction among these terms. This does not mean I consider them to be synonymous. I acknowledge the statement that many scholars have made, namely that these phrases are not entirely interchangeable. However, this dissertation is more concerned with the media institution process than any other cultural aspects. Therefore, Boyd-Barrett's definition of media imperialism is appropriate. He conceptualizes media imperialism as "the process whereby the ownership, structure, distribution, or content of the media in any country are singly or together subject to substantial external pressures from the media interests of any other country or countries, without proportionate reciprocation of influence by the countries so affected" (Boyd-Barrett, 1997, p.117).

Media liberalization

Media liberalization broadly refers to the trends of deregulation, commercialization and privatization, and to the adoption of Western "free market" economies (Hamelink, 1997). For decades prior to the late 1980s, Taiwan's authoritarian government tightly controlled the media, through both ownership and regulation, but in

the 1990s, Taiwan's media were liberalized at a much faster pace than most other Asian countries (Hong, 1999).

The Access of Research Data

The following techniques were applied by my study to access primary or secondary resources:

(1) The Internet Access to any specific website can be obtained through search engines. Google and Yahoo are two English search engines often used in this study. In terms of Chinese sources, Yam and Kimo are two major search engines. The animation and comic section (under the entertainment category) in the front page of Yam (www.yam.com.tw) features a fairly comprehensive collection of information about the recent animated programs in Taiwan. The Taiwanese major newspapers are now all online (e.g. www.chinatimes.com.tw, www.udnnews.com.tw) and all feature criticisms and reviews on comics and cartoons in a specific section weekly.

(2) Computerized databases: commonly used databases for this research are britannica.com, ComAbstract, Comindex, Dissertation Abstracts, LEXIS-NEXIS Academic UNIVerse, ProQuest Direct, Social Sciences Abstracts, Sociological Abstracts.

(3) Journals: In addition to major American communication journals, some journals are particularly related to this study. They are *Animation Magazine*, *Animation Journal*, *Asian Cinema*, *Asian Journal of Communication*, *Asiaweek*, *Far Eastern Economic Review*, *International Journal of Comic Art*, *The Journal of Popular Culture* *The Journal of Asian Studies*, and *World Animation*.

The secondary data were collected in Taiwan by visiting the following institutions in Taipei:

(1) National Taiwan Central Library (the largest national library);

(2) The research center of social science, National Cheng Chi University (the only Taiwanese university that collects virtually all masters and Ph.D. dissertations);

(3) The Comic section of Taipei municipal library (the only manga library in Taiwan);

(4) The National Taipei Film Archive (the largest film library in Taiwan);

(5) The library of the Government Information Office (the library collects important legal documents regarding media regulation)

CHAPTER 2
LITERATURE REVIEW

The Discourse of Media Imperialism and Its Implications

A Review of the Discourse of Media Imperialism

In the post-World War II era, the notion of imperialism was frequently generated in Marxist writings that concerned how American and European expanding capital affected the previously colonized countries. At the time, Latin America was the center of critical research on economic imperialism by its own economists. Many publications that examined the effect of trade and investment relations with Europe and later with the United States were grounded in a theory of dependency (Cardoso 1973; Wallerstein, 1979), which asserted that "core" (western) nations keep "periphery" (third world) nations perpetually dependent on core media for their cultural existence. In some publications, the U.S. was accused of worse than interfering with Latin American economies and politics (McAnany, 1992). The criticism later brought in cultural aspects and argued that economic and political dependency is facilitated by cultural domination. For instance, one of the most telling writings was *How to read Donald Duck* by Armand Mattelart, a Belgian sociologist working in Chile, and, Ariel Dorfman, a Chilean writer. Their study was one of the earliest academic works emphasizing the role of the media in influencing the cultural development of newly independent countries.

The discourse of media imperialism has its roots in dependency theories. In the 1970s, the discourse gained prominence and dominated analyses of international media

developments (Sinclair et al., 1996). There were many publications discussing this discourse in the 1970s, many of which were written in response to previous articles. Thus, tracing the analysis of media imperialism discourse to a single source becomes an impossible task. Still, a handful of studies are considered to be prominent and often cited in literature relating to media imperialism. They are (1) the UNESCO-sponsored study of media flow, (2) Herbert Schiller's studies and (3) various media-effect studies.

Sponsored by UNESCO, the study conducted by Nordenstreng and Varis in 1974 demonstrated that there operated a one-way flow of cultural production from the developed to the developing world. Based on content analyses, the main thrust of this study was more in the direction of an imbalance in news and information flow. Several studies were devoted to examine "news flow" and "media flow". Along with the emergence of the INTELSAT satellite system in the late 1960s, which allowed American television programming to be received by foreign countries through advanced technology, these studies provoked a heated debate over the issue of media invasion (McAnany, 1992). Media flows, chiefly represented by television program flow, became an integral issue for the New World Information Order movement. However, these studies were later widely criticized for the fact that the existence of media imperialism could not be substantiated simply by the notion of one-way flow. In other words, the empirical verification of "one-way flow" is a necessary, though not sufficient, condition for the existence of cultural imperialism (Beltran, 1978).

When the sharp debates were arising in UNESCO and other forums over cultural imperialism[5] in the 1970s, Schiller's work (1969, 1973, 1976, 1989) was widely acknowledged to be important in defining the positions of the critics of the Western media industry. His book, *Mass Communications and American Empire* (1969) explained the way in which developing countries were dominated by large multinational corporations, including media corporations. His subsequent works, *The Mind Managers* (1973, Boston) and *Communication and Cultural Domination* (1976, N.Y.) continued his basic theme of a dominant U.S. capitalism and paid extensive attention to a specific method of mind manipulation used by the managers of U.S. communications media in the service of cooperation interest; in 1976, his book, *Communication and Cultural Domination* examined the Chilean experience and concluded that the flow of information between countries "follows the international division of labor, which itself is determined by the structure and practices of the strongest capitalist state"[6] (Schiller, 1976, p 98-103).

It should be noted that a new element was later added to Schiller's explanation for American MNC's domination: the conceptualization of the United States as an "information society" or "information economy". In *Culture, Inc.: The Corporate Takeover of Public Expression* (1989), Schiller was concerned with the increasing

---

[5] Many phrases have been coined with reference to notions of "cultural imperialism". "Media imperialism" and "Dependency theory" are two such expressions. In light of the complexity, I have first introduced the theoretical position discussed in this dissertation in "key word" section.

[6] Schiller proposes the use of the term "cultural imperialism" and defines it as "the sum of the processes by which a society is brought into the modern world system and how its dominating stratum is attracted, pressured, forced, and sometimes bribed into shaping social institutions to correspond to, or even promote, the values and structures of dominating center of the system."

commodification of information and corporatization of culture in the U.S. He lamented that "transforming information into a salable good, available only to those with the ability to pay for it, changes the goal of information access from an egalitarian to a privileged condition"(p 23).

Schiller's works have historical significance in the sense that over the years along with a great many of publications from his followers, his works shifted away from the previously simple view that the U.S. government was the guiding force behind the dominance and toward the transnational corporation (TNC) or multinational corporation (MNC) as the chief villain.

The studies of cultural imperialism can be separated into two research programs. The difference involves the focus of investigation – the motives of the senders, on the one hand, and the effects on the receivers, on the other (Salwen, 1991). Those scholars who advance earlier theories of cultural imperialism criticized that the ideology ignores the roles played by both the audiences and the cultural environment in which texts are received by simply assuming the latter's dominating effect. These scholars challenged the idea of analyzing the consumption of cultural meanings using the factual accounts of media production and distribution, and claimed that to know the effects of communication messages upon individual receivers, instead of inferring the motives and messages from the senders, one must directly study those effects and those receivers.

This approach, also known as media effects studies, was usually not categorized as part of the discourse of cultural imperialism. However, these studies are relevant to the construction of a coherent position in the discourse. These studies therefore will be reviewed in the next section.

The Revised Concepts of Media Imperialism

Some studies (e.g. Pool, Payne & Peake, 1977) warned against the notion that the discourse of cultural imperialism might too readily assume the cultural effects of Western media on foreign audiences. The arguments in these studies were derived from the fact that their empirical findings reported weak or contradictory results for theoretical assumption of media imperialism. Another communication approach, "uses and gratifications," which focuses on the active role of the audience in selecting media inputs (Blumer & Katz, 1974) also supports Pool's predictions, although this approach was never actually applied to the debate over media imperialism.

In the 1980s, actual transformation of the world television system made the early theoretical assumption regarding cultural imperialism more and more plausible on the empirical level. The most telling example, again, is from Latin America, virtually the cradle of the theorization of cultural imperialism. Studies found that American-imported programs were only popular in the early stages of their penetration to Latin America. As industry matured in the Latin American countries, American programs were replaced by local products. This pattern was not only found in Latin America, but also in many other regions around the world. According to *New Patterns in Global Television* (Sinclair, Elizabeth & Stuart, 1992), the pattern in Latin America, as in Asia and the Middle East, illustrates the possible existence of a "geolinguistic region," and each is dominated by one or two centers of audiovisual production. In the case of Latin America, the centers of the region are Mexico and Brazil. For the Chinese-speaking populations, Hong Kong and Taiwan are the major hubs. Egypt is the center of the Arab world. After examining many

cases in different regions, *New Patterns in Global Television* proposes that "television is still a gloriously hybrid medium, with a plethora of programming of an inescapably and essentially local, untranslatable nature." (p 10)

Additionally, Straubhaar introduced the idea of "cultural proximity", and hypothesized that audiences will first see the pleasure of recognizing their own culture in their program choices. He contends that it is cultural similarity, not just language, that binds the television markets into geolinguistic regions. One of the most prominent examples is that in the "Latin" market, programs produced in Spanish readily translate into Portuguese and vice versa. Given the cultural barriers that American programs suffer, Straubhaar predicted that "the U.S. continues to have an advantage in genres that even large third world countries cannot afford to produce, such as feature films, cartoons, and action-adventure series" (1992, p 14-15).

Another revised concept for cultural imperialism arises from cultural studies. In the 1980s, a branch of cultural studies started to focus on the active role of audience in interpreting television (Fisk, 1987). Unlike media imperialism's conception of the audience as a homogenous group, these cultural studies argued that the audience is composed of a wide series of groups. As Fisk put it, "the audiences actively read television in order to produce from it meanings that connect with their social experience" (1987, p 84). The existence of widespread cultural domination proposed by media imperialism is questionable since audiences actively interpret, negotiate and even resist media content. Although the theorists of cultural studies are often concerned solely with the process of generating meaning, the communication studies of media-effect are not limited only to the study of this phenomenon. Many researchers have devoted themselves

to discovering the major factors determining the reading of television. For instance, Hall (1982) argued that social class is the major factor in producing socially determined meanings of television. Katz and Liebes (1984) pointed out that television texts are mediated by active discussion among viewing groups, families and others to generate their meanings.

Media Imperialism: the Case of Asia and Taiwan

Media imperialism's reliance on the so-called hypodermic model of media effect is particularly problematic in the examination of the case of Asia. Ranging from explicit bans on foreign programming and equity restrictions on the foreign investment to quota systems imposed on media import to active support of indigenously produced programming, gatekeeping policies have traditionally been deployed by nation-states to mediate transnational electronic broadcasts (Sinclair et al., 1996). This is especially true in post-colonial Asia, where historically, nation-building has been a critical issue. Many states have applied a variety of gatekeeping mechanisms to restrict the inflow of media (Chadha & Kavoori, 2000).

Containing many prohibitions, China's "Six Nos" policy well illustrates the gatekeeping process. The "Six Nos" policy not only excludes foreign capital from any form of media ownership, it also restricts the content of foreign television (Zhao, 1998). China might be a rather extreme case, but the gatekeeping process also plays a prominent role in other Asian countries. For example, in both South Korea and Vietnam, only 20 percent of total television programming can be imported (Vanden & Dannis, cited from Chadha, 2000). Moreover, many countries such as Singapore, Malaysia, Vietnam and

South Korea, categorize foreign programs into regional and non-regional and impose specific restrictions on Western media imports (Tang, 1998, cited in Chadha).

The phenomenon was evidenced in Taiwan, where foreign TV programs were restricted to less than 30% of total television programming before 1993. Programs imported from overseas must have explanations or superimposed captions in Chinese(Ishii, et al, 1999). However, according to Su (1992), in 1991, 83.92% of the programs broadcast by the Taiwan Television company (TTV), a selected Taiwanese television station, were in Mandarin (Taiwan's official language), 8.05% in Taiwanese (the most popular dialect spoken by 80% of the people living in Taiwan), 7.61% in English, and 0.42% were in other languages. This suggests that in reality, the amount of foreign programs aired on TV (about 10%) was still quite far from the legal restriction percentage (30%).

Aside from the fact that the gatekeeping process automatically restricts imported programming from the West, Taiwanese audiences generally show some resistance to Western programs. A fair amount of research has been conducted to endorse Straubhaar's proposition of "cultural proximity", which indicated that, given the option, viewers tend to actively privilege national or regional programming over its imported counterpart and in fact rarely turn to imported programs when local alternatives are available (Straubhaar, 1991). For example, Era channel, a Taiwanese cable programs supplier, which chiefly purchased English programming, reported financial problems in 2000[7]. Era carried two of America's most popular situation comedies, *Seinfeld* and *Mad About You.* They did not

[7] This statement is based on my in person interview with two long-time acquaintances who were Era's employees in August, 2000.

enjoy their anticipated popularity, and the advertising revenue generated by these two comedies was strikingly low, not even enough to offset the high price of purchase. Conversely, a Japanese drama entitled "*Oshin*" first broadcast by NHK in 1983 set a new record with more than 30 % of Taiwanese viewers in 1994 (Ishii et al, 1999). Even STAR TV, a broadcasting satellite system owned by western media tycoon, Rupert Murdoch, was forced to regionalize its service by launching major production operations in Taiwan to ensure that materials of immediate cultural relevance were part of any STAR TV package (Chan, 1994).

The emergence and growth of regional players in Asia reconfirms the need for a paradigm shift from media imperialism to asymmetrical interdependence (Straubhaar, 1991). As explicated by Chan (1996), television exchange in Greater China, including the mainland, Taiwan, and Hong Kong, is limited by the current ideological and political barriers between these three regions. However, strong cultural affinity, growing economic integration, technological advancement, and enhanced economies of scale are possibly reshaping this geolingiustic region into a single television market.

The examination of the Asian media system indicated that relatively little evidence was found to support the notion of media imperialism, which suggests that the spread of the Western capitalist system in Asia has not destroyed or supplanted indigenous culture. However, there are a variety of problematic trends including increasing commercialization and entertainment-oriented programming (Chadha, 2000). In the case of Taiwan, one of the problematic trends is the ownership concentration of the Taiwanese cable industry. Two indigenous conglomerates, the United Communications Groups (UCG) and the Eastern Multimedia Group (EMG) have not only engaged in horizontal integration, but

also in vertical integration. Their virtual control over the entire Taiwanese cable industry extends beyond the concern for media imperialism and also represents a troubling phenomenon that might adversely affect the freedom and democratization of communication in Taiwan.

Taiwan's Media Liberalization Process and Its Implications

An Overview of the Media Liberalization Process

Prior to the late 1980s, Taiwan's authoritarian government tightly controlled the media and had used them as a political tool and ideological apparatus for many decades. However, in the 1990s, Taiwan's media had been liberalized at a much faster rate than most other Asian countries (Hong, 1999).

Chen (1998) analyzed the historical development of the relationship between the Taiwanese government and the media in order to assess its relevance to the democratic process. Although her analysis was based chiefly on the data of newspaper and magazine industries, other media industries basically followed a similar trend. Therefore, the way she classified the liberalization process was illuminating to my study. She divided the development of the media-government relationship into three periods[8]. The first period is from 1949 to early 1977. At that time, the press industry was controlled by the state through statutory constraints (Chen, 1998). For example, the newspaper industry was

[8] Many analyses applied different ways to classify the periods of the process of media liberalization. Some studies classified by decades (e.g. Hsiao's dissertation on Taiwanese political cartoons, 1996). However different they might be, all consider the lifting of martial law to be a significant move toward a liberal media system.

heavily regulated by press bans known as the three restrictions, which were imposed by the Executive Yuan[9]. These three primary controls are control over entry to the press industry, price structure and size of the newspaper. Apart from its involvement in the ownership of the press, the state also manipulated the fiscal advantages and subsidies being offered to promote better economic conditions for newspapers.

During the second period, from 1977 to 1986, the state faced a fierce challenge from a strong civil society. According to Chen (1998), the Chung-Li Incident[10] is a milestone in the democratic development. New forms of state control were adopted to maintain an integrated newspaper industry. At this stage, the state continued to control a considerable portion of the mass media (e.g. all three terrestrial television channels were tightly controlled by the state). The privately run newspapers, however, were controlled through "interlocking directorships." For example, the KMT's party loyalists run the *China Times* and the *United Daily*; they were also allowed to acquire the newspapers that could not survive in the marketplace.

Rubin (1993) proposed five patterns of media control: (1) direct control through state monopoly of the media; (2) control by licensing and self-censorship; (3) emergency regulations and national security legislation; (4) pressure on the press; and (5) violence

---

[9] Yuan refers to the constitutionally mandated council. The Legislative Yuan enacts legislation; whereas the Executive Yuan is equivalent to the Cabinet in the Western political system. The Yuan is headed by a premier, who is appointed by the Taiwanese President.

[10] On Nov. 19, 1977, a mass protest against alleged irregularities in vote counting took place in the town of Chungli. The GIO met the publishers of the local newspaper and imposed pressure to prohibit news stories pertaining to the incident from appearing on the

against journalists. In Taiwan, all five of these control patterns were visible during the aforementioned two periods. To sum up, Taiwan, as an anti-communist state, had a closed, communist-like media system from 1949 to 1987.

Martial law was lifted in 1987. Shortly after, the restrictions discussed earlier relating to publication were lifted. In the case of radio, the Taiwanese government lifted its ban on the establishment of new stations in 1993. As a result of this deregulation, a total of 28 FM frequencies formerly controlled by the military were opened to new radio station applicants (*GIO Archives*, 1993).

The most significant deregulation occurred in mid-1993, when the government ended a long time ban on the establishment of new television stations and enacted a law to legalize the booming cable television industry (Yu, 1995, cited in Hong, 1999). Because of this deregulation, two television networks were added to the existing three making a total of five. This is a landmark decision because one of the networks, Formosa Television (FTV), is associated with the Democratic Progressive Party (DPP). The DDP was the major opposition force until 2000 when its candidate won the presidential election. After the deregulations discussed above, the operation of Taiwan's media industry gradually adopted free-market rules, and the relationship between state and media was then changed to more closely resemble such a relationship in a democratic system. For example, legislators in parliament have begun to deliberately exploit the media in order to achieve their legislative goals and to help themselves get reelected. A large portion of legislators host programs on cable or radio stations on a regular basis.

---

front page. Responding to this pressure exerted on them by the GIO, all newspapers complied with these restrictions.

A Review of Media Deregulation

Discussing a series of deregulations in Taiwan since 1987, this dissertation will first focus on the authorization of commercial cable television (CATV) in 1993, since it particularly affects the Taiwanese media institution's consumption of foreign imported animation. This deregulation is tightly related to another legal issue, copyright law enforcement. These two interconnected issues function together to transform the landscape of the Taiwanese media industry. To understand the institutional process of the Taiwanese communication system, it is important not only to review these issues individually, but also to examine how they work together to affect the animation industry in Taiwan.

Historically, copyright law enforcement precedes the authorization of CATV. The copyright law was made to respond to the Special 301 provisions issued by the United States in 1991 in which the US Trade Representative (USTR) published a list of violators, claiming their combined piracy cost US firms nearly $4 billion in lost sales. Software accounted for one half of the total losses, with China and Taiwan responsible for more than $500 million in combined piracy (Blass, 1992). Under the threat of American trade sanctions, Taiwan revised its copyright laws.

The new copyright law impacted the media industry strikingly, particularly Taiwan's comic industry. The law forced the previously pirating publishers to search for new ventures. Both legitimate and pirating publishers went to Japan to discuss copyright laws in July 1992. However, the Taiwanese publishers soon discovered that they were all losers in the new game. They went to Japan to discuss copyright, and in July 1992 "the

largest Japanese comics publisher, Tong Li, wrapped up its very lucrative pirate business" (Lent, 1995, p124).

Additionally, the authorization of CATV can also be considered part of the policymaking process that protects copyrighted American TV programming from the piracy of Taiwanese cable operators. According to Hong (1999), the deregulation process of CATV illustrates the interplay of external (global) forces and internal (domestic) forces. The external forces are exhibited by pressure from the United States, which had threatened trade sanctions for the rampant copyright infringement of Taiwan's illegal cable operators. Taiwan was listed among the six worst offenders in the world. On the other hand, the internal forces were rather complicated; one of the internal forces at work was the pressure from Taiwan's cable industry and the oppositional political parties that had a great interest in the cable industry.

Since the early 1980s, CATV in Taiwan has had a unique history with regard to an illegal CATV station called the "Fourth Station". A 1983 survey indicated that between 150,000 and 300,000 households in Taipei and it suburbs had subscribed to the Fourth Channel (Wang, 1993 cited in Ishii, et al, 1999). In other words, the Fourth Channel had about 40 percent penetration in the Taipei metropolitan area a decade before it became legal.

The Impact of Deregulation on the Media Industry

CATV penetration into Taiwanese households grew exponentially soon after its authorization in 1993. In 1998, it had exceeded 80 percent of Taiwanese households (Ishii, et al, 1999). Additionally, the authorization of the CATV generated a large number of

channels. According to Taiwan's GIO official web site, a total of 62 companies were offering 109 satellite channels through cable systems in Taiwan, including a number of foreign channels such as NHK from Japan; Home Box Office (HBO), Disney and Discovery from the United States, as well as groups of specialized, satellite-based channels operated by local media conglomerates (GIO archive, 1999). In other words, the deregulation resulted in a rapid increase in the number of foreign programs.

Many studies have examined the different aspects of this media liberalization. This study is particularly related to two issues brought about by Taiwan media liberalization. They are the restructuring of the media industry and the influx of foreign Japanese TV programs.

In terms of Taiwan's cable industry structure, the dramatic change after authorization is that the market is now dominated by economic power instead of political power. Its operation is now dominated by domestic conglomerates and foreign media conglomerates instead of parties. The United Communications Group (UCG) and the Eastern Multimedia Group (EMG) have been aggressively expanding their market share in Taiwan's cable industry. These two groups acquired cable systems all over the island through it scale advantages. As of January of 1999, UCG and EMG controlled approximately 60 percent of Taiwan's cable operators, which serve 70 percent of Taiwan's cable subscribers (Chen, 1999). In terms of the cable channel market, through diverse strategies these two cable conglomerates controlled approximately 60 percent of Taiwan's 100 cable channels (Chen, 1999). Additionally, these two groups possess and invest in cable channels. According to a survey in 1998, UCG and EMG together possess

15 and distribute 25 cable channels, adding up to 40 percent of Taiwan's 100 nationwide cable channel.

Following in the footsteps of some North American and European countries, group ownership and cross media ownership are now prevalent in Taiwan. As evidenced by the appearance of two large conglomerates, Taiwan's media system has started to face the issues of media control by monopoly.

In 1993, when Japanese TV programs were still banned on terrestrial TV, 99% of foreign TV programs came from the U.S (Fang & Sun, 1994). At a superficial level, this seems to confirm some of the theoretical assumptions of media imperialism, which assert that the U.S. programs supported by the largest domestic market in the world, enjoys a scale advantage and thus dominates international programming. In reality, before the authorization of CATV, Taiwanese audiences had long been exposed to Japanese trendy drama[11] through the illegal "Fourth Channel" before the authorization of CATV. As the viewing rate of Japanese trendy drama aired by STAR TV increased in 1992 (e.g. *Tokyo elevator lady, Adult's choice, Young wife's irresistible charms*), the commercial interests

---

[11] In the late 1980s, Fuji TV, the Japanese Television network, introduced a radical new idea in television dramas by focusing primarily on younger viewers. Previously, television dramas had focused on domestic situations of little interest to the young unmarried and increasingly affluent women in Japan. The approach utilized by Fuji TV was an immediate success, bringing to life the phrase "trendy drama" and creating "must-see" events for young people throughout Japan. The appeal of the trendy drama is due largely to Fuji Television's encouragement of young producers, directors, and writers who can easily identify with their target audience. The trendy drama has a fairy-tale atmosphere of romance and wish fulfillment. However, unlike long-running American soaps, the trendy drama usually consists of only 10-14 1-hour episodes. The creators of such programs have remained keenly aware of the constant changes in fashion, music, and lifestyles among Japanese young people. As a result, Fuji Television has produced such smash hit dramas as "*Tokyo Love Story*" and "*Long Vacation.*"

of the three Taiwanese terrestrial channels were greatly threatened (The China Times, 1994.1.16). The GIO, which has been known to be "well-associated" with the three terrestrial channels, eventually lifted the ban against Japanese programs in Nov 1992 under pressure from these stations. Since then, a great deal of information about Japanese culture has been conveyed through a variety of cultural products such as comics, music tapes, and videotapes.

The cartoon is the most popular genre of Japanese programming among children and youngsters (Su, 1998). According to a survey (Su, et al, 1999), although a majority of young people (61%) still like to watch domestic TV programs, and perceive them as their first priority, Japanese animation has taken the second place (45%) already. This can also be evidenced by the fact that "*Chibi Maruko Chan*" was aired repeatedly by three terrestrial TV stations. Sometimes it was even allocated to the Saturday prime time slot. It is safe to say that Japanese animated programs are viewed increasingly by young Taiwanese, and their popularity has rivaled that of local productions.

Many studies had analyzed the impacts of the popularity of Japanese imported programming since the early 1990s. A handful has discovered that Taiwanese teenagers and children have shown different degrees of favorable attitudes toward Japan ranging from a preference for Japanese animation to a cultivation of transnational consciousness[12] (Lee & Cheng 1997). Although the research about transnational cultural influence within

[12] This growth of transnational consciousness can be seen in Lee's interviews with Taiwanese high school students (1998, in Chinese). The interviewees expressed different degrees of identification with Japan. For instance, some students had been planning to study in Japan, while others said that they wanted to work in Japan. In the most extreme cases, some even said that they wanted to emigrate to Japan, at any price and they were working toward that goal.

Asian countries (e.g. Taiwan and Japan) was not often covered by American communication journals, a great many publications in Chinese did discuss this issue, making it one of the most trendy communication studies in the 1990s[13].

The Discourse of Globalization and Its Implications

Globalization as a Response to Media Imperialism

The notion of globalization seems to capture some elements of the end of the 20th century. It has been discussed in a variety of fields such as communication, sociology and business, using many different approaches. This can be seen in the results of my research using *ComAbstract*, the academic database widely used by communication scholars. Out of 74 hits, only one was written before the 1990s, and more than 50% of the research came out after 1995. Although the word, globalization, is not even defined in *Longman dictionary of contemporary English* (1992 version), the myriad uses of the term without precise definition have left it in danger of becoming "the cliché of the time" (Held, McGrew, Goldblatt & Perraton, 1999), if it has not already become so. The ambiguity of meaning is also reflected in that in the social sciences where there are as many

---

[13] A great number of academic conferences were devoted to Japanese popular culture in Taiwan since 1995. These conferences are frequently hosted by communication, sociology or Japanese literature programs. Some academic conferences going by different names (e.g. globalization, gender studies) created Japanese popular culture as one of the panels.

conceptualizations of globalization as there are disciplines.[14] The seduction of globalization involves a belief that we are living in an unprecedented era. Is this really a new age? It could be true. However, when we start inquiring when "this new age" began, what theorists say, and what their theoretical bases are, the idea of globalization becomes elusive. For example, Pieterse (1994) conducted a historical review in an attempt to isolate the beginnings of globalization. Basing his conclusion on the different themes proposed by different theorists, Pieterse places the beginnings of globalization anywhere between the 1500's to the 1990's. Determining the time points critical to historical development of globalization discourse apparently was geared to offer a common ground for scholars in discussing the theory. However, attempts at pinpointing the beginning of globalization only reflect the variances more than the commonalities. Only one thing is certain: "globalization is on everyone's lips." (McMichael, 2000)

In light of this phenomenon, the concept of globalization is unlikely to be reviewed without specifying the context. Accordingly, this study will categorize this section of my review into two parts. The first part follows up the aforementioned media imperialism debate and discusses how the discourse of globalization seems to possess more explanatory power in shedding light on international media flow. This is discussed in greater detail because it is the theoretical basis of the Taiwanese media's consumption of foreign animation. The second part explicates the discourse of globalization using world

[14] According to Pieterse's review of globalization in economics (1994), globalization refers to economic internationalization and the spread of a capital market. In international relations, the focus is on the increasing density of inter-state relations and the development of global politics. In sociology, the concern is with increasing worldwide social densities and the emergence of a "world society". In cultural studies, the focus is on global

system theories. This approach recognizes the existence of a geographically differentiated division of labor within the capitalist world order and tries to explain the uneven development of the different divisions. Because the growth of the Taiwanese animation industry exemplifies the capitalist world order, and my later research concerns the uneven development of the different divisions, I will review the development of these theories and their implications in the following sections.

After a heated debate in the 1970s and 1980s, the term "media/cultural imperialism" still means just about anything anyone wants it to (Wang, 1997). For instance, imperialism has been expanded from its original connotation of military or political invasion to include economic exploitation, such as the cases of Nike and McDonald's in Asia. Currently, virtually any imbalance in international and inter-cultural relations can be labeled "imperialism". However, the complex and multiple processes of "imbalance" demand some elaboration that has not been addressed sufficiently in the discourse of imperialism, this is so particularly in the current environment when the technologies of communication have brought cultures in closer contact with each other since the 1990s. The influence of all these factors have resulted in a call for more nuanced views of the imbalanced relationship implied by the term "imperialism."

The presence of the discourse of globalization seems to be tied into this trend. Robertson (1992) is probably one of the earliest scholars who used the term "globalization" to challenge the notion of cultural imperialism. His view of globalization is "the compression of the world and the intensification of consciousness of the world as a

---

communications and worldwide cultural standardization, as in CocaColinization and McDonaldization.

whole." (1992, p8) In a similar vein, Tomlinson also advocated looking beyond "cultural imperialism" by shifting this debate to the structure of interconnections. According to him, globalization refers to the "rapidly developing process of complex interconnections between societies, cultures, institutions and individuals world-wide." (1997, p. 170)

The discourse of globalization insists on the centrality of the "global-lôcal" dialectic, instead of simple linear concepts like "hegemony" and "dependency". This can be exemplified by the term "glocalization", which was coined by Robertson (1995) to refine his original narrow definition of globalization. According to Robertson, this term is a successive development of the previous conceptualization of "globalization" and refers to a global outlook adapted to local conditions. In this sense, he indicated that the process of glocalization includes tendencies of both homogenization and heterogenization. It is a dialectical process consisting of "the continual unification of opposites, in a complex relation of parts and whole" (William 1983, cited in Wang, 1997)

However, the term "globalization" is usually interpreted as a process of homogenization, the idea of the world becoming more uniform and standardized. Considering that there are multiple processes at work, many scholars started to point out that this is hardly adequate (Pieterse, 1995). Additionally, in *The mythology about globalization,* Ferguson challenges the myth of "global homogeneity", stating that the notion "ignores the counter pull of localism and the rich traditions of variance." (1992, p. 80)

Perhaps it is useful to borrow Pieterse's idea of a "continuum of hybridities" to demonstrate the complexity and ambiguity of the global-local adaptation process (Pieterse, 1995). As the paradigm shifts to globalization, based on the proposition that the

individual is capable of negotiating a variety of traditions and contexts, researchers are concerned with the explication of ways in which extralocal events are articulated by local people (Abu-Lughod, 1991, p. 149). In order to capture the complexity of the negotiation process, Braman reconceptualizes the idea of locality (1996). He proposes that the development of technology and the trend of globalization transform the essence of the local and the derivative concept. He also identifies the concepts of primary, secondary, and tertiary locality. Primary locality refers to the terrestrial space, and refers to traditional societies with emphasis on geographic, material, and social forces. Secondary locality is culture-bound; it refers to various dimensions of folk culture. Tertiary locality exists through electronic connections; namely, it is rooted in so-called "cyberspace". As Braman puts it, in tertiary locality, the "linkage between the local and the material world has become completely broken." (1996, p27) From this approach, substance is not required to constitute locality, symbolic exchange alone indicates locality.

Globalization and Its Discontent: Global Political Economy

The discourse of globalization invites criticism. The postmodern version of globalization exemplified by Braman's notion of locality (stressing that the audiences have great autonomy to construct meanings through "symbolic exchanges") was sharply criticized by theorists from different camps. For those who consider "globalization" to be in fact masked imperialism, the notions forwarded by the proponents of globalization disregard the global structure and the order of political economy, and simply miss the point.

In *global transformations* (1999), Held et al. summarized a skepticism advocated by Hirst and Thompson, that argues that the notion of globalization is "essentially a myth which conceals the reality of an international economy increasingly segmented into three major blocs[15] in which national governments remain very powerful." (cited in Held, et al. 1999, p. 5) Despite differences of emphasis, there is a convergence of opinion within the skeptic camp that "internationalization" (a term preferred by this camp) has not been accompanied by an erosion of North-South inequalities but, on the contrary, by the growing economic marginalization of many "Third World" states as trade and investment flows within the rich North intensify the exclusion of much of the rest of the globe." (Held, et al. 1999)

Unlike some scholars' conceiving of globalization as a trend, the world system theorists contended that based on the integration reached by the global capitalist class, globalization is more of a conspiratorial "project" (McMichael, 2000). Particularly in the 1990s, the "project" is facilitated by the improvement of transportation and communication technologies. In *Global Formation* (1998), Chase-Dunn borrowed the theoretical construction from Wallerstein's world system theory (1974) and Amin's conceptualization of capital periodization (1981) and defined three structural constants and several basic systemic cycles. The structural constants feature the world system. These constants are (1) capitalism: the accumulation of resources by means of the production and sale of commodities for profit, (2) the interstate system: a system of

[15] The theorists from the skeptic camp argue that if the current evidence demonstrates anything it is that economic activity is undergoing a significant "regionalization" as the world economy evolves in the direction of three major financial and trading blocs, that is,

unequally powerful sovereign national states that compete for resources by supporting profitable commodity production, and (3) the core/periphery hierarchy, in which core regions have strong states and specialize in high-technology, high-wage production, whereas peripheral regions have weak states and specialize in labor-intensive and low-wage production. The latter two constants are also major themes discussed by many scholars in the context of globalization, which will be orderly discussed as follows.

In terms of the interstate system, it is widely argued that the increased importance of transnational corporations has diminished the power of nation states. Indeed, the largest firms may have increased their influence over even the core states. However, according to Chase-Dunn (1998), it should be remembered that the states have also increased their powers over time. The real question falls on whether the changing relationship between the size of firms and the powers of states has altered the logic of the game (p. 75). The process of interaction between states and multinational corporations has become complicated and sophisticated with the emergence of global institutions, the new mediating actors in the international scene (e.g. World Trade Organization was established in the early 1990).

The core-periphery hierarchy has been conceptualized in the world-system perspective (Wallerstein, 1976). The underlying analytic basis of the hierarchy is the distinction between core production with intensive capital and the employment of high wage labor, and peripheral production with intensive labor and cheap, often coerced labor. However, Wallerstein defines semiperipheral states as areas containing a relatively equal

---

Europe, the "Asia-Pacific" region and North America (Ruigrok and Tulder, 1995; Boyer and Drache, 1996; Hirst and Thompson, 1996b, cite from Held, et al. 1999).

mix of core and peripheral production. According to him, the existence of semiperipheral states acts to depolarize the core/periphery hierarchy by providing intermediate actors. In other words, the very presence (of semiperipheral countries) reduced the salience of potential conflict along the core/periphery dimension of inequality (Wallerstein, 1979). The idea of semiperipheral countries is important because it enables theorists to focus on how the existence of intermediate regions affects core/periphery dynamics in the world-system as a whole.

The idea of the semiperiphery is one of the most fruitful concepts introduced by Wallerstein (Chase-Dunn, 1998). It has been widely used but there are many disagreements over the definitions. For example, Wallerstein employs two elements in his definition of semiperiphery – the dichotomy between core and peripheral activities, and the notion that a state boundary encompasses an approximately equal balance of both core and peripheral activities. Thus by this definition, there are no semiperipheral activities as such. Rather, there are semiperipheral states which contain a balance of both core and peripheral activities (Lange, 1985). However, scholars gradually discovered that core and peripheral acted as a continuum of relatively capital/labor intensive forms of production. For example, is it possible for a semiperipheral state to have a uniformly intermediate level of production with respect to the core/peripheral continuum?

In order to operationalize Wallerstein's concept, many scholars offered a number of ways to measure the continuum of the positions of countries in the world system (e.g. GNP per capita, the level of processing import). However, scholars came to acknowledge that to better understand the dynamic of a world system, knowledge of the mechanisms that reproduced the system is crucial. In this context, "wage differentials" is an idea

introduced to explain the reproduction of the system, and there is substantial agreement that wage differentials are what transfer the value from the periphery to the core. (Wallertain,1979; Gibson, 1980; Chase-Dunn 1998)

Historically, the core/periphery hierarchy has been reinforced by an unequal distribution of political-military power among core states and periphery states. Wallerstein concluded that the rise of hegemonic states occurs in three stages. The first is based on competitive advantage[16] in mass consumption of goods that can (1) penetrate the markets of core producers in competing countries and also can (2) expand the size of the market by lowering the price of the product. The second stage is based on the expansion of capital goods production, and the third stage is based on the export of financial services and the performance of central place functions for the world-economy (Wallerstein, 1984). The transitions between the three stages apparently parallel Barber's thesis in which he analyzed post-modern capitalism and concluded that the dominant form of economic activities was transformed from hard goods to soft goods, from soft goods to services (1996).

In the global era, core states no longer exercise direct military or political domination over peripheral areas. However, the core states can still perpetuate the hierarchy by using multilateral enforcement mechanisms to institute a global free trade

[16] The theory of comparative advantage was first proposed by the English economist, David Ricardo. The theory proposes that a country can gain from engaging in trade even if it has an absolute advantage or disadvantage and suggests that it makes sense for a country to specialize in producing those goods that it can produce most efficiently, while buying goods that it can produce relatively less efficiently from other countries – even if that means buying goods from other countries that it could produce more efficiently itself. Based on the above proposition, the theory suggests that unrestricted free trade brings about increased world productivity.

regime (McMichael, 1995). For example, Chossudovsky argues that IMF (International Monetary Fund) structural adjustment program (SAP) have generated a global cheap labor economy through the decomposition of the national economy of the indebted states through the currency devaluation and wage de-indexation. (Chossudovsky, 1997) The WTO, in turn, is a vehicle for generalizing the free zone to the entire country. According to Chossudovsky, these two multilateral enforcement mechanisms function in tandem allowing the northern countries increasingly approximate the "rentier economy". In Chossudovsky's words, "rentier economy" centered in services such as intellectual property (patent, licenses) and finance and marketing, and it is very economy that facilitates the appropriation of profit from the south (p. 42).

Despite the fact that the core-periphery hierarchy often is reproduced, some states seem to possess a stronger upward mobility than others. Clearly some former periphery countries have become semiperipheral or even core countries. Japan is a most strikingly remarkable example. The four tigers (dragons)[17] are recent cases. The notion of upwardly mobile semiperipheral countries has been convincingly utilized to understand the mechanisms built into core-periphery hierarchy. Scholars who are concerned with the reduction of global inequality have started to evaluate whether the accomplishment of the Asian NICs (Newly Industrialized Countries) can be replicated. Some studies have suggested that the accomplishments of the four tigers in the 20 years up to the early 1990s were a product of "perspiration" (a high saving rate and increased capital and labor

[17] Hong Kong, Singapore, South Korea and Taiwan have become known as the Four Tigers (dragons) because of their dramatic economic growth and industrialization since the 1960s.

input) rather than "inspiration"(technological progress)[18], however, scholars usually accept that these economies illustrate the ways in which investment in education and capital equipment can lead to rapid upward mobility (Dunford, 2000). Nevertheless, the case of the four tigers is still rare. It does not characterize a global trend, as many scholars[19] strongly argued. Instead, the existence of winners and losers and sharply differentiated national development records are evidence of this trend.

The Theoretical Implications of the Globalization Discourse

Over the past centuries, Taiwan has experienced repeated political redefinition. The island has been repeatedly buffeted by political storms involving those of Ming and Ching (two of the former Chinese imperialists), Spanish, Dutch, French, Japanese, American, Republic Chinese, and even Soviet Union forces. Although the theoretical

[18] This argument can be demonstrated by the following table:
Determinants of growth (The four tigers)

	Annual percentage rate of growth of			
	Output	Weighted capital	Weighted labor	Total factor productivity
Hong Kong (1966-91)	7.3	3.0	2.0	2.3
Singapore (1966-90)	8.7	5.6	2.9	0.2
South Korea (1966-90)	10.3	4.1	4.5	1.7
Taiwan (excluding agriculture, 1966-1990)	**9.4**	**3.2**	**3.6**	**2.6**

Source: From Dunford (2000), originally computed from data in Young (1995)

presumption of media imperialism is not strongly supported in the case of Taiwan, the discourse of globalization (particularly, the idea of hybridity) does translate well in interpreting Taiwanese media.

As Garcia-Canclini (1995) puts it, the idea that a specific interpretation of cultural and national identity should be maintained is often hegemonically imposed by a minority elite. In political terms, Taiwan has long been denied status as a legitimate nation-state. Its national identity is facilitated through transfer from one group of minority elites to another. In the era of Japanese colonization, the Taiwanese were tempted to speak Japanese, an official language at that time, and were coerced into identifying themselves as Japanese. In 1945, when about 90% of Taiwanese spoke Taiwanese, Mandarin became an official language overnight. Under the power of Chinese nationalists (1945-2000), the Taiwanese people have been through another process of national formation in which the Chinese nationalists asserted their legislation over the mainland Chinese. After the 1980s, the issue of national identity was no longer dominated by the government or by the political minority elite. This was due in part to the liberalization of the media and to the rise of the Democratic Progressive Party (DPP), a major oppositional force and also a proponent of Taiwanese independence (Chen, 1998). In the global age, with the influx of foreign programming and greatly fragmented media content [20], building up a cohesive

---

[19] A handful of scholars have written particularly prolifically about the notion of "global inequality" as a way of responding to the globalization theory. For example, Cardoso, F., Hettne, B., Amin, S., Hirst Thompson.

[20] Aside from a high rate of Internet penetration in Taiwan, media fragmentation can be best exemplified by CATV. As of 2000, CATV had a penetration rate of approximately 85%, which is probably the highest in the region. Generally, in Taiwan CATV's basic plan carries about sixty channels, while some premium or extension plans offer up to a hundred channels depending on the carriers. Half of the content of those channels are

national identity for the Taiwanese is at best an impossible task. However, the interplay of three major foreign powers has been continuously shaping the identity of the Taiwanese people. These powers are China, Japan and the United States. The impact of American culture on Taiwanese society is quite prominent and can be evidenced by the fact that a large number of high-ranking officials and university professors were educated in the United States. While the impact of China[21] and Japan is mostly self-explanatory throughout the history, in the 1990s many new elements were added. Over the time that Taiwan has undergone media liberalization, these two actors' influence on Taiwanese cultural identity was becoming salient. Their influences will be discussed respectively as follows:

Taiwan was a Japanese colony for half a century until 1945. Due to Japan's earlier colonial rule over Taiwan, the KMT government has taken a negative stance toward Japanese culture. The cessation of diplomatic relations with Japan in 1972 was followed by a ban on the importation of Japanese TV programs and popular songs. Despite the ban, the elderly in Taiwan usually understand the Japanese language and still consume Japanese media to some extent since they understand Japanese and appreciated Japanese culture[22] as a result of the colonial experience (Chu, 1998). The younger generation in

---

foreign programming chiefly imported from Hong Kong, Japan, and the United States. Some channels carry other imported international programming; most of them are from Europe.

[21] A small portion of people who identify themselves as "Chinese living in Taiwan" might exclude "China" as a foreign force. In this sense, there would be only two "foreign powers".

[22] "*Doson* (Japanese: father)", an autobiographical film, is a good illustration of the older generation's appreciation toward Japan. For a few Taiwanese people growing up in the era

Taiwan is often drawn to Japanese imported programming, chiefly animation and trendy drama. These two forces together make the popularity of Japanese programming a special case in the world, which is that Japanese programs attract two disparate demographic groups, the elderly and the young.

In the 1990s, China gradually became a major actor on the international economic scene, which triggered a debate over the concept of a Greater-China economic region in recent years. This concept goes by different names and conveys different strategies (e.g. the Chinese common market, the Chinese economic bloc). Although some observers have challenged the feasibility of the concept, this region had undergone some integration in the 1990s. The phenomenon can be illustrated by the case that Taiwanese corporations have invested aggressively in China after the 1990s, although the government warned that China's oscillation of regulation would eventually cost the incautious investors. Most labor-intensive manufacturing production work had been farmed out to South China. Due to the outsourcing project, many observers have been worried that with the rising unemployment rate, Taiwan has become a hollow island.[23]

Taiwan is well known to be a technology dependent island. In 2000, its companies made 53% of the world's laptops and 25% of its desktop PC's. They made an even larger percentage of peripheral products, like scanners, monitors and keyboards. A stunning fact

---

of Japanese colonization, Japan is a symbolic motherland that they dream of returning to. In the film, the protagonist's father suffers from chronic illness. At the end, he decides to realize his very last dream - visiting Mount Fuji. He does, and he is then fulfilled. Consequently, he commits suicide in the hospital.

[23] The columnists of *The China Times* and *The United Daily*, two of the leading Taiwanese newspapers, shared this comment in 2000. Additionally, *Commonwealth* has devoted an issue analyzing the "hollow island" phenomenon.

is that a large percentage of the parts of Made-in-Taiwan PCs is in fact produced in China.[24] For instance, in 2000, 93% of scanners in the world were bought from Taiwan. However, 83% of parts in these scanners were produced in China. This phenomenon supports the argument that in the case of Taiwan, the strategies of sending work out of the country were applied beyond the sector of hard goods.

Additionally, the rapid economic integration of Taiwan and China is also reflected in the "infortainment tele-sector."[25] A rather updated example is the production of 2001 Oscar acclaimed film, *Crouching Tiger, Hidden Dragon*. The film was directed by Ang Lee, a Taiwanese director who was educated in the United States. The film was funded by a Hong Kong-based production company, shot in Mainland China and distributed by Sony. The actors and actresses come from many areas throughout the region of the greater China.[26] Conceivably, as economic contacts between Taiwan and Mainland China continue to expand, so do cultural relations. This also can be seen in that Taiwan's re-run historical soap operas and variety shows enjoyed popularity in China. Taiwan's pop star

---

[24] In May 2001, American mainstream newspapers and magazines have come to pay attention to the growing trend that Taiwan's subcontractors migrate to China. For example, *Time* magazine featured a report on the economic restructuring of Taiwan in the second issue coming out; *The New York Times* also featured two reports on Taiwan's PC maker's farming out production work to China.

[25] The coined word refers to the new sector facilitated by the wedding of telecommunication technologies with information and entertainment software.

[26] The film employed actors/actresses and crews from virtually every area of the Great China region. For instance, six characters in the major cast represented a politically-correct distribution. The details are as follows: Chow, Yun-Fat and Cheng, Pei-Pei (Jade Fox) are from Hong Kong. Chang-Chen (Lo) and Lung Sihung (Sir Te) are Taiwanese actors. Ziyi Zhang is from mainland China. Michelle Yeoh grew up in Malaysia and now is an American citizen. The film recruited many crews from China, where the film was shot, whereas the post-production was done in Hong Kong and Japan.

A-Mei [27]overwhelmed a sellout crowd of more than 50,000 people in Beijing, the first stop on her tour of China.

Despite the rapid economic integration of Taiwan and China, the two remain sharply at odds over the future of the island. Beijing regards it as a renegade province that must be unified with the Chinese mainland, by force if necessary. A series of political incidents escalated the cross-strait conflicts.[28] Whether Taiwan can be integrated into the

---

[27] A-Mei is the nickname of the Taiwanese female singer, Chang Huei-Mei. The nickname literally means "Hi, my sister".

[28] The political conflicts between Taiwan and China are numerous. A few critical incidents after 1996 are shown as follows:

Political Incidents	Note	Year
China's missile test in the strait of Taiwan	Beijing staged ballistic missile tests on watery target zones a few dozen miles off Taiwan's main seaports. These tests were launched to influence the result of Taiwan's presidential election in 1996. However, it did not work as Beijing's wish. Lee Teng-hui, the pro-independence president candidate, won in that election.	1996
Former president Lee's "special state-to-state relations" statement	In an interview, Lee Teng-hui, resisting pressure to forge closer ties with mainland China, says that Taiwan and China is a special state-to-state relation. Beijing was outraged.	1998
Chen Shui-bian's victory in the 2000 presidential election.	Despite harsh warnings from many mainland leaders, Chen Shui-bian, a pro-independence candidate nominated by DPP won Taiwan's presidential election.	2000
Former president Lee's visit to Japan, President Chen's visit to New York	Both former president Lee's visit to Osaka and president Chen's visit to New York drew protests from China, which views them as an advocate of Taiwan's independence. China was worried that Lee, who speaks Japanese, may use the visit to enhance Taiwan's international status.	2001

region as well as the international community remained contingent on the issue of the incompatibility between Taiwan and China.

The other issue of economic integration is raised by the phenomenon of technological and telecommunications convergence. This phenomenon was added to transform the landscape of the world system. As a result, the New International Division of Labor (NIDL) began to overlay the world system in the 1960s. In this sense, what are the elements that facilitated Taiwan and its significant others (China, Japan and the United States) to gain more "comparative advantage" over the others as the new production mode spread throughout the world? The rise of the Cuckoo's Nest, one of biggest animation production studio, seems to demonstrate a case that allows readers to explore the dynamic process of globalization.

The Economics of the Animation Industry

Since this study examines the animation industry in a global context and tries to explain its dynamic institutional process, I organize my analysis of the economics of animation according to four environmental conditions identified by Portor (1990). These four conditions are (1) factor conditions, (2) demands conditions, (3) firm strategies and (4) related and supporting industries (also called "the diamond of national advantage"). These four conditions function individually and interactively to determine whether a given industry will achieve international success. The advantages of categorizing my literature in this way are twofold. First, the media industry involves a complicated production, distribution and consumption system and it is difficult to conduct a study covering all

aspects. Portor's diamond analysis (Carveth, 1992; Kotabe, 2000) is considered comprehensive in that it offers a protocol that facilitates follow-up dialogue. Second, Portor's diamond analysis is applied in a later chapter as well; I initiate the analysis here at the beginning, which will help readers follow my argument throughout the study.

Factor Conditions

The term, factor condition, refers to the factors of production, such as skilled labor or infrastructure to compete in a given industry.

Production of animation is very time-consuming and labor intensive. It consists of three parts: pre-production, production, and post-production. The first part, pre-production, involves more creative work (e.g. creation of the storyline and character development). It deals with symbolic exchange and thus demands a sophisticated labor force. Production, the second part, is literally based on the labor-intensive drawing of pictures.[29] This part of production does not require a highly skilled labor force. Post-production deals with sound effects, editing, etc. It is similar to the post-production of a regular film. It requires not only skilled labor but also sophisticated technology and intensive capital. Extending from animation, the merchandising of animated characters is notable in this condition. It promotes, reinforces, and sustains the animated celebrities and generates enormous revenue for the core product.

The infrastructure demanded for the production of animation includes everything required for the production of a regular film. Recently, the competitive advantage in terms

[29] Animation as a form of film uses 24 frames a second. In principle, one minute of fully animated film needs 1440 frames or pictures.

of infrastructure gradually has come to depend on the ability to apply advanced software to create computer-assisted animation.[30] (Furness, 1998). Generally, the purchased programs have open structures that allow production studios to add proprietary software and become exclusive property of the company. Over time, a well-established company is able to accumulate the property and enjoy the "comparative advantage" over the new player.

The production nature of animation creates a strikingly high entry barrier for new players. Table 1 shows international animation production in 1993, which illustrates that the production is heavily concentrated in a few countries whose economies were strong enough to support the industry.

Table 2. 1
International animation production in 1993

	Total hours created	
	Short series	Features
USA	2,433	230
Canada	348	36
Japan	731	224
Europe	1,704	143
Korea	14	2
Taiwan	6	1
China	24	5
East Europe and the rest of Asia		10
Total	5,960	651

(Korean Trade Association, 1993; cited from Kie-Un Yu, 1998)

[30] One of the most important advantages is increased productivity. According to Steven Chadwick, manager of research and development for Nelvana, a Canadian production house, the use of computer software eliminates problems with dirt, cel flare (lighting that

Distinctions between "full animation" and "limited animation" can help to identify the strategies employed by animation companies to lower production cost[31]. Full animation employs constant movement with a minimum of cycles, while limited animation tends to utilize cycles or lacks movement to a great extent (Furniss, 1999). The cost of true full animation is much higher than limited animation since every drawing in a production is used only once.

In order to create a sense of motion, limited animation tends to include extensive camera movement. Additionally, sound effect, typically in the form of voice over narration or dialogue between characters, is widely employed to de-emphasize the visual effect. Aside from the use of narration, limited animation applies a variety of skills to reduce drawing. A few of them include: (1) quick action demands fewer frames to complete smooth movements, (2) covering a character's mouth (such as mask), or perhaps (3) turning the character's back to the viewer can significantly reduce the drawing.

Demand Conditions

A demand condition is defined as: the nature of market demand for an industry's product or service (Portor, 1990).

The demand for animation is related to the rise of made-for-TV animation in the 1950s. Historically, Disney has dominated animation production, which helped to

---

comes off the surface of the cels; and mis-ordered drawing). As a result, it has cut the studio's number one retake by 85 percent.

[31] The term, "limited", is ill-conceived because it suggests that something is missing, or is of a "limited quality". However, it should be noted that the term "limited" does not necessarily mean "bad animation". For example, United Productions of America was well-

naturalize the superiority of full animation. In the late 1950s, however, due to gradual acceptance of television, there was an industry-wide shift in the dominant mode of animation production in the United States. Since most TV companies were still hesitant to invest large sums of money in animation production, limited animation demanding lower budget became popular.

Japanese animated cartoons were being developed in the early 1960s when the world's animated cartoon industry was going through a serious economic crisis. Television production budgets were tightened and drawing twelve frames a second had become unaffordable. The Japanese *anime* invented another path to follow: that of being subjectivity. For example, in *Astro Boy*, the first made-for-TV Japanese animation which was created by Osamu Tezuka, the "historically most important animator in Japan" (Schodt, 1986), *Astro Boy*'s static terrified looks allowed the animator to recycle a frame again and again. In the first five minutes of *Graves of Fireflies* (Screenplay by and Director: Isao Takahata, 1988), a form of stream-of-consciousness interior monologue was employed. When the narrator's thoughts or comments were heard, a number of scenes were in fact either static or repeated. Approaching characters are often seen coming closer without any intermediate drawings. Many scholars and critics agree that the way Japanese animated cartoons are created not only saves time and work, but also has a very positive effect on the stories (Raffaelli, 1998).

In the 1990s, again, the demand for animated TV programming increased exponentially due to the emergence of thousands of new television and cable channels

---

known for its adoption of limited animation. It uses minimalist designs and garnered great critical acclaim.

driven by telecommunications deregulation and media liberalization (Lent, 1998). However, the increased number of channels and media liberalization alone does not create a market. The demand is also mediated by one key factor, the penetration rates of cable TV[32], VCR and the Internet in a given market since the content of animation is frequently carried either by film, by television, and more recently by computer. This indicator better determines how many people in a country have the potential to receive the animated programming.

The cost of animated programming greatly affects its demand for animated programs. According to Portor (1990), an industry might enjoy a competitive advantage due to lower costs resulting from large scale. This applies to animation too. For example, limited animation has advantages over full-animation. The off-network rerun animated programming has a cost advantage over syndicated programming. This explains why a great number of Taiwanese CATV channels carry Japanese re-run animated programs.

The institutional gatekeeping process plays another significant role in mediating the demand. For example, from the 1980s, Canada began to impose restrictions on U.S. media imports. Another example is that Taiwan banned Japanese programs until 1993.

Another factor affecting demand is GNP per captia or the dispensable income. It goes without saying that people who have little disposable income tend to be price-conscious. On the contrary, people from a strong economy tend to be quality conscious.

---

[32] In the era of media globalization, cable TV plays an increasingly important role since now almost all televised programs are eventually received through cable. Some successful films (e.g. *Pokemon*) do attract large audiences; nevertheless audiences have more chance to be exposed to cable TV than to movies. TV programs can be consumed on the everyday basis, animated movie cannot.

In the case of major animation industries, the United States has the highest GNP, while Japan has the largest GNP per captia. Generally speaking, the American economy has grown slowly since the 1990s. However, the Japanese economy has been declining ever since the burst of its asset-inflated bubble. Despite its internal debt problem, Japan remains the largest creditor nation in the world. While struggling in the post-bubble economy, many Japanese companies have accelerated their move toward their Pacific Rim global sourcing platform and marketing around the world (Kotabe, 2000). These strategies are based on Japan's regional ties with the rest of Asia, Australia, and increasingly the other part of Pacific Rim.

Although rare studies have been conducted to analyze the relationship between the consumption of animation spin-offs and disposable income empirically, it is widely believed that animation spin-offs are more likely heavily consumed in the places where people can afford them. The phenomenon can be evidenced by the Hello Kitty crazes taking place in major Asian economic hubs (e.g. Taiwan, Hong Kong and Singapore). In a single MacDonald's weekly promotion campaign, seven million Hello Kitty dolls were supplied in Taiwan. Similar crazes have occurred across several cities in Asia.

Related Supporting Industry

The third determinant of national advantage is the presence in the nation of related and supporting industries that are internationally competitive.

In terms of the related and supporting industries of animation, comics and film are two of the most important industries, and each is represented by a major player: Japan or the United States. Japan is particularly noteworthy in the sense that its comic book

industry constitutes nearly 50% of its total annual publication (Kinsella, 2000). In addition to its leading position in the electronics industry, several Japanese corporations have recently focused their attention on gaining greater equity interest in the software on which their products depend (Caveth, 1992). Along with these strongly related industries, the Japanese animation industry is very competitive. The success of animated production is assured through close ties with the country's massive comic book industry. It is often the case that after a comic book has been successfully serialized, typically it is sold as a paper series, then developed as an animated television series and then, if the success continues, made into an animated feature for theatrical release. The competitive advantages were also gained through the synergy effect among these different modes of media.[33]

While the other major dominating actor, the United States, also has a strong competitive advantage, it functions differently from Japan. Hollywood is the biggest entertainment industry in the world where some gigantic players create media synergic effects through ownership of a variety of media industries. Few people would challenge that Disney has a dominant power in the animation industry. The Walt Disney Company owns or has major investments in 10 U.S. television stations, Buena Vista Television, Walt Disney television, seven cable television channels (one cartoon channel: Disney), several record channels and theme parks. Horizontally, no player can compete with

---

[33] A Japanese TV broadcaster frequently formulates a strategy to take maximum advantage of previous success. Similar to Disney, Fuji Television's Media Complex extends to the "web" as well. (Fuji's Japanese site ranked first in popularity in Japan within the media category in 2000) However, unlike Disney and Time Warner, companies seem to develop only animation related products, some successful Japanese animation companies expand their animation into other product lines such as trendy drama and video games (as was the case with *GTO, Tokyo love story*). Since some characters in animation had became so well known, they later would possibly feature video game.

Disney. Vertically, Disney dominates the production and distribution of animation. Although non-Disney animation companies (e.g. United Production of America (UPA), Warner, independent animators) might produce decent animation, their works are far less likely to be seen in the theater outlets or to be aired by TV channels. Throughout the years, Disney also gained its dominance through the merchandizing of its products. For example, *Toy Story* has spun off $400 million in profits. The goods simultaneously reinforced "brand" identification, as a result another thirst for *Toy Story* was created.

It is worth remembering that information technology plays an increasingly important role in the comparative advantage of the animation industry. For example, technological advancement (e.g. the increased band-width in transferring data) has made the personal computer a prominent distribution channel for animation. However, despite its seeming significance, this newly established distribution channel is only enjoyed by the people from the countries with high Internet penetration and sophisticated information technology.

Firm Strategy, Structure, and Rivalry

According to Portor, this determinant refers to the conditions governing how companies are created, organized, and managed. The first prominent force, in most liberalized markets, is competition. Animation companies can gain competitive advantage through many strategies following free market rule, including merging, acquisitions, and strategic alliance.

Generally speaking, multi-national media corporations (e.g. Disney, Time Warner) are both vertically and horizontally integrated so they have the best control of production and distribution. In terms of animation production, outsourcing is a commonly applied method for reducing costs, thus increasing competitive advantages. It usually has two stages. Initially, subsidiaries are set up for production purposes, but gradually, independent foreign suppliers take over component production.

Unionization contributes toward the greatly increased price of creating animation. In the 1940s, the American animation industry was feeling the effects of higher cost. The relationship between producers and animators has long been tense ever since. In 1982, as a result of a strike in the United States, and the union tried to enforce the clause that stipulated that a $200,000 fine be levied against Hanna-Barbera for using South Korean and Taiwanese labor. The studio, however, was not deterred, and continued sending two thirds of its work to those countries (Lent, 1998). Outsourcing, as a strategy widely used by American business, continues to receive an increasing amount of attention in the sense that it not only affects domestic employment and economic structure but also sometimes raises ethical issues (Kotabe, 2000). The development of Wang is a good example.

Additionally, aside from the specific regulations discussed above governing the media industry, government's national plans greatly affect the structure of the animation industry. For example, the Korean government has been making a serious effort to build the infrastructure of the animation industry (Yu, 1998). In a national construction plan, animation production is highlighted as becoming in the center of "Techo Park Complexes".

After an examination of Portor's four conditions, one can deduce some economic qualities of the animation industry. Here are a few that form the basis of later chapters: (1) production in the animation industry has dual characteristics (Part of the production demands heavy capital, while part of it demands intensive labor); (2) few gigantic players in the industry create a strikingly high entry barrier; (3) ongoing technological innovation reduces the cost of the animation production, and in most cases, the labor-intensive part of production is more likely to be replaced by technological advancement; (4) the demand for animated programming has increased rapidly, one of the most important catalysts being the growing rate of cable TV penetration; and (5) the media's increased demand for animated programming not only stimulates the consumption of animation *per se*, but also facilitates a booming demand for animation-related products. Despite some possible variation in process, these five characteristics govern all countries in the world. Taiwanese animation industry is no exception. Since the American and Japanese animation industries are two of the most dominant players in the world, this work, as seen in Figure 2.1, 2.2, 2.3, singles out the figure of the comparative advantages of the animation industry for both countries.

Figure 2.1 National comparative advantage: Animation industry (Japan)

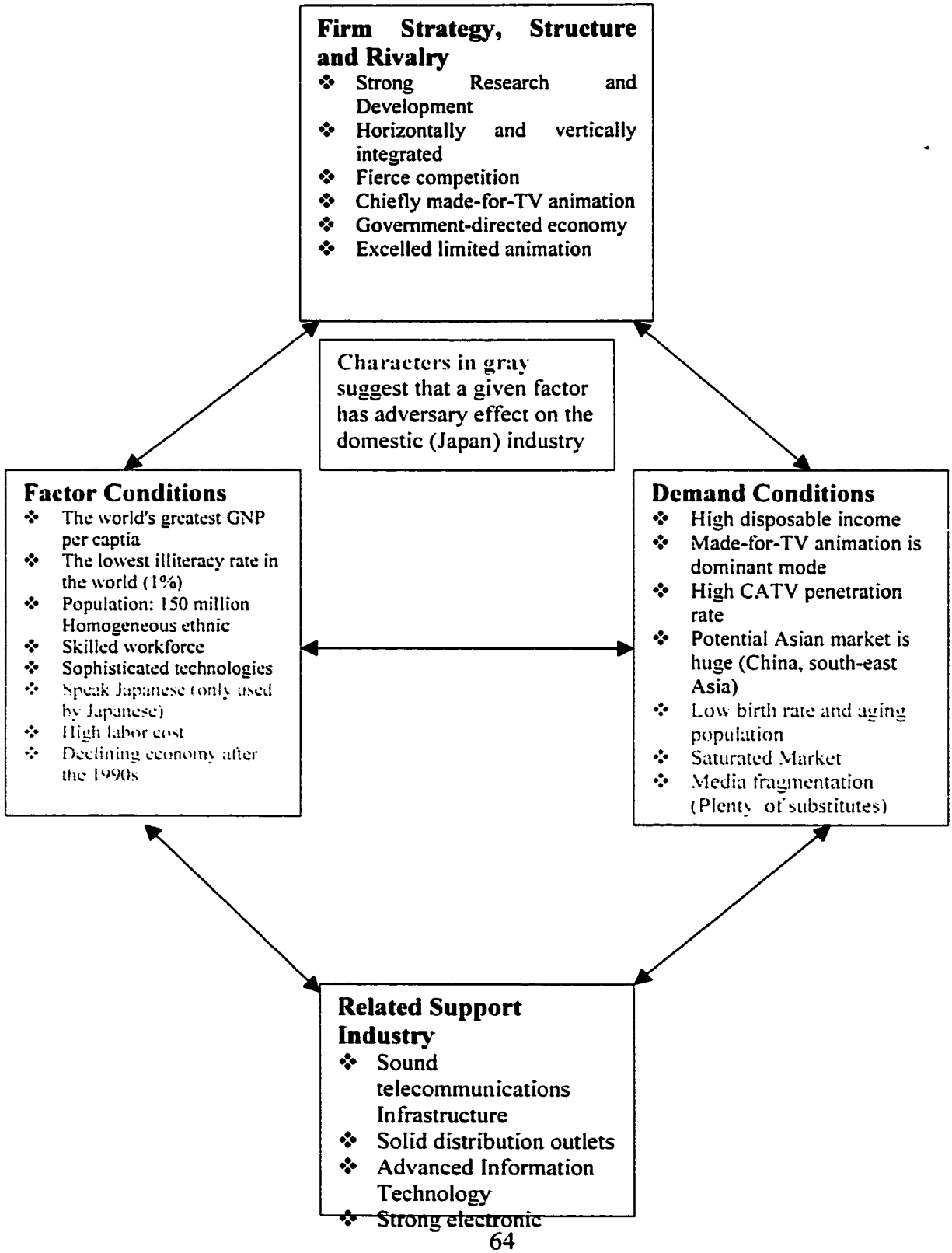


Figure 2.2. National comparative advantage: Animation industry (The United States of America)

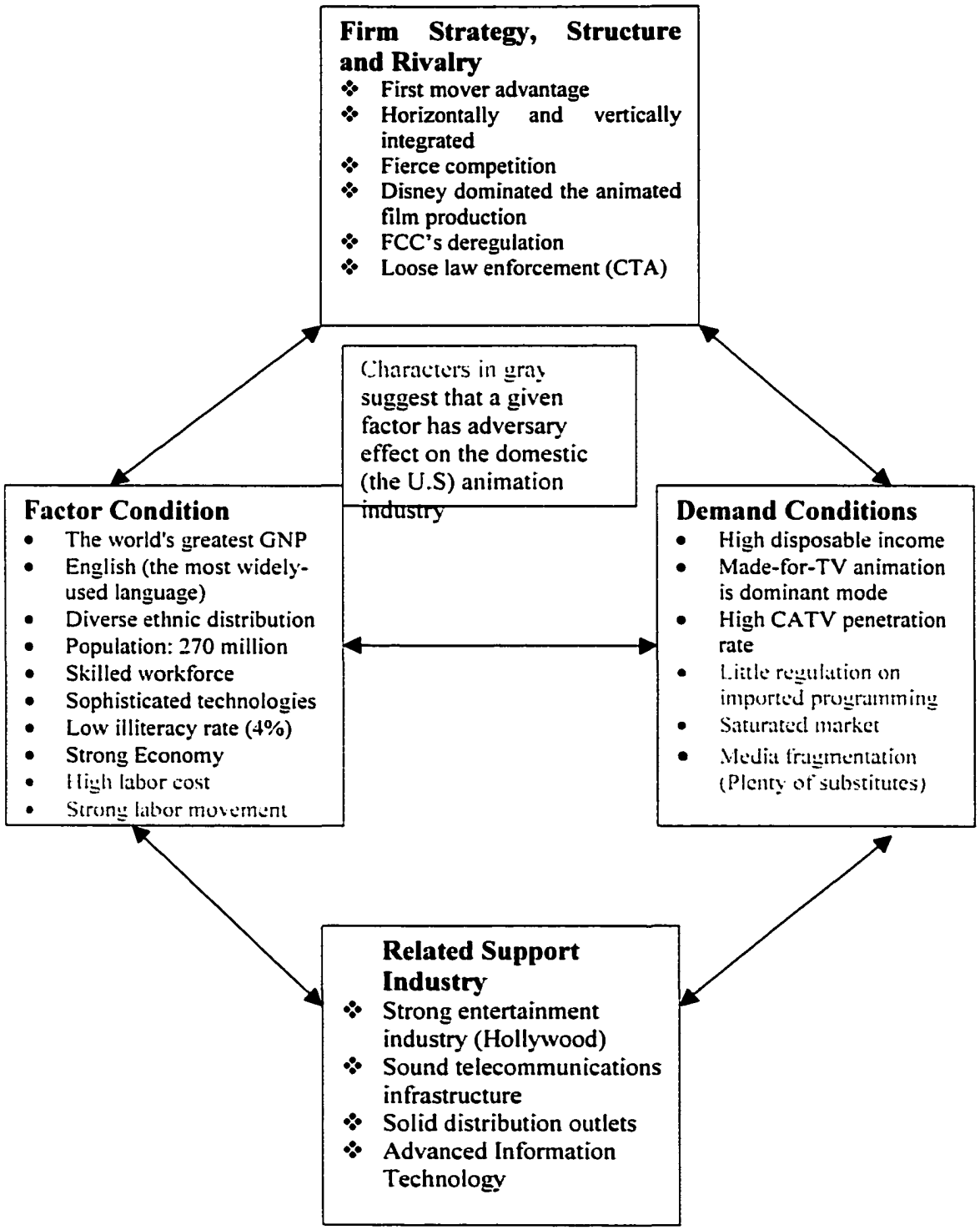


Figure 2.3 Industry structure analysis — Global animation industry

Barriers to Entry (High Leverage)

1. Capital costs-startups in foreign markets
2. Negotiating local regulations
3. Number and strength of competitors
4. Reputation of competitors

Potential Entrants (Low Leverage)

1. Backward integration (vertical)
2. Independent animators
3. Foreign firms

Customers (High Leverage)

1. Children
2. Adults
3. TV programming
4. Theaters
5. Video Rental

Existing Rivals/Competitors (H)

1. Walter Disney
2. Times & Warner
3. MGM
4. Hanna-Barbera
5. UPA
6. Film Roman studio (Simpsons)
7. Zuiyo
8. Japanese animation studios
9. Korean animation studios
10. Australian animation studios
11. Taiwan animation studios

Barriers to Exit (Middle Leverage)

1. Capital invested
2. Joint venture agreements
3. Stockholders
4. Contracts/lease agreements

Substitute Products/Services (Middle)

1. Comic Books
2. Non-animation Movies
3. Video games
4. Opera; concert (high culture)

CHAPTER 3
THE PRODUCTION OF THE ANIMATION INDUSTRY IN TAIWAN

Introduction

Since the Japanese animation industry helped set up Eigin[1], the first Taiwanese animation studio, in 1970, Taiwanese animation production has been structured by the needs of overseas clients, not the demands of a domestic market. Through the production of overseas outsourced animation, the industry grew rapidly. In the 1970s, the Taiwanese animation industry became one of the major suppliers for Japanese made-for-TV animation. However, beginning with the establishment of the Cuckoo's Nest and until the 1990s, the animation industry was transformed into the outsourcing production center for Hollywood. Since labor costs escalated in the 1990s, the Taiwanese animation studios have been farming out the outsourced work from Hollywood to China or South East Asia.

The development of the Taiwanese animation industry is a historical relic of the international division of labor intermediated by two chief actors, which are transnational corporations (TNCs) and the state. Based on this premise, the first section of this chapter looks at the historical development of the Taiwanese animation industry in light of the roles that the transnational corporations and the Taiwanese government played. Attention is paid to the analysis of how the production of Taiwanese domestic and overseas subcontracted animation cross-fertilize or impair one another. The second section of this chapter examines the development of the Taiwanese animation industry after the 1990s, with a focus on how the advent of digital technologies is reshaping the

position of the Taiwanese animation industry in the global age. The third section of this chapter also explores the impact of digital technologies, but adopts different approaches. Based on my interviews with various Taiwanese animation workers, the third section investigates the transition of the employment market. Finally, since new technologies evolve rapidly, the final section of this chapter is devoted to developments arising after 2000 such as the merging between the Internet technology and production of animation. It discusses the rise of Flash technology, an online animation plug-in software, and its influence on the Taiwanese animation industry.

The Historical Development of Taiwanese Animation Industry

The Milestones of Historical Development[2]

The documentation regarding Taiwanese animation before 1980 is extremely scarce[3], according to Yu Wei-Cheng, the Dean of Animation Art Department of National Tainan Art Institute, and an animation director from 1980 to 2000 for Cuckoo's Nest. *Wu-Soong Beats Tigers*, was the first Taiwanese animation. The animated film runs approximately ten minutes. It was produced in 1954 by Kuei Brothers, members of the first class of graduates from Taiwan Art Institute. After the

---

[1] Eigin means "shadowed man" in Japanese. Its Chinese translation is pronounced as Ying-Jern. My writing adopts the Japanese original name since it is used more often by my interviewees.

[2] The milestones are summarized in the Appendix C.

[3] Publications regarding the historical development of Taiwanese animation industry, both in Chinese and English, are very scant. The writing of the development before 1980 particularly suffers from a lack of reliable sources. The data in this section are chiefly based on two sources: (1) the interviews with two scholars, Wei-Cheng Yu and Tom Hong, and several animators (See Appendix III for detailed information regarding the interviewees' personal information and the summaries of interviews); (2) The Chinese publication authored by Tsai-Tsing Lee, "The development of the Taiwanese animation industry" (see bibliography for details)

completion of the animation, they were in serious debt and decided to put their careers in the production of commercial films.

In the cold war era, Taiwan constituted one of the most important regions in the American government's Pacific Rim Defense Project. According to the project, many college graduates were heavily subsidized by the American government to study in the United States. Jei-Shio Chao, Huei-Ming Luo and Hsing-Kuei Chen were three among the many Taiwanese who were granted scholarships in the late 1950s (Yu, 2001). These individuals were crucial to the development of the Taiwanese industry in the early days because they were the first group to acquire the skills necessary in animation production.

Chao had worked for a few Hollywood animation studios before he came back to Taiwan in the late 1960s. Enchanted by American-produced animation, notably Disney animation, he continued to produce animation, chiefly Public Service Announcement projects, for the Taiwanese government. Two of his animation projects, entitled *The Letters from Uncle Stone* and *The Race between a Turtle and a Rabbit*, were broadcast by the Taiwan Television channel (TTV). The production quality of the latter was touted as "comparable to Disney's". The praise from the Taiwanese media might be exaggerating, according to Hong, a comics historian. Notwithstanding this, Chao's work boosted the confidence of prospective Taiwanese animators (Hong, 2001).

With a long-standing interest in animation production, Chao set up Jer-Shio (Chao's first name) Fine Art Production House in 1970 (Yu, 2001). It was an art studio that produced artwork in various forms, wishing to integrate the work into some ambitious animated projects. In fact, the studio was designed ultimately to evolve into an animation studio. The establishment of Jer-Shio is historically significant for its attempts in introducing the American animation production system, including the

production facility and the organization of teamwork, into Taiwan. Many Taiwanese well-known filmmakers joined the studio (Lee, 1997). However, Chao's ambition was disrupted as a result of insufficient capital. The studio was closed, and he later emigrated to the U.S.

Chen and Luo, two other key animators mentioned earlier, have undertaken different paths in introducing the skills of animation production into Taiwan. Since they grew up in the Japanese colonial era and were both fluent in Japanese, after graduating from American universities, they chose to work in Japan: Chen joined Toei as an inbetweener, Luo worked for a Japanese advertising company (Yu, 2001).

The flourishing of Japanese animation partially resulted from the rise of television as a mass medium in the 1960s. The proliferating time slots boosted an unprecedentedly strong demand that the domestic animation studio could hardly supply in a timely manner. Moreover, the skyrocketing labor cost in the late 1960s made a sufficient supply of animation programs more difficult. Under these pressures, Japanese studios chose to go regional. Taiwan became the first destination for many reasons (Yu, 2001). To begin with, the personnel network formed through several Taiwanese animation workers in Japan made Taiwan more ready for a subsidiary than anywhere else. Second, equally important, Taiwan was one among very few countries in the world that had a large Japanese-speaking population in the 1970s due to its past colonial experience. The minimal language barrier enabled the directors and key animators from the Japanese studios to communicate with Taiwanese workers easily (Yu, 2001).

In 1970, Chen and a few Taiwanese nationals who had worked for the Japanese advertising industry helped transform Eigin advertising[4] production studio into Eigin cartoon production studio (Lee, 1997). With a tight connection with Toei animation studio and Tokyo Movie Studio, Eigin became the first Taiwanese animation studio that produced outsourced animation for foreign clients. The founding of Eigin quickly attracted approximately 60 "unemployed" Taiwanese cartoonists who had quit drawing comics in protest against the censorship policy of the Taiwanese government, accusing the government's campaign, "Cleaning-up Our Comics", of having a double-standard (Yu, 2001). Since most of these former comic artists grew up speaking Japanese, the training was conducted in Japanese. Several of Toei's animators from Japan came to Taiwan to supervise these Taiwanese cartoonists in Eigin.

However, the labor unrest soon became salient as Eigin paid its cartoonists as temporary workers, at extremely low hourly rates. On the Eigin side, the poor hourly wage was well justified since (1) the company offered unprecedented training that these unemployed workers could not receive otherwise, (2) the demand from the Japanese clients fluctuated, and (3) it would take many years to win the trust of clients, and the beginning would be particularly tough (Yu, 2001).

The incongruent perception toward the nature of the work heated up the cartoonists' anguish toward Eigin. They felt exploited – first of all, they were overworked. Second, they suspected that Eigin was making good profits but the company treated them maliciously (Yu, 2001). The situation was exacerbated and turned out to be uncontrollable for Eigin because the workers spoke fluent Japanese and built up their own connections with Japanese clients and animators, circumventing

[4] At the beginning, the studio applied "advertising production studio" as its name because it chiefly produced advertising animated commercials. However, the studio

Eigen altogether (Yu, 2001; Chang, 2001, 2002). Some of the cartoonists duplicated what Eigin did and lured the Japanese clients to their own studios.

Eigin went out of business in 1972 due to the labor upheaval. Despite its ephemeral existence, Eigin produced several well-known animated TV programs for Tokyo Movie Studio. Two well-known programs are entitled *The Baseball Giant* and *Magic Volleyball Team* (Lee, 1997). The former program is the biographical story of Cheng-Chi Wang[5] (Japanese Name: Oh Sadaharu), a Taiwanese baseball player, who joined the *Giants* (Japanese Name: Kyojin), a Japanese professional baseball team, and became extremely popular in the 1960s.

The fall of Eigin did not manifest itself in a chilling effect on the production of animation. On the contrary, the former Eigin's employees formed their own network and subsequently set up their own studios. According to Yu Wei-Cheng, numerous studios emerged between 1972, when Eigin was closed, and 1978, when the Cuckoo's Nest was founded. Most of them were small-sized and did not last long (Yu, 2001). Each studio specialized in a specific work in the production process of animation and cooperated with one another to complete a large project. Although some of these animation studios still worked for Japanese clients, the others increasingly focused on local demand, chiefly animated commercials and educational projects. It is usually the case that the studios were formed temporarily for a large animated project and closed when the project was completed.

---

was transformed into the Japanese offshore animation studio in short order.

[5] Over the past three decades, numerous publishers were caught up by Cheng-Chi Wang's (Japanese Name: Oh Sadaharu) success as a professional baseball player. His biography is still widely sold in various formats – book, comics, animation and even baseball video games. Notably, in 2000, he was selected as the "100 Japanese who made history in the 20th century". Of 100 people selected, he was the only immigrant.

From 1972 to 1978, Shun-Shun and Long-Zu (Tatsunoko) animation studios were relatively well-known studios that continued to produce animation for Japanese clients. Shun Shun has worked for a few TV animated programs, for instance, *Heidi* and *Gatchaman* (*G-Force*), both of which turned out to be remarkable successes in the international television market.

Several studios catered to local demands instead of overseas. To sum up, the local demands can be represented by three types of clients for various purposes. First, since Japanese animated programs gained popularity in the 1970s, the Taiwanese local advertisers increasingly recognized the potential persuasive power of animation. Therefore, advertisers started to seek studios to work for their commercials. Second, aware of animation as an educational tool, the government started to heavily incorporate animation in respective educational projects. Third, with the rise of Taiwanese patriotism in the 1970s[6], some animators promulgated the creation of indigenous art by setting up studios in an attempt to rectify the production environment impaired by the proliferation of Japanese animation.

The first type of production studios usually assumed names such as, "advertising production house", rather than "animation studio". These advertising production houses were often horizontally integrated with advertising agencies and their advertisers. For instance, it was common for a Taiwanese candy company to form an advertising agency and an animation production house in the 1970s. At the beginning, the animated commercials were generally tailor-made for the time slots of cartoons aired from 5 until 7 p.m.[7]. The products that the advertisers tried to sell were monotonously kid's products (e.g. candy, cookies, and toys). However, the demand for

[6] See next section in this chapter: government policies for details.
[7] See next chapter for details concerning cartoon programming.

animated commercials escalated rapidly. The types of products were increasingly diverse, ranging from personal hygiene products (e.g. embarrassment products), to electronic products (e.g. radios, refrigerators) and to luxury items (e.g. real estate).

In response to the popularity of animated programs, the Taiwanese government started to recognize "animation" as an effective communication art form. Numerous governmental educational projects were assigned to the cartoon production studios. The company operated by Mu-Tsuen Huang, a follower of Chao, has heavily worked for these types of projects, including the series of familial plans (two children suggested, regardless of gender) in the 1970s and birth control.

In 1972, China Cartoon Company was founded by Dong Yo-Li with a commitment to promoting indigenous animation. A number of its work were aired on television, but none succeeded. In 1974, Nang-Hai Feature Movie Production Company, headquartered in Hong Kong, invested lavishly in Dong's proposal. In the following year, the feature animation, *Fong Sheng Bong,* was made and became the first Taiwanese feature domestically made. *Fong Sheng Bong* was adapted from a well-known Chinese fable and was carried by theaters throughout Taiwan. However, its failure severely discouraged local movie theaters from carrying indigenous cartoon features.

Despite a few failures, Dong continued to propose ambitious projects. In light of the rising popularity of Kung-Fu movies in the United States in the 1970s, Dong proposed several animation production projects (e.g. *The biography of Bruce Lee*) to the producers in Hollywood. American producers accepted some, but Dong did not complete them due to the subsequent withdrawal of funding from American producers.

The Taiwanese animation industry encompassed a large number of small-sized animation studios until the establishment of Cuckoo's Nest in 1978. With help from

Hanna Barbera, James (Chung-Yuan) Wang set up the Cuckoo's Nest in Taipei (The Cuckoo's Nest brochure, 2001). The Cuckoo's Nest quickly attracted many animators who previously worked for Japanese outsourced animated projects, and famous Taiwanese young cartoonists. There are several reasons for this; the key is that unlike the small-sized animation studios, the Cuckoo's Nest guaranteed employment security and paid its workers comparatively well. Having worked for several American studios in Hollywood, Wang established strong ties with these studios and was able to acquire the American outsourced animation projects in a less fluctuating manner.

The establishment of the Cuckoo's Nest entirely changed the landscape of the Taiwanese animation industry. The following section will be devoted to analyzing this transition. This subsequent analysis in this section will focus on the other significant historical events overshadowed by the founding of the Cuckoo's Nest after 1978.

Shortly after the Taiwanese government abandoned the aforementioned censorship system in the 1980s, the comic industry began to thrive and a larger number of Taiwanese cartoonists became quite popular. These cartoonists were motivated by their success in comic books and subsequently involved in producing their own animation, usually as scriptwriters or storyboard painters. For instance, the script of feature animation *Uncle Niu* (cow) was written by Uncle Niu, a famous Taiwanese cartoonist who quit drawing comics in the 1970s. *Lao-Fu-Zi*, also one of the famous Taiwanese comics created by Jer Wang, was adapted by Far Eastern Cartoon Company to produce an animation feature film. Directed by the famous Taiwanese cartoonist, Ching-Chung Tsai, *Lao-Fu-Zi* won success in terms of the box office. It was probably the only real commercial success throughout the thirty years of the development of the Taiwanese animation production.

In terms of made-for-TV animation, *Hsiao-Ping and Hsiao-Ang* is probably the first and the only domestically made animated series. The series encompasses thirteen episodes, and was broadcast on the China Television Service (CTS) in 1982. The animated series, designed to promote traffic safety was produced by I-Dien, a nonprofit Christian organization established to help the handicapped. There were times that Taiwanese TV stations attempted to produce animated programs, but their projects were never carried out. According to Wen-Ching Wang, a programming director for the Taiwan Television Company, domestic production costs at least five times as much as the Japanese imported animation. Obviously, a Taiwanese TV station is unlikely to invest in domestic production under these circumstances.

After the 1980s, the trends of the production of indigenous feature animated films can be summarized as follows: (1) a myriad of production proposals were put forth by a number of Taiwanese cartoonists, but most were not funded, (2) of those that were funded, the projects were not completed, (3) those that were funded and completed, were not distributed, (4) several were completed and carried by the movie theaters, but they fairly poorly in the box office. It is difficult to trace the former three categories. Two animation projects, *Tsang Sho A Kuan* (1994) and *Grandma and Ghost* (2000), fall into the fourth category.

Government Policies

In reviewing various regulations concerning the communications industry, there is no law specifically addressing the animation industry. However, some regulations governing other industries have heavily affected the development of the Taiwanese animation industry. This section focuses on discussion of these policies.

First of all, the Government Information Office (GIO) is the only Taiwanese media regulatory unit. GIO regulation focuses on (1) the distribution of different formats of media (e.g. film, TV, radio, and newspaper), (2) the content. It is clear that the GIO's media policies would impact the Taiwanese animation industry. This is somewhat true in the sense that the GIO affects the acquisition of programs for media institutions. For instance, the local animation industry might have flourished more if the GIO had done as the Korean government had, and imposed a 30 percent quota restriction on television channel operators with respect to Japanese imported animation (Yu, 1999). Although this subject is equally important when we discuss the government's policy, this type of regulation is not directed to the production of animation *per se*. It is more related to the distribution of animation, and this study will analyze this subject in the next chapter on the consumption of animation in Taiwan.

Most of the interviewees in this study had the same comment on the GIO: the GIO was and is still indifferent to the Taiwanese animation industry, although its policies did affect the development over the past three decades. This attitude toward the animation industry was also substantiated by these interviews in August 2001 with three officers from different divisions of the GIO. When asked how they think of the Taiwanese animation industry, they answered - "Sir, you've asked the wrong person, this is none of our business!"

Despite the indifference, the inclusion of animation as one of the categories in the *Golden Harvest Award* in 1982 boosted the indigenous production of animation significantly. This was particularly true for young amateurs, mostly college students, with extremely low budgets, who were able to build up their presence through the *Golden Harvest Award.*

Inspired by the French and German *New Wave Movement* in the 1960s, the GIO founded the *Golden Harvest Award* in 1978 to promote the local production of non-commercial and independently made films or video projects. Another key reason for the founding was political. In the 1970s, the Chinese Nationalist government was gradually losing its worldwide recognition after the expulsion of Taiwan (Republic of China) as a charter member of the United Nations. The frustration reached its peak in 1979 when the U.S. broke diplomatic relations with Taiwan and formed diplomatic relations with the People's Republic of China. The number of the countries that have diplomatic relations with Taiwan shrank from 100 to fewer than 30. Given the hostile political environment, the Taiwanese patriotism was provoked in response to Taiwan's increasingly isolated status in the international arena.

The patriotism was partially mediated by the GIO's new media policies, under which, foreign imported cultural products, chiefly American and Japanese, were discouraged, and indigenous artwork was promoted. The GIO started to look inward and became caught up with the idea of supporting local filmmaking.

In 1978, The *Golden Harvest Award* was founded to boost local filmmaking. Since its establishment, the *Golden Harvest Award* has become one of the most important test-beds for Taiwanese independent filmmakers. Over the past 24 years, several filmmakers receiving the awards have turned out to be internationally acclaimed filmmakers. Ang Lee, as the 1983's Golden Harvest best narrative film winner, is one example.

Animation was included as a category in the *Golden Harvest* awards in 1982 and quickly became one among three categories[8] (Lee, 1997). Since then, there is always one first-placed prize (the best), and at least three second-placed prizes (excellence) awarded to animation projects. The *Golden Harvest Award* quickly became the chief, and probably only, method for local animators to procure funding, according to C. Jay Shih, an associate professor of the Department of Radio, TV and Film at Shih-Hsing University.

Since one of *Golden Harvest's* most important purposes was to make the talented but under-funded filmmaker visible, it has avoided making awards to acclaimed filmmakers. For example, the chief animators in the Cuckoo's Nest were dissuaded from participating. As a six-time winner, Shih has refrained from further participating in the award in order to "let new people grow, and let new artwork bloom." Indeed, the animation category of the Golden Harvest has awarded prizes for artwork from the same animators many times. C. Jay Shih, Wen-Ching Wang and Cheng-Bing Chuang, three of the interviewees in this study, are familiar names shown on the list of winners. Since the award was virtually the only tangible outlet that younger animators could access, this repetition among winners has *de facto* violated the fundamental principles of the award. In the eyes of young animators, the committee should make the rules more explicitly favor as yet recognized animators and exclude these acclaimed animators from further participation.

However, the acclaimed animators do not share this perspective. When asked why they continue to enter the same contest, they shrugged their shoulders, saying that

[8] According to the chronological list of the awarded filmmakers, documentary and narrative were the two original categories for the *Golden Harvest Award*. In 1982, experimental and animation were added as two new categories.

they never intended to preempt the awards, but that their animation projects simply have no venue for acclaimation. "Making non-commercial alternative animation is the loneliest journey that human beings could ever have. No matter how great your work is, how much credit you have earned, you never get funded," Shih explained.

Shih's comments regarding the difficulty of procuring funding were shared by virtually all of the independent animators interviewed. The limited funding for animation production has forced the independent animators to follow a similar pattern of career development: they start producing animation in college, win prizes from the Golden Harvest Award, and then seek funding through earnings from other jobs. They often teach in small colleges and continue to work on their own projects. It is also common for them to settle in other media industries, chiefly in advertising production studios.

According to Hsiao-Mei Kao[9], the chair of the Exhibition Division of Taipei Film Archive[10] who has helped organize the *Golden Harvest Award* for more than 10 years, there are three additional government-sponsored sources from which Taiwanese animators might secure funding (Kao, 2001). First, the Financial Fund for Indigenous Film Production of the GIO is a potential source, but one frequently ignored by Taiwanese animators. Second, established in 1995 by the Taipei city government, the *Taipei Film Festival* allocates financial support for independent animation production projects. Third, the annual *Golden Horse Award* also includes animation as a category.

---

[9] Based on the author's interview with Kao in 2001. See Appendix III for detailed information regarding Kao's biography and interview summaries.

[10] The Taipei Film Archive is operated as a not-for-profit organization, and is funded and administered by the GIO. The Golden Harvest Festival is organized and executed by the Taipei Film Archive.

However, the notion of receiving funding from the above three sources was immediately rejected by the interviewees in this study. The direct problem was that these local film festivals sponsored only large feature film productions, 90 minutes in length, in anticipation that these sponsored films would be released and ultimately awarded prizes by other major film festivals overseas. Given this, animation is financially undesirable as compared to other genres because in terms of minimum costs, animated feature film production is generally far more expensive than non-animated narrative film. It is possible to produce a narrative feature film dependent entirely upon $300,000 from the Financial Funds for Indigenous Film Production. However, it would be impossible to produce an animated feature film on that budget.

To sum up, the GIO has not made much effort in boosting local animation production throughout 30 years of the development of Taiwanese animation. Although the GIO sponsors local film production through several film festivals, animation projects are usually marginalized.

Software Industry Five-Year Development Project

Government policies, chiefly made by the Economic Department under the Executive Yuan, have heavily influenced Taiwanese industrial development. The animation industry is no exception. In accordance with the mega national development plan, the Economic Department makes policies to support some industries by various means such as tax-cuts or subsidies, and to de-emphasize support for other industries. Accordingly, a thorough understanding of which category applied to animation production within the framework of national development is crucial to the analysis of the historical development of the animation industry in Taiwan.

Since the 1970s, Taiwanese industrial policies can be summarized as (1) to expedite the transformation of manufacturing industries, and (2) to promote technology-intensive and high value-added industries (e.g. Information Technology). This can be evidenced by the fact that the Taiwanese economy has successfully shifted its focus from manufacturing to information industries over the past three decades. For instance, Taiwan has been the world's third-largest computer hardware supplier since 1995, trailing only the United States and Japan (GIO official site, 2002).

In relating these policies to the animation industry, animation production was never considered crucial to the national industrial development in the 1970s or 1980s. There were strikes, rivalries and competitions occuring in the animation industry, as indicated earlier in this chapter, and the Taiwanese government did not intervene. There was no favorable tax-cut policy or subsidy applied to the industry. This seems to suggest that the animation industry was regarded as labor-intensive and of low value status through the lens of the government.

However, since the early 1990s, the heavy application of computer software in the production of animation has changed the government's perception toward the industry. As compared to the development of IT hardware industry, the development of the software industry was sluggish. Since Taiwan was becoming one of the largest IT hardware producers in the early 1990s, the government believed that an equally thriving software industry would mutually fertilize the hardware. This belief propelled several government initiatives in the 1990s.

The Software Industry's Five-Year Development Project was launched in 1999, subsequent to some initiatives in the early 1990s, to boost the industry. Under this project, animation companies are included in the category of multimedia companies, which the government would heavily subsidize. The government's support

for the industry includes five main areas: product development, technology development, personnel training, development environment and integration, and the establishment of Nankang Software Park (Taiwan government official site).

Generally speaking, the chief beneficiaries of the project are the computer game and computer animation industry. The Cuckoo's Nest, Animated (The Cuckoo's Nest's subsidiary), CG, Lida and Tachi are the players of computer animation producers that received subsidies and enjoyed tax-cuts (Software Century, 2001). According to many interviewees from these companies, this project is believed to be establishing a firm foundation for the long-term development of the software industry in Taiwan. However, on the other hand, this policy has left traditional animation production little room for survival, and forced most of the animation studios incapable of incorporating technology heavily into their production to go bankrupt or leave for other countries.

The Development of the Cuckoo's Nest

The Rise of the Cuckoo's Nest

In the 1970s, Americans started turning increasingly to outsourcing of components and finished products from abroad, particularly from newly industrialized countries (NICs). Having evolved under the pressures of oligopolistic competition and the falling rates of profit in the United States, transnational capital has reorganized the world economy toward a more globally integrated task-segmented system of production, what is now commonly referred to as the new international division of labor (NIDL). In the 1980s, the NIDL was facilitated by deregulation of freight

hauling. Consequently, the airlines, telephony, and computer industries have been able to create wider competitive and spatial control options (Sussman, 1998).

Paralleling the historical development of NIDL, the animation industry was created. Hollywood's first offshore animation studio was constructed in Japan in the 1960s. Shortly after, many of Hollywood's animation studios started to farm out their production work to Taiwan, South Korea and the Philippines[11]. Similar to many industries, animation production is based on a new international division of labor. In this new labor division, while sharing a single production platform, the locations where the production work is carried out are dispersed into segmented zones of industrial, semi-industrial, and third world societies.

The development of the Cuckoo's Nest can exemplify the process described above. The Cuckoo's Nest[12] was first established by James (Chung-Yang) Wang in 1978 with help from Hanna Barbera. In less than a decade, it grew from a basement studio into two multistoried complexes. It increased its output of 17 cartoon episodes to more than 200 in the 1980s (Lent, 1998), making Taiwan the largest producer of animation in the early 1990s. Given these facts, however, the animation industry in Taiwan was, and is, founded in a dependent position within the subcontracting environment. It relies heavily on the pre and post-production skills of the client countries in the first world, such as the United States (Hollywood).

---

[11] For information on the historical development of Hollywood offshore animation studios, see John A. Lent "The animation industry and its offshore factories", In Global Productions: labor in the making of the "information society." Gerry Sussman and John A. Lent (Eds.). Cresskill NJ: Hampton, p239-254

[12] The Cuckoo's Nest is also known as the Wang Film Production Inc. Its Chinese name is Hong-Kuan, "Hong" literally means huge and "Kuan" means broad.

The creation of the Cuckoo's Nest has had a strong impact on the Taiwanese animation industry. In the 1970s, the clients of Taiwanese animation production companies were mainly Japanese. However, shortly after the founding of the Cuckoo's Nest, Taiwan was transformed from the chief producer of Japanese made-for-TV animation into a production center for Hollywood. The Cuckoo's Nest strategically lured the animators from the other small-sized studios and monopolized the Taiwanese animation production industry.

Since the late 1980s the production process of animation has been greatly affected by the process of creating images with computer software generally referred to as "digitalization". The advantages of using computer software are numerous, but among the most important is "increased productivity" (Furniss, 2000). For instance, it has cut the number of retakes of Nelvana, a Canadian animation studio, by 85 percent (Chadwick, 1996). However, due to different degrees of capacity, and of technological sophistication, not every animation studio enjoys the benefits of digitalization.

As labor costs escalated in Taiwan in the late 1980s, the Cuckoo's Nest managed to move upward from an initially marginalized position, chiefly by the introduction of digital technology and by extending the company's production line to Thailand, Indonesia and China. In the early 1990s, the Cuckoo's Nest became the largest cartoon outsourcing producer in the world[13]. Then many new studios were established in Asia, particularly in South Korea and China, and the production market underwent some restructuring. The market share of animation production has become increasingly fragmented since; with the rise of many Korean and Chinese animation studios, the Cuckoo's Nest's share of animation production dropped drastically.

Nevertheless, according to a survey conducted by the Financial Times in 2000, the Cuckoo's Nest was still one of the largest outsourcing animation studios (The Cuckoo's Nest Inc. Financial Report, 2001).

The main purpose of the following section is to understand how the trends of technological advancement have restructured the NIDL and the core-periphery hierarchy in the 1990's through the development of the Cuckoo's Nest.

The section intends to answer the questions raised in the earlier chapter: has the Cuckoo's Nest acquired sophisticated technology and reduced labor-intensive work over the years? How did digitalization affect the development of the Cuckoo's Nest in the 1990s? Where are the qualities of the Cuckoo's Nest's production work located in the central-peripheral continuum?

In order to answer the above questions, this study analyzed (A) the changes of the makeup of the labor force in the Cuckoo's Nest, and (B) the composition of work over time. These are essential aspects used by Wallerstein to differentiate central economies from peripheral ones.

Transition of the Makeup of the Labor Force

In the early 1990s, the Cuckoo's Nest had approximately 2,000 employees and produced more than 200 television cartoon series annually. About a thousand employees worked in its headquarters in Taipei, about 600 staff members worked in seven branches in Thailand and about 300 in China. However, the Cuckoo's Nest is restructuring its offshore production line by gradually closing some of the branches in Thailand and shifting its production center to China. As of 2001, the Cuckoo's Nest

[13] There have been very few ratings of these animation-outsourcing studios in size. However, the argument is supported by Yu's (1999) Ph.D. dissertation and author's

had about 400 employees, each in the Taiwanese and Chinese branch and in Thailand's branches.

Taiwanese corporations have invested heavily in China since the late 1980s. Wang was one among the earliest. The Cuckoo's Nest not only set up a branch in China, but also became a shareholder in many Chinese animation studios (e.g. the Cuckoo's Nest owns 40 percent of the shares of the Hang-Zou animation studio). When asked "what makes China so prominent in his investment plan", Wang[14] replied that China has a skilled labor force and the largest market in the world (Wang, 2001). However, Wang acknowledged that the wage differential is an important, if not primary reason for setting up these branches in China. Additionally, the cultural tie and the common language make Taiwanese investment in China much easier (Wang, 2001).

According to Sunny Ku, the manager of the Human Resource Department of the Cuckoo's Nest in Taipei, the number of employees in Taiwan in 1994, including part-time and full-time, was about 1,400, a record high. Due to the digitalization of animation production in 1994, all the coloring work, and part of the inbetweener's work was taken over by computers. Besides colorists and inbetweeners, all photographers at Cuckoo's Nest were laid off because their work was now entirely produced by computers. The digitalization of animation work brought about the downsizing of Taipei's Cuckoo's Nest. From 1994 to 1996, according to Ku, approximately 1,000 staff workers "left for other jobs".

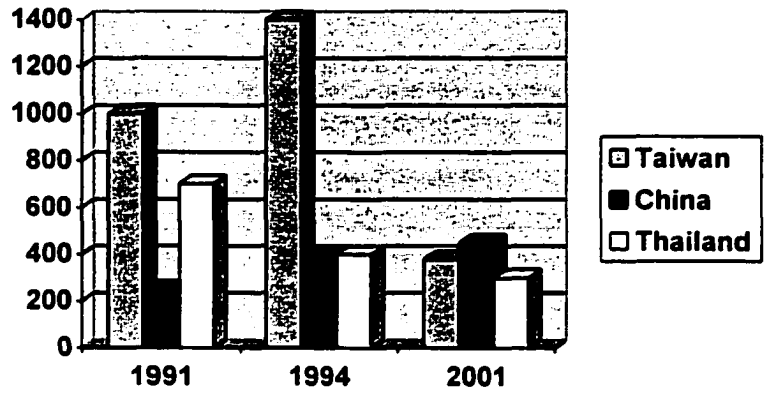
---

personal interview with Wang (2001).

[14] Based on the author's interview with Ku in 2001. See Appendix III for detailed information regarding Ku's personal background and the interview summary.

Chart 3.1 (next page) shows the number of employees in Cuckoo's Nest in 1990, 1994 and 2001.

Chart 3.1. Employee Retention at Cuckoo's Nest in Taiwan, China and Thailand in number.



Source: Author's personal interview with Ku.

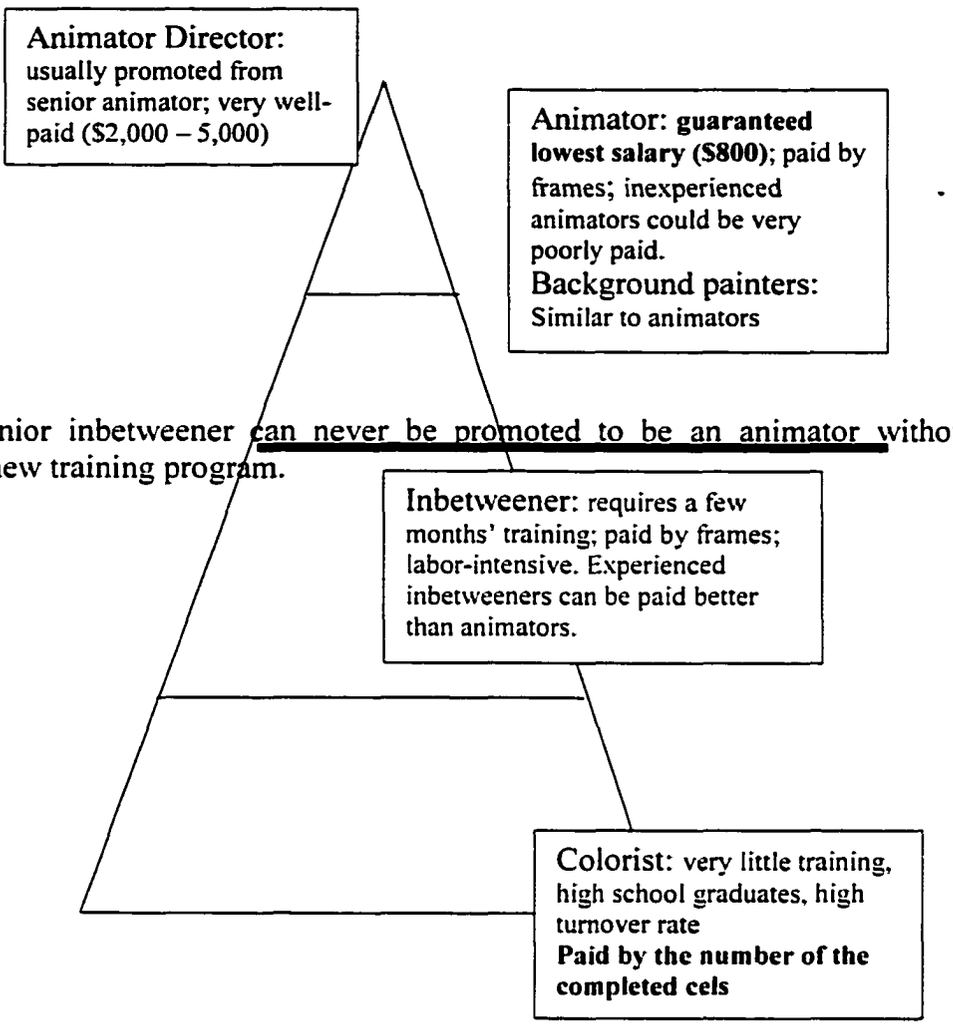
It should be noted that animation production is hierarchical in terms of the structure of the labor force. Roughly speaking, the labor force traditionally encompasses four major positions: background painter, animator, inbetweener and colorist. The job of an animator is to create the layout of the major characters in accordance with the demands of clients and to make later modifications requested by the animation director. Animators, particularly the animation director, are usually the best paid, followed by background painters. Background painters create the background in which the characters created by the animator can be situated. In order to make major scenes "move", inbetweeners follow the layout, drawing the frames in between. Eventually, this unfinished work will be colored by colorists. The work of animator and background painter require more skilled labor than that of inbetweeners.

However, the background painters are usually lower paid than animators, probably because characters are usually in the spotlight and draw more of the clients' attention. The colorists' duties require minimum skill. The colorist usually is the lowest paid member of the staff, and is at the bottom of the hierarchy. Figure 3.1 shows a pyramid visualizing the hierarchy of the work force in the animation industry.

According to Ku, due to the varied qualities required by different positions, the strategies of recruiting and training employees are different. Before 1994, Cuckoo's Nest hosted annual exams to select potential animators. Once these prospective applicants were accepted by Cuckoo's Nest to be prospective animators or background painters, they were guaranteed a base lowest salary of approximately $700 - $800[15] monthly (Ku, 2001). These animators or background painters may need to complete as much as one-year of extensive of training, depending on how quickly they learned the necessary skills. After completion of one-year of training, these prospective animators start at the position of "assistant animator" (or intern animator). While the work of inbetweeners demands less skill and creativity, the work requires complete, and thorough training programs. However, these training programs do not last as long as those of animators. Colorists receive very little training. Most of them are part-time workers (Ku, 2001).

[15] 1 USD is approximately equivalent to 26 Taiwanese dollars in 1994.

Figure 3.1.
The hierarchical labor structure of animation industry



The makeup of the labor force reflects the structural change after the 1994's downsizing of the Cuckoo's Nest in Taiwan. Since 1997, the Cuckoo's Nest Taipei headquarters stopped recruiting new animators and inbetweeners, and closed a few of the training programs. The means in which the company recruits and trains its employees changed accordingly. In order to be hired, prospective applicants need to finish and pay for the training courses offered by Cuckoo's Nest. The monthly tuition for the training is approximately $300, which can be reimbursed if the company later accepts the applicants.

The transformation of the new Cuckoo's Nest in Taipei is best exemplified in the growth of research and development. Research and development entails areas such as intellectual property (patent, licenses), finance and marketing, and thus capturing some industrial qualities of the "central economy". For instance, all the labor-intensive work has been reduced because of technological advancement or farming out to the branches in China and Thailand. This transition can be best exemplified by some initiatives that have been undertaken in recent years. First, the Marketing & Merchandising Division was separated from the Administration Division in 1998. This practice was geared toward boosting the sales and marketing of cartoon images and merchandise, cartoon education promotion, and animated short advertising production. Table 3.1 compares the breakdown of the labor force before and after 1994.

Table 3.1
The breakdown of the labor force
in the headquarter of Cuckoo's Nest before and after 1994

	Before 1994 (about 1,400 employees)	After 1994 (about 400 employees)
Administration	28 (2%)	23 (6%)
Research and Development	8 (1%)	110 (27%)
Skilled Labor and semi-skilled	600 (36%)	267 (68%)
Unskilled Labor	750 (53%)	0 (0%)

Note:
1. "Skilled labor" refers to the animation directors and animators; "Semi-skilled labor" refers to photographers and inbetweeners; "Unskilled labor" refer to colorists.
2. The numbers and percentages are a rough estimate provided by Ku. This distribution was also later confirmed by informal conversations with some staff workers.

As shown above, the composition of unskilled labor dropped from 53 to 0 percent. In sharp contrast, the workforce for R&A increased from one percent to 27 percent. Apparently, Cuckoo's Nest in Taipei has changed from its initial position of depending heavily on unskilled labor to a position that demands a sophisticated labor force.

The transformation of the Cuckoo's Nest was also reflected in the absence of the employment of supervisors from Hollywood. Because in the past the Cuckoo's Nest relied heavily on the skills of its clients, the company was staffed by many Hollywood technical supervisors (Wang, 2001). However, as of 2001, none of the American supervisors was still employed in the Taipei studio. "It is 100 percent independent from the American studio now!" (Wang, 2001). Indeed, the Cuckoo's Nest possesses a domestic labor force at managerial R&D levels and has become totally self-sufficient. Wang attributed the absence of American animators to the fact that Cuckoo's Nest has acquired technological sophistication, and no longer demands much external technical support (Wang, 2001).

The technological sophistication of Cuckoo's Nest can also be evidenced by its establishment of the subsidiary, Junior Land, which yielded the AniMaster 4.0, one of only six existing computer animation editing platforms in the world that coordinates

2-D and 3-D animation production[16]. The software initially earned support and endorsement from the Taiwanese government and was awarded in several world software exhibitions[17].

Transition of the Composition of Content

Despite tremendous restructuring in 1994, the Cuckoo's Nest did not change in terms of the breakdown of its revenue. As revealed by the Cuckoo's Nest's annual financial report in 2001, the company still generated 96.39 percent of its revenue from outsourced work from foreign studios. Table 3.2 shows the details:

[16] As of Oct. 2001, Disney and Dreamworks owned two of the six digital editing systems for animation. However, both companies do not sell their systems as a way of maintaining their technological competitiveness. The Cuckoo's Nest along with three other animation companies (each of them is owned by Americans, Japanese and Canadians respectively), possess their own digital editing systems and sell them to other small studios throughout the world. These digital editing systems encompass different working platforms, which are incompatible with one another. Thus, if the production work initially applies the Cuckoo's Nest's platform, it is locked in to this platform for the entire production process. The annual report of the Cuckoo's Nest claims that Ani-Master has been adopted by many animation studios throughout Europe, North America and China.

[17] The Ministry of Economic Affairs (MEA), a Taiwanese governmental unit under Executive Yuan, supported the software development project proposed by the Cuckoo's Nest. The MEA implements a series of economic plans, and one of the economic plans currently carried out is "Software 5-year development", which will mentor and support software development in the private business sector.

Table 3.2
Breakdown of Cuckoo's Nest revenues in Taipei in 1999

Product	Generated revenue	Percentage
Animation production	637,861	96.39%
Merchandizing retailing earning	841,251	0.13%
Reinvestment earning	5,233	0.79%
Copyright licensing	3,902	0.59%
Consulting earning	13,918	2.10%
Total	661,747	100.00%

Unit: 1,000 Taiwan Dollars (1 USD = 32 TWD)

(Resource: Cuckoo's Nest, Financial report of, 2001)

Table 3.2 suggests that the revenue generated from outsourced animation production for the foreign countries is the Cuckoo's Nest's major source of income. Nevertheless, the power structure between the company and its Hollywood clients has changed over time. Over the two decades since the establishment of the Cuckoo's Nest, the company has gradually decreased its dependence on the major Hollywood clients. The fragmentation of the Cuckoo's Nest's major clients can be seen in Table 3.3 (next page). In the early 1980s, approximately 60% of the animation aired on American major networks, including ABC, NBC and CBS, was created by the Cuckoo's Nest, but now the Cuckoo's Nest has "embraced clients from all over the world" (Ku, 2001); therefore, production work for Hollywood plays a relatively less prominent role. However, another way to explain the phenomenon could be that some of the Cuckoo's Nest's Hollywood clients have turned to other animation studios that have appeared. The company's production has been stagnating since 1994.

Even though the heyday of animation production for Hollywood clients has passed, Wang is proud of the company's increased productivity. The introduction of digital technology enables the company to cut off almost two thirds of the labor force in Taipei without damaging its total output.

Table 3.3.
The Top-ten clients of Cuckoo's Nest in 1999 and 2000

1999		2000	
Client's name and country of origin	**Percentage**	**Client's name and country of origin**	**Percentage**
Nelvana (Canada)	27.08	Disney (American)	18.37
Warner Bro. (American)	12.57	Nelvana (Canada)	16.88
Disney (American)	12.18	TFC (Germany)	13.58
A. Film (Denmark)	10.72	Wildbrain (American)	11.47
Stretch (American)	9.94	Stretch (American)	11.18
MGM (American)	7.52	Sunbow (American)	9.08
Universal (American)	6.69	Universal (American)	8.34
TFC (Germeny)	3.90	A. Film (Denmark)	3.99
Columbia (American)	1.96	AniTime Internet (Taiwan)	1.97
The Cuckoo's Nest	1.50	The Cuckoo's Nest	1.33
Others	5.94	Others	3.82
Total	100.00	Total	100.00

Source: the Cuckoo's Nest 2001annual financial report

Because of the fragmented distribution described above in Table 3.3, the Cuckoo's Nest was able to decrease its dependency on a single client, and consequently avoid sharp fluctuation of demand, which is usually suffered by animation outsourcing studios. In order to meet the needs of various foreign clients, the Cuckoo's Nest has come up with a versatile way of assigning its production work internally to different divisions of labor. All the animation work is classified as tier A, B and C, according to the client's demand for quality. Tier A requires more skilled labor and thus a higher cost, and is usually requested by clients with large budgets. Tier B demands less sophisticated skill, and the cost is lower. Tier C is at the bottom. This classification is reflected in the wage system. For instance, "the wage for the completion of a frame of layout for tier A was approximately $20, tier B $14 and tier C less than $10," According to Cheng-Ping Chuang[18], a Cuckoo's Nest animation director who had worked for ten years (from 1983 to 1993). As the Cuckoo's Nest farmed out more production work to its other branches, tier A production work of was still conducted exclusively at the headquarters, while the branches in China and Thailand were responsible for Tiers B and C (Chuang, 2001). The structure of work distribution was contradictory to the idea proclaimed by Wang that the Cuckoo's Nest in China was operated independently from the headquarters, with an independent administration system. Rather, the classification of animation production reflects a hierarchal structure contingent on the position of each studio defined by the headquarters of Cuckoo's Nest.

[18] Based on the author's interview with Chuang in 2001. See Appendix III for detailed information regarding Chunag's personal background and the interview summary.

The Cuckoo's Nest and the Indigenous Animation Industry

Having been involved in animation production on a large scale, the Cuckoo's Nest conceivably has played an important role in the production of animation worldwide. However, can the Cuckoo's Nest help Taiwan boost the indigenous animation industry?

An examination of the animated projects conducted by Cuckoo's Nest is necessary to answer this question. Table 3.4 lists the animated work produced by Cuckoo's Nest. There were only six "indigenous" animated projects completed by the Cuckoo's Nest from 1995 to 2001.

Table 3.4.
Self-produced projects carried out by the Cuckoo's Nest from 1995 to 2001

Project name	Format of the product	Co-investors	Major buyers
The Quest of Magic	Copyrights, Video, VCD, DVD	Pacific Satellite Co.	European Cable TV
Little Monk	Video, VCD, DVD, toy-licensing	Fa-Kou Mt. Buddhist Cultural Inc.	Fa-Kou Mt. Buddhist Cultural Inc.
The Story of Treasure Seeking	9 episodes, each 11-minute long, an multimedia demonstration	Pacific Satellite Co.	New York Film Exhibition
Uncle 7 and Uncle 8	Interactive multimedia CD-rom	Education Department (Government Unit)	Taiwane Elementary Schools
Suei Zu Military Principles	Game	Education Department (Government Unit)	Taiwane Elementary Schools
Kavalan	Feature film, TV series	Public Television Station	Public Television Station

Source: Cuckoo's Nest 2001 Financial Report

In the case of feature films released by Hollywood major studios, the format of animated content usually arises from made-for-TV animated programs or feature films. After the success of these programs, the animation-related product spans to merchandising retailing chiefly including videos, games, CVD, DVD, CD-ROM and toys. However, the Cuckoo's Nest seems to downplay the role of feature films. The Cuckoo's Nest functions more like a publisher than a film studio. The animated content was usually created first as videos, games, CVD, DVD and CD-ROM.

Looking at the above table, one can see that the Cuckoo's Nest was only able to produce one feature film *Kavalan*, in the past five years. *Kavalan* received awards in the division of animation in the *Golden Horse Film Festival 2000*. As the only nominee in the division of animation, *Kavalan* won by default. *Kavalan* was not released in the Taiwanese movie theaters. Tracy Yo[19], Marketing Manager for the Cuckoo's Nest, explained why the Cuckoo's Nest was only aired on the Public Television Service without even being released through the film theaters in Taiwan. "Few Taiwanese theater chains were interested in distributing the film. In addition, promoting a film is very costly. Given the fact that no indigenous film has done well in Taiwan's box office recently, I don't think *Kavalan* would have been an exception" (Yo, 2001).

Yo's comment on the situation faced by the company shed light on the barriers that the largest outsourcing studios still can not overcome. She added: "things just do not work in the way that most Hollywood studios do – we don't have the distribution channels that Hollywood studios have controlled. The movie theaters in Taiwan only want to distribute *Pokemon*, *Mulan* and *The Prince of Egypt*" (Yo, 2001).

---

[19] Based on the author's interview with Yo in 2001. See Appendix III for detailed information regarding Yo's personal background and the interview summary.

Barriers to Moving Upward

After reviewing both the makeup of the labor force and the composition of the work, this dissertation infers that the Cuckoo's Nest in Taipei exemplifies the qualities of a semi-peripheral economy. The company has accumulated capital through animation production for its foreign clients from "the central", in the meantime, the company also attempted to make a profit by licensing animated spin-offs and selling rights to animation content carriers. Much evidence indicates that the Cuckoo's Nest has grown from its initial position, which was quite dependent and marginalized.

However, despite the improved productivity and the acquisition of sophisticated technology, the Cuckoo's Nest cannot completely escape its original marginalized position. In a word, it is still an offshore animation studio for foreign producers who play a more central role in the industry. Although the company has set up many divisions to sell rights and license merchandizing spin-offs similar to the way Hollywood's studios do, these moves do not, or have not yet, function(ed) as a vehicle for generating income.

In terms of the supply of sophisticated labor forces, there are internal and external threats against Taiwanese animation studios' efforts to retain top-tier animators. The internal threats imposed on the studios chiefly arise from the top-tier animator's sentiment toward the marginalized position of the outsourcing production worker. As Mai Zen-Jay[20] put it, "The credit goes to the large multinational corporations like Disney; the Cuckoo's Nest might get small portion of it. That is everything. No matter how well the salary might be, this kind of work exhibits very

---

[20] Based on the author's interview with Mai in 2001. See Appendix III for detailed information regarding Mai's personal background and the interview summary.

limited room for us to move upward." Indeed, unlike top-tier cartoonists that are always in the spotlight with visible fans, animators receive virtually no credit for their work.

The external threat is multi-faceted. It refers to the sum total of the forces that pull animators out of a given studio. This study will discuss three forces that were most frequently mentioned by a few animators and Wang. These forces will be presented in chronological order. It is worth remembering that sometimes these forces also can exert pressures upon one another, and they combine to reshape the employment market.

First, one force driving people out of a studio is simply competition from other competing studios. Historically, the relationship between producers and animators has been tense (Lent, 1998). The globalizing production system, manifesting itself in increasing specialization and spatial dispersion, has allowed producers to farm out a project to many studios. For instance, an American animated project might be farmed out to five different studios in three countries. This practice enables American studios to avoid too much relying on any single studio, but it creates unpredictable and fluctuating demands for the studios in the receiving countries. These studios were constantly competing to win the outsourced projects and to renew contracts with clients. Also, as a result, the animators were constantly enticed by other studios. It is common to see a studio woo top-tier animators from competing counterparts for a new project. One of the most significant cases was Wang's strategically luring numerous animators from other studios as the Cuckoo's Nest was founded.

Second, in light of the adverse environment, top-tier animators might leave their studios to set up their own studios. Instead of serving the needs of Hollywood studios, the small studios work on smaller projects for domestic clients. The decision to

become self-employed resulted in the emergence of many small studios. Most of them did not survive hard times during the past decade. A few of them have transformed into multi-media production companies that employ new technologies to produce animated commercials for indigenous clients.

The third external threat is from the Hollywood. Since the late 1980s, each new phase of technological advancement has entailed job creation and job loss, requiring diverse skills. Given this fact, the United States has drawn many Taiwanese animation workers for study and work. James Wang, also American educated, was concerned that the trend might greatly impair the development of Taiwanese animation. Over the past two decades, Taiwanese animation studios have suffered from "brain drain": with eyes on the perceived better animation education and employment opportunities, many young animators left for the United States[21]. For instance, Cheng-Yi Chang, a former animator with the Cuckoo's Nest, left for the U.S. in 1989, and joined Warner Bro. in 1994 as an animator. He started to work for Disney in 1997 and was the artist behind the character design for *Mulan*. According to Chang, Hollywood's increased demand for animators in the early 1990s attracted many Taiwanese animators to pursue their careers in the U.S. Similar to Chang, these animators started learning the basic skills under American animators' supervision in the 1980s. Their later education, usually in California, has provided them with the sophisticated knowledge tailor-made for the employment market in Hollywood (Chang, 2002).

---

[21] The extensive movement of the people from Taiwan to the United States has been an enduring feature of migration, although the patterns of immigration have changed dramatically in the past decade. In the 1970s, Taiwanese students constituted the largest percentage of international students in the United States, many of whom subsequently worked and settled in the United States. Their immigration has played an important role in the expansion of American capital to the Greater China Region. Wang's establishment of the Cuckoo's Nest can exemplify this phenomenon.

In addition to the problems with the supply of a sophisticated labor force, Yo explained another business plight of the Cuckoo's Nest. "Idiots know that we are not going to make any money by producing toys or stationery, either by teaming up with big toy companies or on our own. The pirates are overwhelming across Asia where the Cuckoo's Nest chiefly obtained its licensing rights. It is just like you are doing promotion for the pirates; they will take the large portion of the benefits." (Yo, 2001) Indeed, the business interests of the Cuckoo's Nest are hurt badly by copyright infringement, which used to be suffered chiefly by western companies. Nevertheless, Cuckoo's Nest has been marketing spin-off products rather intensively across the Asian market where it owns the rights to them. For instance, the Cuckoo's Nest's invested in the publicly listed toy company, P.T. Asian Cuckoo's Nest Animation of Indonesia, as a joint venture. "Despite the proliferation of pirated products in Asia, we were forced to do an animated spin-off without releasing the animation through the most powerful channels, say, TV channels or movie theaters."(Yo, 2001)

On the other hand, in terms of selling the rights to air animated cartoons on cable TV (similar to what the TV syndicates do in the United States), the Cuckoo's Nest is haunted by the other predicament tellingly articulated by Yo. "The animated cartoons owned by the Cuckoo's Nest do not have a place to go" (Yo, 2001). All the TV animated cartoons of the major networks are pre-empted by Japanese programs. Although there are three major 24-hour cartoon channels in Taiwan, the Disney channel is run by Disney, and Cartoon Network is operated by Warner Bros. They all recycle their old re-runs and their viewing rate is very low. While Yo-Yo, the only domestic-owned cartoon channel, does very well compared to the other two American channels, it rarely broadcasts American animated cartoon programs as a way of differentiating itself from others.

This section examines how the trends of globalization affect the Cuckoo's Nest Inc., the biggest Hollywood offshore studios in the early 1990s. This study concludes that although the Cuckoo's Nest has acquired several of the economic qualities of the Hollywood studio; the barriers to producing animated feature films or TV programs are far beyond the Cuckoo's Nest's reach.

Nevertheless, Wang believes there are opportunities (Wang, 2001). First, digitalization has changed the traditional way of distributing animated programs. It provides opportunities for the Cuckoo's Nest to bypass theatrical releases. Second, the Cuckoo's Nest might enjoy its capability to produce animated "content", including a variety of forms such as video, games, CVD, DVD and CD-ROM to meet the unique demands of the Chinese market, the largest developing market in the world. The Cuckoo's Nest is geared up to be an animated content provider in the Chinese geo-linguistic region. As for how to do it, Wang explains, "we are still trying to find our way out."

The Restructuring of the Employment Market in the Global Age

Introduction

The previous section examined the interplay of political, economic, cultural and technological forces on the organization and management of the Cuckoo's Nest. It paid attention to the top-down process, chiefly from managerial perspectives. This section will also focus on the restructuring process. However, in contrast to the previous discussion, this section will look at the bottom-up process. It concerns the transition of the employment market from perspectives of the animation workers.

From 1994 to 1997, more than 2,000 Taiwanese workers were laid off because of the restructuring of the Cuckoo's Nest Studio and other animation studios (chiefly attained by the downsizing and farming out labor-intensive work to China). Among these workers, approximately 80 percent were "unskilled" or "semi-skilled"[22]; colorists constituted the largest portion in this category. Although some found other part-time jobs, most found it tough to make a good living - the availability of the jobs being limited and constantly changing. According to the informants in this study, some colorists started small retailing businesses, moved on to video game houses, others work as representatives for insurance companies. In brief, most of the "unskilled" or "semi-skilled" animation laborers left animation and related industries in pursuit of entirely new careers.

Apparently, the introduction of new technologies has several manifestations in the employment market. It causes the extinction of some positions but creates some other vacant positions that demand people equipped with different talents and skills. The phenomenon discussed in the prior paragraph seems to suggest that the advent of new technologies often shifts relative employment levels in favor of skilled workers *vis-à-vis* unskilled workers. However, given the fact that skilled animators with years of experience in the traditional animation industry appear to be more adept in adjusting to the new production environment as compared to unskilled workers, there are different forms of "re-entry barriers". These barriers prevented them from getting involved in the new economy. Hundreds of new Taiwanese animation studios were staffed with young and inexperienced animators. The employment for these young and

[22] "Skilled" workers refer to animation directors and animators. "Semi-skilled" workers refer to "Inbetweeners" and "Photographers". "Unskilled" workers are chiefly "colorists".

inexperienced animators had been thriving and hit a record high at the time the Internet economy was booming.

This study attempts to answer the following questions: why does the new animation industry not attract the animators laid-off by the Cuckoo's Nest and other large studios? A natural and intuitive explanation for this question is quite simple - the skilled traditional animators were outdated; their skills simply did not fit into the new production environment. Therefore, a completely different group of workers - usually younger and more technology-savvy - equipped with different capacities fit in better. These young and technology-savvy people eventually filled the open positions in the new animation industry.

This explanation, if not wrong, is too simplistic. First, since digital technology was introduced in the late 1980s, the Taiwanese animators started integrating digital technologies into the animation production process; they might have acquired the skills over the years before they were laid off. Second, the technological innovation has made some software more user-friendly; if a young college graduate could be trained for a couple of months to command these new technologies, why should it be difficult for experienced animators to acquire these skills?

Third, in the age of globalization, it is worth remembering that the flow of labor does not happen within a closed system. Rather, it occurs in a relatively open global system through a dynamic process. The factors mediating the supply and demand of animation labor are becoming more complicated. In the case of the Taiwanese animation industry, the economic integration in the great China region has made it easier for Taiwanese animation laborers to seek employment outside the island. The animation industries within Taiwan and China have become unprecedentedly

interdependent. Many Taiwanese animators have left for China and set up small studios there.

I have begun by referring to some predicaments faced by the traditional animators because it highlights the key theme and argument that I will be discussing throughout this dissertation: many of my intuitive hunches have failed to explain the situation. Elaborating on the reasons for the situation, there are many forces affecting the levels of employment of cultural workers in the animation industry. No one single force suffices to explain the whole situation. In light of the complexities of the dynamic process, there is no short cut for understanding how the total sum forces impact the cultural labor other than actually talking with the workers. Therefore, 18 in-depth interviews with the cultural workers were conducted to understand how this segment of Taiwan fit in the world's production platform. Additionally, this part of research also relies on secondary sources including newspapers, magazines and newsletters from the surveyed animation studios

This research applies political economy approaches to analyze the new working environment of cultural labor in the global animation production line. Although there are many forces affecting the supply and demand of labor in the animation industry, this research pays attention to, (1) technological advancement, (2) how the cultural labor copes or does not cope with these trends.

An Introduction to the New Technologies

It was estimated that 75 percent of all live-action feature films applied some type of digital effect (Furniss, 1998). In terms of animation production, the heavy reliance on digital technologies in the process seems quite natural, since the adoption of digital technologies has presumably been able to cut production costs and increase

productivity. However, when people hear the term, *computer animation*, three–dimensional (3-D) computer animation tends to come to mind. As a matter of fact, two-dimensional (2-D) animation also represents a very important component of the computer animation industry.

Given all this, the following discussion about these technologies is restricted only to 2-D animation production (e.g., traditional cels animation and Internet browser plug-in animation). Although 3-D animation technologies strongly impact 2-D, and although it is difficult to separate one from the other, it is also difficult to analyze them in a thorough fashion. Therefore, discussion will center primarily on 2-D animation. The discussion of 3-D computer animation will be added only as a complement to elaborate further on the discussion.

Dedicated proprietary systems based on expensive hardware and software were the core part of the competition between American animation studios in the 1980s. Because of proprietary software, large American studios maintained their competitive advantages over other studios in other countries. However, the rapid advancement of digital technology has decreased the advantages that were enjoyed exclusively by large studios. The current wave of technological advances in computer-aided animation, chiefly manifesting itself in the collapse of workstations and the ascendancy of increasingly powerful personal computers, has lowered the cost of capital equipment (Stearman Reports, 2001). As a result, the lowered entry barrier has enabled many small Taiwanese entrepreneurs to adopt the inexpensive animation software and to start their own businesses.

There are a myriad of software applications that assist animation artists in the production of animation. Table 3.5 includes only the software applications commonly mentioned by the interviewees in this study. It should be stressed that there are too

many software applications to be reviewed; and these samples do not embody a comprehensive list. Nevertheless, many interviewees working in the animation industry confirmed that these are some of the most important software applications. The software widely applied in the production of animation is shown in the following table.

Table 3.5
The new technologies widely applied by the industry

Name of software application	**Major functions**
Photoshop (Adobe Inc.)	Used to scan, digitalize and improve any single hand-drawing frame. Once a frame is scanned, it can always be recycled.
Premiere (Adobe Inc.)	A tool of non-linear editing: it can used to draw the in-between frames, composite several layers of characters and backgrounds.
After Effect (Adobe Inc.)	A digital special effects system. It can manipulate a digitalized picture or video sequence to create a special effect. It is also a computer-assisted editing system that provides editors with a fine degree of control over the finished product (Mirabito, 1997).
Scanner	Scanner is used to convert the images produced by analogue image (e.g. film footage) into digitalized data. Based on the function, the post-production functions can be processed.
Flash	A software application for the production of Internet plug-in software. It was created in order to put animation skills to practical use when making Internet websites.
Motion Catcher	It can record many dots on a moving body so as to animate a static character.
Maya: Silicon valley; Soft image	Software applications for 3-D animation. It can bring in a 2-D character and position it in a 3-D environment.

To sum up, there are four types of software applications for 2-D animation applications, which, when combined, create a new production process for 2-D animation. These four types of software are introduced according to the new production procedure: (1) scanner – the tool used to transform recorded images into digitalized images necessary for post-production; (2) nonlinear editing applications – these tools can draw the images in between, compose many layers of images and imitate camera movements; (3) the tools for special effects – these tools have built in some template effects; (4) the production tools for 3-D animation– they are often used to position 2-D characters in 3-D backgrounds.

Due to the advancement of digital technologies (e.g., the improved compressed technology, increased memory capacities) and falling software price, amateurs and semi-professionals have recently been able to create animation on inexpensive computers in recent years. According to Wei-Chung Fong[23], an acclaimed young animator of the *Golden Harvest Award*, buying a package of software applications for 3-D animation (e.g., Maya) was frustrating until the price became affordable in the late 1990s. Before then, only major workstations had the financial resources to buy the software. He asserted that nowadays most of his fellow students in his animation production program are equipped with sophisticated but inexpensive personal computers (Fong, 2002).

In addition to these generic software applications, it is usually the case that the purchased programs have an "open structure" that allows animation studios to add "proprietary software." For example, the Cuckoo's Nest and CG hire a group of

[23] Based on the author's interview with Fong in 2001 and 2002. See Appendix III for detailed information regarding Fong's personal background and the interview summary.

computer programmers. They cooperate with a variety of animation artists to create proprietary software that automatically meets the specific needs of these artists. The advantages of this kind of networking are tremendous. The immediate one is that the company will possess numerous proprietary software applications that their competitors will not. These assets are particularly difficult to acquire for new studios that just started, creating high entry barriers for potential new players. In the long run, however, the substantial advantage lies in the formation of quality teamwork among graphic artists, animators, and computer programmers. With years of teamwork, the efficiency and, consequently, productivity, of the company improves. According to Ivy Liang[24], CG's[25] Manager of New Business Division, "The fundamental part of competition in the global animation industry has diverted to the capability of forming this kind of teamwork. It really takes a while to get a group of people with diverse backgrounds and disparate talents to work together."

It has been widely accepted that high-end animation production remains in North America (*The Financial Express*, 2001). However, given the technological advancement, have offshore Hollywood studios evolved to execute the high value-added production that hitherto had been the exclusive province of core countries? Liang offered a concise answer, "slightly, but not quite." Elaborating her argument, she indicated that the essential part of competitive advantages lies now not so much in technological competency, but in the efficiency of networking. In contrast to the

---

[24] Based on the author's interview with Liang in 2001. See Appendix III for detailed information regarding Liang's personal background and the interview summary.

[25] CG is affiliated with the Cuckoo's Nest as one of the largest 3-D animation producers in the world. It was founded in 1989 as a computer animation studio chiefly producing TV commercials for local clients. In 1998, due to the referrals of Hollywood's clients by the Cuckoo's Nest, the studio was transformed into the Hollywood's 3-D animation producer.

traditional working environment wherein the staffed workers were located in many separated divisions, the new environment requires intensive cooperation among the labor-force. Although technological advancement has made it relatively easy to establish small-sized businesses, the new studios still lag behind their clients in Hollywood in terms of integrated production teams. Nevertheless, CG has excelled in this industry compared to three years ago. It has become one among few players in the world.

One of the most prominent technological advancements is *Flash*, the Internet plug-in software. Paralleling the rise of Internet economy and the increase of Internet users, Macromedia, an American software company, developed *Flash* software that allows the users with little skill to produce animated cartoons and make them available online. The rapid adoption of *Flash* has greatly impacted the animation industry. This study will further discuss this issue in a separated section.

Changed Supply and Demand in the Employment Market

In terms of employment, there are always winners and losers as technologies are introduced in a given industry. In this case, the advancement of digital technologies and the falling software prices have made animation production available to the general public. Does this create a threat to the professionals?

Since the recently laid-off animation professionals had been well trained before they lost their jobs, it seems natural to expect these people to pursue careers in animation-related industries. Generally speaking, their new employment can be classified into two categories. First, some work within the new media industry, including for multimedia companies, Internet companies and 3-D animation production studios. Also included here are those who create their own animation

studios. Alternatively, others withdrew entirely from the technology-intensive sector and sought employment in the print media industry.

Most well-trained professionals continued their careers in animation-related industries, chiefly within the new media. Similar to the case of the United States, the overheated Internet economy of the 1990s created thousands of vacant positions for professional animators. Details about these positions are shown in Table 3.6:

Table 3.6
Four types of jobs in the new media industry that the laid-off professionals most likely have

The title of jobs	Possible reasons: Pros and Cons	Social status and mobility
Animators or Graphic Designers for the Internet companies	The rise of the Internet creates thousands of jobs. The animators are required to create 3-minute animated programs using Flash software. However, the job market was tightened as the dot-com bubble burst. Many people lost their jobs when some dot-com companies went out of business. Most dot-com companies stopped hiring people.	The employees in this industry are paid moderately well. However, job security has become an important issue due to the economic slump in 2001.
Visual Designers for video games	The production of video games is a booming industry in Taiwan. In order to boost the slow economy, the government initiated "The Project of Software Five-year Development" in 2001. In this category, animators are hired to design video games.	The employees in this industry are paid moderately well. It is a rising industry. Due to the support from the government, people's attitude toward video games has changed from negative to somewhat positive.
3-D Computer animation	The production of 3-D computer animation has grown rapidly since 1999[26]. In 2001, the government intended to sustain the growth by "The Project of Software Five-year Development". However, the technological sophistication creates a tremendous entry barrier for the traditional animators.	This is a rising industry inhabited with hundreds of young and technology-savvy professionals. The employees in this industry are relatively well paid.
Electronic Publisher	The animators are hired to develop interactive education CD-ROM projects. The ability to create these projects by computer software is essential to this industry. These vacant positions came out about in 1994, slightly earlier than the presence of dot-com companies. There is always a strong demand for the CD-ROM projects with education purposes.	The employees are paid moderately well. This is relatively stable industry. Working in this industry enjoys more respect.

[26] Taiwan has become a prominent 3-D computer animation producer for Canada, the United States and Germany. Generally speaking, this industry does not require large-scale investment, but demands a skilled labor force and sophisticated technology. The Taiwanese government considers this industry to be a promising industry well-suited for economic development at the current stage.

In terms of salary for entry-level positions, new media companies pay better than traditional ones. According to estimates made by ten young animators previously working for traditional large studios, their moving to the new media industry resulted in a 20-50 percent pay increase. For example, three animators currently responsible for developing English education programs for a Taiwanese multimedia publisher enjoy an approximately 40 percent raise. They work for 44 hours per week, and if they have to work more, they are paid handsomely for overtime. "Multimedia publishing industry is always lucrative. A poor economy does not hurt. Most Taiwanese parents spend lavishly on English-learning programs, fearing if they do not invest the money for education, their children will lag behind," Jui-Liang Dong and Fu-Wei Yang[27] said in interviews. However, both feel that they are doing "very stupid" jobs. "I don't think my boss has to hire me to draw something like Hello Kitty constantly. Kids in elementary school can do that, and they might know better what they want – so my boss should hire them", Dong said.

The training offered by the Cuckoo's Nest and other major studios was highly valued by the laid-off animators. "We worked so hard: we worked fourteen hours daily, sometimes even eighteen hours. In some extreme cases, we slept at the company, and we continued to draw during our breakfast. Most of our colleagues were overworked, but this is the key to acquire the skills necessary to do the work." Through three years of intensive training at Taiwanese studios, most animators were well equipped with the artistic skills, such as drawing, sketching, inbetweening and developing characters, depending on the positions they worked for. They were required to sharpen their skills. If they had not achieved the required skill level by a

[27] Based on the author's interview with Dong and Yang in 2001. See Appendix III for detailed information regarding their personal backgrounds and the interview summary.

given time, they might have been asked to leave. Their capabilities were under strict scrutiny.

In terms of the requirement for artistic performance, virtually all animators considered these multimedia companies to be "not demanding" feeling themselves "overqualified." Although they acknowledged that they were underpaid, they did not feel that their employer treated them maliciously. "It is sort of the nature of this industry," Dong said.

Most animators believe that working for traditional cartoon studios is more "fulfilling" than the jobs they currently have. Their sentiment about their new working environment is that the artistic skills are not as valued. Frequently, the interviewees complained about their supervisors' bad tastes. "They only look at the designed characters and never care how these images animate." Chen said in the interview. In some extreme cases, some interviewees even make mistakes intentionally – wondering whether their supervisors would notice any difference. Ironically, their supervisors were indifferent; they "do not care - as long as the image is moving images, they are Okay with them."

Fong explained the indifference of new media studio management "Since the new software only requires sixteen frames of drawing per second, the created movement is originally expected to be less smooth." Furthermore, due to the limited memory and low speed hard drive in a typical consumer's PC, Taiwanese multi-media companies are usually reluctant to produce "quality projects" because, with many personal computers, you can hardly tell the good from the bad. Indeed, customers have come to expect the occasional lock-up, sometimes even system freeze. In light of these technical limitations, computer animation within multimedia projects is usually considered an accessory. In the case of English language learning projects, the

computer animation is a device not essential in itself but merely adding to the major educational purpose.

In sharp contrast with these experienced animators, most of the young animators interviewed indicated their strong reliance on computer technology. When asked "How common are these software applications in work by Taiwanese animators"? Wei-Chung Fong plotted a chart to explicate the different attitudes that the different age groups of people might have toward these applications. He concluded that people less than 30 years old grew up using computers, therefore these people usually think of animation as computer animation rather than Disney animation. The animators aged between 30 and 35 years old, himself included, tend to be ambivalent toward computer animation. They acknowledge the fact that these applications are powerful, but they were not sufficiently trained throughout their upbringing. The bitter resentment over computer applications can be found among the group of animators over 35 years old (Fong, 2001). They were trained in the traditional way, with emphasis on the "fundamental" skills of animation, including sketch, painting, body movement, lighting and architectural design. In the new working environment, these capabilities have less salience and are subjugated to technical ability.

According to Fong, the re-entry barrier for the laid-off professionals in pursuit of new careers in the new economy derives from their under-preparedness for the new technologies (Fong, 2001). This proposition generates criticism from many older animators. Cheng-Ping Chuang acknowledged the trend – the older the person, the more resistant to computer technology - but disagreed that the inability to command new technologies constitutes the core re-entry barrier. In 1993, he left the Cuckoo's Nest, where he had long worked as an animation director, to create his own studio. His studio has been staffed with some animators reluctant to work for Cuckoo's Nest as

unrecognized artists. His studio had been affiliated with many governmental divisions and well-regarded in terms of production of public service announcements (PSA) until the new technologies came to prevail in 1997 (Chuang, 2001). In his early 40s, his age does not fall into the so-called young group as categorized by Fong. However, he had few problems in adopting these new technologies. In recent years, his resentment of new technologies stemmed from the fact that any improvement in productivity came at the expense of quality. His competitors cut by more than a half of the prevailing pre-1997 price and won the bidding for large PSA projects. These new studios "equipped with very little knowledge about animation production from artistic aspects, cultivated an acceptance of poor work for our clients (government) and for the general public," Chuang said.

Indeed, since the introduction of the new technologies, most of the studios cut costs in order to win the bidding. The cost of doing business dropped sharply, amounting to 60 to 70% of the original. Consequently, clients came to anticipate offering less money for animation projects. These sequential price wars squeezed the margin and seriously jeopardized the quality of animated projects. The number of frames per second was severely reduced; the background was poorly colored and rendered, and the characters moved in a stilted manner. By Chuang's standard, several Taiwanese animation projects could have significantly improved with only a modest increase in production cost. However, clients are not "quality conscious", feeling that cost is the most important factor, and simply accept what is produced. The situation was exacerbated after 1997's Asian financial crisis. "It is pathetic to see hundreds of poor animation projects beaming into the TV sets in Taiwan every day," Chuang commented.

Despite an initial embrace of the new technologies, the discontent with the "down-scaled" quality of animation has driven many senior animators out of the industry. These senior animators valued artistic performance over economic performance.

At the other extreme end of the spectrum, a few animators are settling into careers in this new media industry. Their reactions to the "down-scaled" content produced by digital technologies are utterly different. "The new technologies not only brought about new ways for animation production, but also brought about new artistic performance. Unlike the work created by the traditional animators, you need to be really versatile so you can complete the whole project", Tong Chia-Ling[28] said. She has been very satisfied with the new production environment since the digital technologies were introduced. According to her, the new technologies have liberalized the animation industry by emancipating the "shackled" cultural laborers from doing monotonous work for multinational corporations. "I had never thought of writing script for my own animated cartoons until recently when I came to my current company", Yang said.

Indeed, she no longer creates fragmented frames, intangible to her friends, for a blockbuster that involves thousands of people in the production process. On the contrary, her company adopts "teamwork" to execute an animated project. The employees rotate to write scripts for each episode. Once these projects come out, they can be seen by her friends and relatives. "Hundreds of emails come into my account every day, and fans indicate their enjoyment of watching these animated projects. My

[28] Based on the author's interview with Tong in 2001. See Appendix III for detailed information regarding Tong's personal background and the interview summary.

life has never been this fulfilling," Petra Liu, another of the other animators working for A-Kuei, said (Wei, 2001).

However, animators who have fully integrated their lives into the new production environment are few and far between. According to A-Kuei, the average age of the employees in his company is 25 (Wei, 2001). Most have college degrees.
This seems to suggest most of the employees have never worked in the traditional animation industry; they came to work for A-Kuei immediately after graduating. Other studios even have employees with an average age of 22 (Hong, 2001). Although the new technologies have brought new hope to some animators, many laid-off animators have left the animation industry altogether.

In fact, many well-regarded animators chose to work for print media, or to freelance many projects at the same time. Table 3.7 shows detailed information about the titles of these jobs, possible reasons for taking the jobs, the social status of the workers and their perceived social mobility. These conclusions were chiefly drawn from interviews with five well-known Taiwanese animators[29] and informal conversations with the workers in Taiwanese animation industry.

[29] They are (1) Tom Hong: a cartoonist and a cartoon historian, (2) Zen-Jei, Mai: a cartoonist and animation director for *Grandma Ghost*, (3) Cheng-Ping, Chuang: an animator and cartoonist, (4) Cheng-Yi Cheng: the Cuckoo's Nest's animator and visual director for Disney, (5) Wei-Cheng Yu: animation director for the Cuckoo's Nest (1980 – 2001) and the dean of animation art department, National Tainan Art Institute

Table 3.7.
Three types of jobs in the print publishing industry

Job title	Reasons for the unemployed animators to be involved	Social status and mobility
1. Cartoonist[30]	Comic art is highly relevant to animation production. Furthermore, work as cartoonists is a natural choice since many animators were once cartoonists before entering into the animation industry.	Most freelance on comic strips for several publishers. A few animators become famous cartoonist and are well-paid. Although top cartoonists are well regarded, only a select few people could be crowned "top cartoonist."
2. Illustration painter	Books made for children need a large number of illustrations. There is a market although it is not large.	The publishing industry always demands a few illustrators. The animators settling their careers in this kind of jobs are paid moderately well but enjoy stable positions. Generally speaking, the social status of an illustration painter is higher than that of a second-tier cartoonist.
3. Visual (Artistic) Designer for Publishers	In terms of print publishing industry, Taiwan is the leading market in the pan-Chinese region. Each publisher hires several artistic designers, which creates a strong demand for Artistic Designers	These jobs pay somewhat poorly. Animators usually felt unfulfilled when they realized that this kind of job is almost irrelevant to animation production although experience in the animation industry is preferred by Taiwanese publishers.

The strong tie between the animation and the comic industries partially stems from the way the Taiwanese animation industry was structured historically. When the Taiwanese animation industry was first set up by Japanese advertising agencies in the

[30] Quite a few well-known Taiwanese cartoonists have worked for the Cuckoo's Nest. A few of them include Mai Zen-Jai, Lin Cheng-Der, Tsai Chih-Cheng and Yao Yu-Hsiang.

early 1970s, many comic artists, drawn by these newly founded studios, quit drawing comic strips and started new careers in the animation studios. Although it seems to be a natural choice for comic artists to pursue their careers in animation, there is a compelling reason that drives the "unemployed cartoonists" to work for the animation industry. In fact, the censorship policies enacted in the 1970s stifled the creativities of the indigenous cartoonists. In response to the "double-standard", "discriminating" censorship system, many cartoonists left for the newly founded animation industry. Since the Taiwanese animation industry was founded in a dependent position, the employment market was heavily related to the demand from, first, the Japanese and, later, the American, clients. These forces converge in shaping the two related employment markets for the thousands of comic-animation workers. For instance, when the censorship system was eventually abolished in the late 1980s, and the larger publishing environment became friendlier to the indigenous comic artists, many animators were drawn back to work on their comic strips (Lent, 1993).

Generally speaking, most comic artists working for animation studios place a significant value on originality, feeling that no matter how well they might be paid, ultimately they still want to create their own artwork. However, it is difficult to create their own "animated films", therefore the creation of comic strips, akin to the production of animation, has become their convenient substitute. Furthermore, drawing comics appeals to these once cartoonists as it allows for innovation, spontaneity and autonomy. These qualities do not pertain as much to animation production that values teamwork. Given this fact, the Cuckoo's Nest had been suffering from its inability to retain top-tier animators/cartoonists.

Conclusion

Since the late 1990s, the Taiwanese animation industry has been striving to move up the value chain, from labor-intensive to capital-intensive. The adoption of new technologies has been widely considered to be inextricably connected to the movement (Mittelman, 2000). This paper examines how the advent of new technologies restructured the labor force with special attention to the retention levels of skilled workers. The results can be summarized as following:

First of all, each phase of technological innovation entails job creation and loss, requiring diverse skills. The development of the Taiwanese animation industry is a telling case to explicate the dynamic process. However, simply speaking of technology is inadequate. Evidence shows that the technological force has interacted with many parameters to reshape the employment market in the global age. For example, the blurred boundaries between states first triggered migration from Taiwan to the U.S., and then from Taiwan to China.

Second, technological advancement has drawn new workers in the labor force, and driven others to search for different sources of employment. In the case of the Taiwanese animation industry, the new workers drawn to the new animation industry are young and technologically savvy. They usually consider the introduction of new technology as a way of exerting an open formidable resistance toward the core-peripheral hierarchy. In sharp contrast to this belief, many experienced Taiwanese animators were agonized by their perception that the new technologies have cut back on quality in favor of efficiency. Some of these skilled animators accommodated the new technologies; others became self-employed, freelancing their work as cartoonists or illustrators.

The Rise of Flash Technologies

Introduction

Flash software was initially developed by *Future-Wave* Software in 1995 as an illustration application. The software application was later acquired by Macromedia Inc., which transformed the application into an Internet browser plug-in in 1997. This transformation marked the first appearance of Flash software on the Internet. With Flash software, Web designers were now able to embed animated objects directly into their sites. Flash's popularity grew rapidly. At the threshold of the new millennium, Flash software was considered "the industry standard for Internet design" (Zeller, 2000). The prominence of the software lies in its ability to incorporate a high level of interactivity, allowing users to control the content they see. Furthermore, without Flash software in the past, these animation files would have made the Websites too large to be downloaded. However, the special graphics and compression tools applied by Flash render the completed files considerably smaller, and because of these innovations, Flash software has made online animation easily accessible to most users.

The rising importance of *Flash* software has potentially exerted an enormous impact on the global production of Hollywood animation and has brought about a significant change in the global animation industry. This change could be categorized into two parts. First, it has resulted in the rise of online animation. Second, it challenged the traditional methods of producing and distributing animation. This dissertation will first discuss the two results of the change in the global animation industry. Then the case of the Taiwanese animation industry will be introduced with a focus on two major players: Taiwanese online animated content providers Tsueng Shuei Tong Multimedia Technology Inc., and K. K. Long Internet Technology Inc.

The Rise of Online Animation

First, since Flash software was created as an Internet browser plug-in, it has impacted the production of online animation. Unlike Hollywood blockbuster animation films that demand intensive labor and capital, the production of *Flash* animation requires an extremely small labor force. As a result, this sort of animation is quite inexpensive. For instance, in sharp contrast to the seamless teamwork required by a Hollywood studio to complete an animation feature, with Flash software simply one animator is sufficient to produce online animation. Due to these characteristics, *Flash* animation was touted by many of the interviewees in my study as the most down-to-earth tool for animation, and the advent of Flash software has democratized the process of animation production.

Economics is just one of the many reasons for Flash's popularity. Another reason for the success of Flash software is the potential commercial interest perceived by online advertisers. To some degree, Flash software owes its rapid diffusion to electronic commerce; online advertisers have greatly boosted its popularity. Flash animation technology drew the attention of the Internet advertising companies immediately after it was introduced. The animated images were frequently used to define the emotional focus of online commercial projects. For instance, an advertisement can successfully attract Internet users by creating animated images that follow the mouse cursor or move in their own directions on the monitor screen. Along with video and sound, animated programs are often combined to showcase the advertisers' products online. Despite warnings from advertising consultants that the important content of an advertisement can possibly be overshadowed by meaningless animated graphics, online advertisements applying Flash software were soon prolific (Bretzer, 2000). It is widely believed that several characteristics of Flash animation

complement the art form of advertising. For instance, commercial films generally need to be short (less than 30 seconds in length) and they need to have element of "surprise" (to catch attention). *Flash* software applications allow web designers to add some "flashing" elements to their web, just as the name suggests. Perhaps because advertisers also believe that this practice enhances effective communication for commercial purposes, animated graphics and images began to overwhelm commercial sites soon after they were introduced. Flash software would not be so popular if in the first place Internet users simply did not like what it produces. From the users' perspective, Flash animation has introduced a new expressive form with the interactivity that they could not enjoy otherwise.

Challenges to the Made-for-TV Animation

There are two levels to the challenges of distributing and producing made-for-TV animation. These challenges are articulated in the chronological order as follows. First, before the decline of the Internet economy, there were times that the Web was considered able to replace TV as the prime form of distributing animation originally made for TV. In response to this trend, whirlgirl.com and spumco.com were the first Internet sites to offer animation series. At first, they were updated on an occasional basis, but in 1999, whirlgirl.com became the first regularly scheduled series on the Internet. The premiere of the regular series was aired simultaneously on *Showtime* and the Internet (Milestones of animation, 2000). Second, after the bursting of the dot-com bubble, the remaining Internet companies acknowledged that the Web is not going to replace the television set. In order to survive hard times, these companies began to apply *Flash* technology to create the animation for their clients from the TV industry.

It should be noted that the aforementioned trend is only general. The convergence of different forms of media (in this case, the interpenetration between the Internet and the broadcast industry) has been considerably dynamic. For instance, it is always the case that TV animation studios seek to cut costs through the application of digital technology. Once a new technology comes out, it rapidly becomes another option.

How did Flash technology benefit the production of TV animation? The normal process for developing television animation is expensive. It often takes about 20,000 drawings to make one 30-minute episode of *The Simpsons* or *The Smurfs*, at a cost of US $350,000 to US $500,000, even before paying the writers, executives and voice talent (*NY Times News Service*, 2001). However, According to Potamkin, a former executive producer at Hanna-Barbera Productions, Flash can cut costs by allowing animators to cut and paste from file to file, speeding up the process and eliminating the need to draw individual frames (*NY Times News Service*, 2001). This computerized process also allows files to be linked and slight shifts in color to be obtained seamlessly, as well as other changes later in the process. Potamkin estimates that Visionary, an Internet company based in New York where he freelanced, can produce a 30-minute episode for US $140,000 to US $180,000 (*NY Times News Service*, 2001).

It is generally believed by the interviewees of this study that the benefits are not just reduced production costs, but also speed of production and flexibility in making last minute changes. Since slight changes, in color or events, later in the process can increase the costs of traditional animation exponentially, cost overruns are one of the greatest concerns among studios. With Flash Software, the production budget is much easier to control.

There are two types of animation studios that apply Flash to produce animation for broadcast television. First, the traditional studio might recruit new people to produce Flash animation. In this case, Flash is considered to be "a technological enhancement and a step in the right direction of a hybrid of traditional and digital animation."[31] The second type is an Internet company. After the burst of the dot-com bubble, faced with growing costs and decreased revenue, "some online companies began working to adapt their Flash technology, originally designed to move large vector graphics through small Internet pipelines, to produce animation for broadcast television." (*NY Times News Service*, 2001)

Given the advantages discussed above, Flash software seemed to hold much promise for the future of made-for-TV animation when it was first introduced. However, there were forces that have opposed the adoption of Flash. The main concern about *Flash* had been that, despite the ease with which it could be used, studios were not convinced that it measured up to broadcast quality. Two of the most prominent Web animation companies left standing, Visionary and Bullseye Art, both based in Manhattan, are trying to remain solvent or trying to keep afloat by using the technology and techniques they developed for Web animation to create broadcast television programming more quickly and cheaply.

The case of the Taiwanese animation industry

Due to the Asian economic crisis in 1997, the investments from Hollywood studios were worried that making and selling traditional animated programs had become too difficult to enable recovery. As a result, the investment for traditional

[31] The statement was made by Eric Radomski, the executive creative officer at Film Roman, an animation studio in North Hollywood, in an interview by New York Times.

animated programs decreased. Coincidentally, about the same time, the booming of the dot-com industry had generated a large amount of investment. These two forces created an investment flow: the capital fled from traditional animation industry to the Internet business. In response to these changes, Flash software became a convenient tool for some Taiwanese animation studios (e.g. The Cuckoo's Nest and many other small-or-middle-size studios) to strategically enter online business. For the smaller Taiwanese animation studios, the benefits of their entry into online animation are multiple: there is apparently a strong demand for Flash animated cartoons, and the cost is small. Additionally, unlike the made-for-TV animation requiring distribution channels that are controlled by giant media institutions, small studios fully control the distribution channels for online animation.

Although hundreds of multimedia companies apply Flash technology in creating online animation, most of them are production studios working for advertisers or digital publishers. Only two companies have built up strong presences as major online content providers in the Chinese speaking region. They are (1) Tsueng Shuei Tong Multimedia Technology Inc., and (2) K. K. Long Internet Technology Inc.

Case I: Tsueng Shuei Tong Multimedia Technology Inc.

Tsueng Shiu Tong Internet Inc. launched "a-kuei.com" (Figure 3.2.) in September 1999 featuring an animated character, "A-Kuei", who was voted the most favorite cartoon celebrity among grown-ups in many online polls. Table 3.8. shows a sample of these online polls. Although the results of online polls are easily manipulated, there is a general consensus among the various polls that A-kuei is widely loved by different demographic groups.

Table 3.8.
The top 5 favorite animated cartoon programs for mature adults in Taiwan

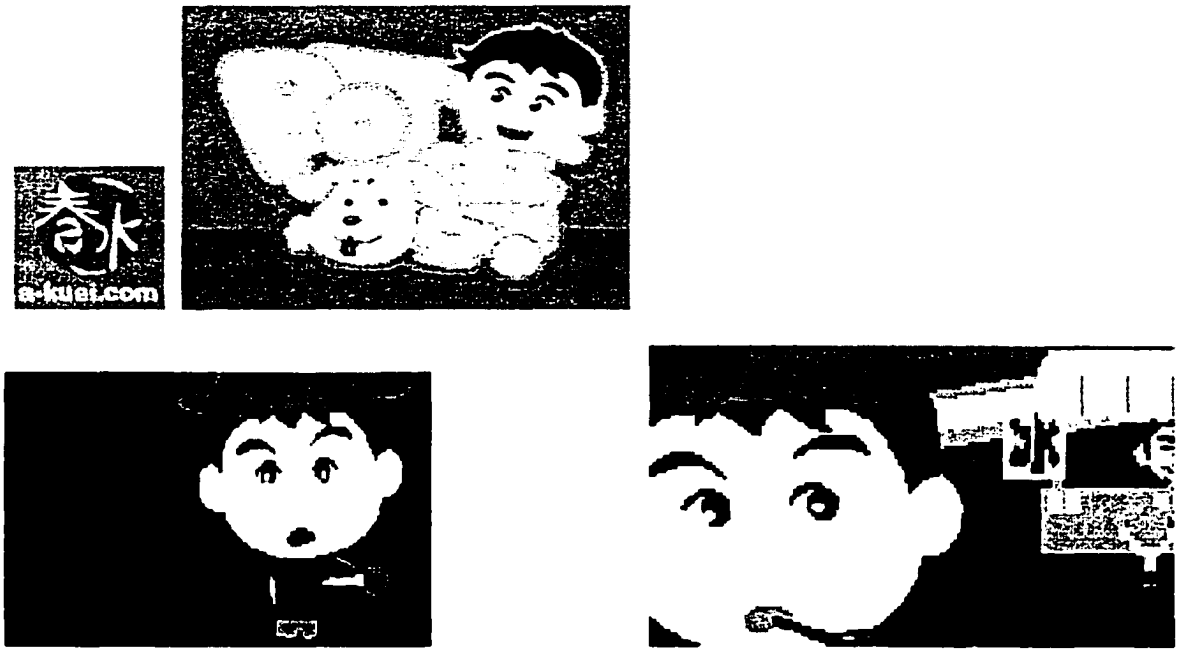
Title	Votes	Percentage
A-Kuei	4205	28.9%
South Park	4015	27.6%
Kang Kau Long	2950	20.3%
Dilbert	1586	10.9%
Simpsons	830	5.7%

(The survey is conducted by www.yam.com, a widely used searching engine and one of the largest Taiwanese online content providers. The other poll also confirms the above poll indicating that both A-Kuei and Kang Kau Long have many followers.)

Founded by Jung-Kuei Chang [32] (A-Kuei is the founder's nickname), the popularity of A-Kuei soared rapidly after its premiere in 1999. The animated programs are online, dubbed in Chinese, and with Chinese subtitles. These practices have reduced the language barriers that most foreign imported programs face, and have allowed Chinese-speaking viewers outside Taiwan to access and comprehend the site anytime. After spending only a small amount of time in the online discussion rooms related to the site, one can easily infer that "A-Kuei" has been drawing millions of viewers outside Taiwan, most of them living in the pan-China region, including Hong

[32] In Taiwanese, a dialect widely used by the people living in Taiwan and South East China, it is common to add the sound, "a", in front of the last sound of the first name. This usage is usually applied to indicate intimacy between insiders. For instance, in an attempt to create a sense of familial ties with Taiwanese speaking people, Shiu-Bain Cheng, the incumbent president calls himself "A-Bian". Most of the local Taiwanese media follow the President's sample, calling Cheng "A-Bian" instead of "Shiu-Bian". By the same token, the founder's first name is Jung-Kuei. He created a website using his own nickname, "A-Kuei", to attract the local people.

Figure 3.2.
A few clips from a-Kuei.com



Top left: The logo of a-kuei.com; top right: the banner on the front page featuring A-Kuei and a dog; bottom left: A-Kuei is portrayed as a detective in an episode; bottom right: A-Kuei standing in front of a ice cream stand (left and right).

Kong, Singapore, and China. A-Kuei's popularity has made him synonymous to online Flash animation in the Chinese speaking region. Most of the interviewees in this study talked about A-Kuei when I mentioned Flash technology.

In 2001, due to the debut of its online version in Japanese, A-Kuei's popularity spilled over into Japan, making A-Kuei, the main character of A-Kuei Flash animated cartoons, one of the most popular cartoon icons in Asia. In October 2001, *A-Kuei and His Family*, also a Flash animated cartoon series created by Tsueng Shuei Tong, became the first Taiwanese animated program syndicated by a Japanese broadcasting network (Animedia, 2001). Fuji Television Company carried the series every

Tuesday. Additionally, *A-Kuei* was featured by the third-generation cellular phone DoCoMo and became the spokesman for NTT in 2001. In brief, A-Kuei's has built up a strong presence outside the pan-Chinese region.

In sharp contrast to most Web companies that arose as the Internet economy was heating up, A-kuei.com started the business after the bubble burst and expanded scrupulously. The reason lies in the fact that Chang knew that people do not, and will not, pay money for viewing three-minute animated projects. In his own words[33], "the heavy traffic only makes me look good, but this can be illusionary. You see hundreds of Hollywood animation studios shut down overnight, then you know in this industry, the glamour evaporates easily. I am looking for something substantial."(Wei, 2001)

With an eyes toward the long-term management, Chang expanded his business slowly. Unlike most of the animation studios in Hollywood that release animated programs through theaters and television stations, A-Kuei distributes its animated programs online. Internet users worldwide can view the projects for free. This practice inescapably leads to the following questions: first, how does A-Kuei generate its revenue, or more generally, what is the company's business model?

Giving away animated programs does have its benefits. The site increased its viewership quickly after its introduction, and has attracted a large pool of worldwide followers. As of Jan 2001, A-Kuei's website had registered over one million hits every day. Although there is suspicion that online companies tend to overestimate their traffic, many online and offline surveys indicate that A-Kuei has indeed drawn a large base of the population. Due to heavy traffic, A-Kuei.com has already created several well-known cartoon celebrities. A few of them besides A-Kuei are, his mon, his grandma, his dog, Big-Head and Ms. Lee. The appearance of these celebrities is

historically significant in the sense that they represent a few Taiwanese cartoon characters that are indigenously created among a sea of Japanese imported characters.

A-Kuei's popularity has allowed the company to function like Sanrio Inc., the Japanese company that licenses Hello Kitty icons throughout the world. The company generated part of its revenue from licensing the copyrights for these characters, and selling animation related products. It is usually the case that these two practices are combined to maximize benefits. For instance, *A-Kuei* might license its copyright to a large conglomerate so the other company can carry *A-Kuei*'s icon on their products. Once these products are produced, the conglomerate distributes them through its own distribution channels. More importantly, the site of A-Kuei also carries these products – in some sense, A-Kuei has helped the conglomerate fulfill the electronic business that it might otherwise have lost.

However, A-Kuei does not make a profit entirely through licensing characters and selling animation-related products[34] (Wei, 2001). It is also a regular multimedia technology production studio. Due to his company's popularity, many local and national official units consider A-Kuei to be the best spokesman for their public service campaigns. In its beginnings, A-Kuei was more like an animation production company than an online content provider. The company's production capability was even more credited as its popularity increased. A brief exploration of A-Kuei's official site convinces us that the company has been working on many PSAs for the government. For instance, as shown on the official site, the company has produced PSAs on a variety of subjects including "No Driving Under the Influence of Alcohol"

---

[33] Chang said this in an interview with Wei. See bibliography for the detailed citation.
[34] A-Kuei's official site claimed that the company is attempting to evolve as "the leading provider of digital image content" in the Chinese speaking region.

and "No Speeding" for Taipei city government. In addition to the production of PSAs, A-Kuei has embarked on an ambitious project to enter the business of computer games. Since the competition in the computer game industry has been fierce, it is difficult at the moment to predict how well A-Kuei will perform.

However, in 2001, the Taiwanese government has launched a "six-year software development project" in order to create a more friendly business environment for software development. The PC game industry has been included in the development project. A-Kuei, as an ultimately Taiwanese software company with 100 percent indigenously invested capital, is most likely at the top of the list of companies the government wishes to support. As of January 2002, A-Kuei has offered numerous computer games online as its initiatives. It is still uncertain whether A-Kuei will achieve the entry into the PC game industry on its own or through strategic alliance with other major players.

According to Chang, the founder, the gradual and steady development of A-Kuei has meant more than anything else. There was a pyramid of dot-com companies that started up all of a sudden but they only lasted a few months. This phenomenon is the last thing Chang wants to do in his business (Wei, 2001). "It takes time to build up and sustain a brand name, and there is no short cut," Chang stressed. In order to sustain interest in the site, A-Kuei has begun to create at least one new program every day.

A-Kuei's popularity has made a prominent case for online animation and electronic commerce. Despite its significance, A-Kuei has not been discussed in American media, nor in academic circles. This argument is supported by searches of academic databases when "A-Kuei" is used as a keyword entry. Most databases in American libraries still consider this entry to be a typo, and suggest that I check my spelling of the term.

Case II. K. K. Long Internet Technology Inc.

K. K. Long Internet Technology Inc. produces online animated MTV featuring a virtual singer[35] named "K. K. Long" (His picture is shown in Figure 3.3), one of the most loved cartoon characters in Taiwan and other Chinese-speaking regions. Despite a similar business model to A-Kuei, K. K. Long targeted different demographic groups, and, as a result, evolved differently.

Literally, K. K. (Kang-Kau) is an extremely vulgar expression to depict "complaints and cursing" in Taiwanese; it is similar to "fuck" in colloquial English. "Long" means dragon in Chinese, but in this case, "Long" refers specifically to the Komodo dragon, the largest of all known lizards in the world. The dragon traditionally symbolizes a noble and fulfilling male in traditional Chinese society, but Komodo dragon represents the opposite. All these wordings combined to suggest some of the attributes of K. K. Long: he is ugly, obnoxious and vulgarly vocal, as seen in Figure 3.3.

Figure 3.3
Virtual Singer – K. K. Long

Error! Unknown switch argument.

Left: the close-up logo of K. K. Long; Right: K.K. Long celebrates the Chinese New Year in Chinese ethnic costume. The picture was acquired from K. K. Long's official site at http://www.ch1.com.tw/index.php3, January 28th 2002. It was about the time when Chinese society started to celebrate the advent of the Chinese New Year.

Indeed, "K. K. Long" is as his name describes. The character was created to speak for the "nobody" in Taiwanese society. Due to rapid urbanization and the structural social changes, these "nobodies" are exploited, maltreated or suffocated. Therefore, they need to complain. The virtual singer "K. K. Long", embraces these people with complete sympathy. He is almost as vulgar as the people at the bottom - he says "fuck" in almost every sentence. He quickly gained many Taiwanese followers.

This type of character is not new in Taiwan. In fact, many Taiwanese rock singers have been as revolting and critical. Many rock singers used this sort of personality to appeal to Taiwanese audiences from the late 1980s to the early 1990s. The Blacklist Studio, Ling Chang and Wu Bai are a few among them. These rebellious qualities were usually directed at political oppression and aligned with the previous opposition party. However, Taiwan has been democratized rapidly since the 1990s, which has resulted in the transition of legitimate power of governance from the oppressive party KMT to DPP, the previous opposition party. This discontent with oppression lacked focus in this context, and consequently, pop songs that protested against political oppression became outdated.

With the advent of the Internet, different online spaces such as chat rooms, electronic bulletin boards and emails provide people with a convenient tool to complain and make their complaints heard. Unlike the political sentiment that the prior

---

[35] "Virtual Singer - K. K. Long" is a straight translation from Chinese. The word, virtual, refers to that this character is fabricated.

rock singers had, these online complaints have been diverse and can often be trivial and personal.

The appearance of K. K. Long fit the trend very well. Table 3.9 shows five of the most popular animated "MTV" shows on the official sites:

Table 3.9
The most favorite MTV shows on K.K. Long's official site

Rank	Title	Content	The download frequencies
1	Music Lesson I	The complaints expressed here have very little substance; many Taiwanese curse words are applied phonetically to teach people to read notes. In other words, seven Taiwanese curse words phonetically resembling seven syllables (Do, Rei, Mi, Fa, So, La, Si) were in the lyrics of the song.	2,259,583
2	No speaking, only fucking	Complains about the government's policies on prostitution. The suspension of licenses from legal (usually cheap) prostitutes has caused the proliferation of illegal sexual transactions, and poor men have been deprived from seeking cheap prostitutes.	1,947,198
3	Driving in Taipei is like Shit!	Complains about being constantly ticketed for not being able to find an appropriate place to park.	1,879,184
4	K. K. Song	The complaints expressed here have very little substance. K. K. Long is situated in front of the President's Palace.	1,595,630
5	Sir, don't slap my face.	Complaints are directed at a teacher who likes to discipline students by slapping their faces. The lyrics curse these kinds of teachers, wishing that they would give birth to babies with no anus. This MTV show caused controversy. The Taiwanese Teachers' Association protested against the song fearing that this song might be widely circulated in schools. In response, K.K. Long took the MTV show off its official site.	1,595,255

(Source: K. K. Long's official site: The data were retrieved on January 24, 2002. The number and rank are changing.)

In financial terms, the operation of K. K. Long resembles that of A-Kuei. For instance, K. K. Long licenses its copyright and sells animation-related spin-off products. Besides, K. K. Long also functions as an animation production house, producing multimedia project for clients. However, there are several distinctions between the two companies. First, since K.K. Long started out as a "virtual singer", it has a strong tie with the music industry that A-Kuei does not have. Therefore, the music is the key animation "spin-off product" for the K. K. Long official site. Or the case of K. K. Long could be discussed the other way around; K. K. Long is nothing but a pop singer who promotes his music exclusively online. Second, due to the unruly qualities of K. K. Long, the animation provokes more controversy than A-Kuei[36]. Third, although people from diverse age groups are drawn to K. K. Long, it is still considered male-oriented. A-Kuei enjoys a broader popularity. However, this does not necessarily mean that the "unhealthy qualities" of K. K. Long have alienated those clients seeking a producer for PSA projects. On the contrary, the client's decision is usually made based on the subject and the tone of her/his project. K. K. Long has a very strong and concrete niche market; it is particularly persuasive in conveying its ideas to adult males. A handful of PSAs produced by K. K. Long including "Safe Sex" and "AIDS Alert" supports the conception that K. K. Long targets a specific segment

[36] There was wide controversy about a K. K. Long's animated MTV cartoon in 2001. In one piece of the animated MTV, K. K. Long curses teachers who slap their students' faces, hoping that they will give birth to babies with no anus. The Taiwanese Teacher's Association protested against this piece of MTV because coincidentally, one loving and caring teacher had given birth to a baby who lacked an anus. K. K. Long replied that the song is not intended to offend teachers. In fact, a sophisticated Chinese speaking audience could easily infer that the lyrics were written to create a phonetic coherence. "Asshole" was chosen for its rhyming capabilities. Nevertheless, K. K. Long complied with the request taking off the song and animated MTV cartoons from their site.

to avoid competing directly with A-Kuei, and the segment has functioned according to the producers' wishes.

Conclusion

The rise of Flash technology has significantly changed the production and distribution of animation in Taiwan. In terms of animation production, the entry barrier had been extremely high as a result of the required intensive capital and labor. Yet Flash technology, one person was able to independently complete an animated project. In the case of Taiwanese companies, a four-to-six-person team was all that was necessary for an online project (Wei, 2000). More importantly, *Flash* technology changes the structure of production, allowing animators to work on the pre-production. Prior to the advent of *Flash*, very few animators in Taiwanese studios were trained to work pre-production, including story telling, scriptwriting and character design, because pre-production was usually performed by their clients in the United States. However, now the animators hired by A-Kuei rotate to work on pre-production. They are trained to handle every aspect of the animated project.

With the rise of Internet technologies, the popularity of A-Kuei and K. K. Long seems to confirm the concept of geolinguistic regions proposed by Sinclair in the early 1990s. According to his assertion, there are geolinguistic regions of common language and heritage outside the English-speaking world, and the formation of geolinguistic regions were facilitated by improved technologies, chiefly satellite communication. Due to the appearance of the geolinguistic regions, certain Latin American as well as North American media corporations are exploiting their inherited advantages (Sinclair, 1993).

Given all this, the perspective taken in this dissertation is that, although, with Flash software, the Taiwanese studios might enjoy the advantages of the large-sized market in the Chinese-speaking geolinguistic region, they still could not move from their originally marginalized position to the central position in the global production system. The online animated cartoons created by Flash technology usually last less than three minutes, the animators hired to work on Flash projects are trained only to produce numerous minor projects. These small productions only have the flavor of animation resembling animated commercials on TV. Flash technology has offered alternative methods to produce and consume animated projects, but its impact is still limited. Currently, Flash technology is still thought to be a long ways from replacing the traditional animation. The core competitive advantages of the Hollywood studios (e.g. the teamwork among diverse skilled people, the knowledge to plan, execute, and promote blockbuster animated projects) have not been very much threatened. In the long run, due to the low entry barrier, competitors in the same geo-linguistic region might easily build up their presence.

In terms of distribution, the rise of Internet technology has allowed these animators to distribute their projects with minimal cost. However, there are several limitations. The low Internet penetration rate, low connection speed and small memory capacities of PC's in some regions, particularly the rural regions of China, restrict the Internet from becoming a powerful distribution channel in the Chinese-speaking region. Furthermore, these Internet animated projects do not independently generate any revenue for these companies. These companies' heavy reliance on animation-related products is financially risky because copyright infringement is still a serious problem in the pan-Chinese market. Despite the problem with distribution, *Flash*

technology does help foster a viable indigenous animation industry at the threshold of a new millennium.

CHAPTER 4
THE CONSUMPTION OF ANIMATION IN TAIWAN

Introduction

In examining the colloquial Taiwanese spoken by most Taiwanese people, one finds that there are no words directly corresponding to the English words, "cartoon" and "animation". People in Taiwan still apply "manga", a Japanese-imported word, to refer to cartoon or animation. The language practice seems to suggest that when talking about cartoons, people in Taiwan often do not think of "Hollywood imported cartoon". To the contrary, cartoon refers to "manga", which is to say that it is Japanese imported, and could be *Sailor Moon*, *Hello Kitty*, *Dragon Ball* or *Pokemon*.

Several academic studies have been devoted to analyzing the Taiwanese media's heavy reliance on Japanese cartoons in the 1990s. For instance, a study conducted in 1997 indicated that both Taiwanese TV network stations and cable TV had increased the supply of Japanese animated films since 1994 (Chaw, 1997). Additionally, analyzing the reasons accounting for the popularity of Japanese imported animated programs. Su associates this phenomenon with the Taiwanese government's authorization of cable TV and the lifting of the ban on Japanese TV programs in 1993 (Su, 1994; Lee, et al. 1998; Su, 1999). However, these kinds of analyses suffer from a lack of comparative leverage. It should be remembered that the American counterparts also increased the program supply by launching at least four all-day cartoon channels in Taiwan during the 1990s in an aggressive effort, even as the Japanese influx

continued[1]. The importation of American animated programs has also increased enormously since the Taiwanese television market was fully opened in 1992.

Given this fact, an effective inquiry should be centered on the question of whether the importation of Japanese animation outweighs that of Hollywood, the chief competing source.

In fact, the widely-loved cartoon characters in Taiwan have origins a long way from Hollywood. Although this may be obvious, a thorough study reveals that it is even more true than previously thought. According to rating surveys conducted by AC Nielsen-Taiwan, despite the availability of nearly 100 channels for typical Taiwanese households, all top-rated cartoon shows in 2001 were aired by three major terrestrial TV stations. A few of them enjoyed a share of over 3 percent including *Doraemon* (5.37 percent), *Pokemon* (3.56 percent), *Digimon* (3.27 percent) and *Conan* (3.02 percent). They are all Japanese-imported.

A closer look at the share of the animated shows carried by cable channels sheds light on how Japanese imported animated programs overwhelmed Taiwanese TV channels. As seen in Table 4.1, only one TV show (see the shadowed cell) was not imported from Japan in 2000 and 2001.

---

[1] These channels are "Cartoon Network", "Disney Channel", "Discovery Kids" and "Hallmark" (Television Asia April 2001). These channels are owned by AOL-Time-Warner, Disney, Liberty Media Corporation, and Crown Media Holding Inc. respectively. However, Hallmark and Discovery Kids were not carried by some of the local cable operators. Namely, only Cartoon Network and the Disney channel penetrate the Taiwanese market to a larger degree.

Table 4.1
The shares of animated programs carried by Cable TV in Taiwan

Rank	The title of cartoon show (2000)	Average Share in 2000; and its carrier	The title of cartoon show (2001)	Average Share in 2001; and its carrier
1	*Kuro Magic Angel (2)*	**1.38**; Star TV	*Doreamon*	**1.49,** GTV-C
2	*Conan Brother*	**1.27**; Star TV	*New Dragon Ball*	**1.08,** Star TV
3	*Famous Detective Conan*	**0.97**; Star TV	*Kuro Magic Angel*	**0.87,** Star TV
4	*Famous Detective Conan*	**0.97**; San-Li Metro Channel	*Game King*	**0.85,** San-Li Metro Channel
5	*Kuro Magic Angel (1)*	**0.95**; Star TV	*Magic Babies R2*	**0.85,** Star TV
6	*Chibi Maruko*	**0.93**; Star TV Chinese Channel	*The odyssey of Barbie doll and Nutcracker*	**0.83;** Yo-Yo
7	*Chibi Maruko R2 (New version)*	**0.85**; Star TV	*The best of Chibi Maruko*	**0.83,** Star TV
8	*New Dragon Ball*	**0.81**; Star TV	*Sheng-Fong, a weird pirate*	**0.83,** Star TV
9	*Brother Bau-Tso*	**0.81**; San-Li Metro Channel	*Digimon*	**0.82,** Star TV
10	*Magic Babies*	**0.80**; Star TV Chinese Channel	*Surreal trip to fight back*	**0.81;** Yo-Yo

Source: AC Nielsen-Taiwan TV share database. The data retrieval and processing were conducted by Doug-Ping Wang, the Public Relations Specialist of AC-Nielsen Taiwan.

AC Nielsen-Taiwan's survey also shows that there was no other American imported cartoon except the aforementioned one among the top-twenty cartoon shows in 2000 and 2001, despite three channels that broadcast exclusively American imported cartoons on a 24-hour basis. American re-run cartoons carried by these three channels gained, at best, a 0.3% share and, at worst, less than 0.05%. From the data reviewed above, it is safe to conclude that in terms of cartoon programming, Taiwanese cable TV and terrestrial network depend chiefly on the Japanese imported animation at the threshold of the new millennium.

This chapter first discusses the historical development of TV cartoon programming in hopes of analyzing the political and economic reasons that account for the heavy reliance upon Japanese imported animation by Taiwanese TV companies. The Taiwanese media landscape has undergone significant changes since 1993 due to the authorization of cable TV and the government's lifting of its ban on Japanese TV programs. Therefore, in reviewing the historical development, the discussion is classified into two sections - before-1993 and after-1993. The process of animation importation usually consists of (1) program acquisition and (2) TV station promotion, two distinct procedures, which are therefore discussed in each section separately.

The second part of this chapter is devoted to the discussion of the counter-forces against the importation of Japanese TV programs. Two of the most important forces are exerted by (1) indigenous resistance from ETTV, a local cable operator, and the Taiwanese Public Station and, (2) competition from the American imported programming.

The indigenous resistance against the importation of Japanese animation programs is represented by the establishment of Yo-Yo TV and several projects

launched by the Public Television Service (PTS). Although these projects were rarely carried out successfully enough to have a significant impact on the entire TV programming in Taiwan, they nevertheless illuminate the underlying political and economic forces that govern cartoon programming.

Additionally, as I discussed earlier, American imported animated programs have struggled to share significant viewership under the fierce competition from Japanese counterparts. While there have been some successes, they have been few and far between. The success of *South Park* exemplifies a model that requires further study. Therefore, rather than recounting numerous failures in the programming history, my dissertation focuses on the case of *South Park*, which has been widely regarded as a success since its beginning in 2000, in an attempt to shed light on the debate over the issue of globalization through the analysis of Star TV's localization project. In this section, my dissertation examines how *South Park*, an American imported cartoon program, was creatively adjusted to meet the local taste of Taiwanese people.

The Historical Development of Japanese Imported Animation

The Taiwanese TV's Cartoon Programming Before 1993

In the 1970s, Taiwan was one of the world's most self-reliant nations in the realm of TV programming (Lee, 1980). The low dependence on foreign media can be illustrated by the fact that even immediately prior to the Taiwanese TV market being fully opened, only approximately eight percent of the programs broadcast on terrestrial channels were in a foreign language (Su, 1992). According to Su, the Taiwanese government lifted the ban on Japanese TV programs at the end of 1993. This policy

change has accelerated the dissemination of Japanese popular culture in the form of comics, music, and animation.

Evidence discussed in the introduction section supports the notion that Japanese animated programs continued to enjoy overwhelming popularity at the dawn of the twenty-first century. However, the evidence does not confirm that Japanese animated programs entered the Taiwanese market only after 1993. On the contrary, Japanese imported programs started attracting a following as early as the 1970s when they were still "banned". The statement sounds contradictory – if the Japanese programs were banned on the terrestrial channels, how could they remain visible and even popular? It should be further noted that there were virtually no substitutes for terrestrial TV channels, a time when the VCR was still in its infancy and illegal cable TV had not yet been launched. In other words, the only method for a program to have become popular would have been by way of terrestrial TV networks.

In reviewing the TV schedules listed in Taiwanese newspapers[2], one notes that the Taiwan Television Company (TTV) programmed *Princess Knight* (Chinese name: *Bao-Ma-Wang-Zu*) in 1974, a program that quickly became a success. In the same year, *Monkey Magical Fantasy Adventure* (*Hsi-Yu-Chi*) was imported by Chinese Television Company (CTV) to compete against TTV. *Princess Knight* and *Monkey Magical Fantasy Adventure* are both Japanese imported. The former was produced by Mushi, a Japanese animation studio in 1967; the latter, also entitled *Alakazam The Great*, was produced by Toei animation studio, the most prolific Japanese animation

[2] The schedules can be found on numerous sources, including the United Daily and the China Times, two leading newspapers in the 1970s, and *TV Weekly* Magazine.

producer, in 1961[3].

Since these two imported programs were on the air in 1974, it is safe to speculate that the Taiwanese government did not fully ban Japanese programs. Alternatively, there probably was a law, but it was never enforced. In order to investigate the nuanced inconsistency between regulation and practice, several questions were directed to the officers in the interviews with the Government Information Office (GIO), the Taiwanese governmental regulatory body for the TV broadcasting industry. According to the legal specialists of the GIO, the *Broadcast and Television Law*, formerly regulating TV programming and replaced by the new law in 1992, never clearly banned the importation of Japanese programs. Nor was any quota limitation imposed on the importation of foreign TV programs. The only article in the law specifically addressing to the purchase of foreign programs was language restriction. In other words, in theory, TV stations were allowed to import any foreign programs regardless of the country of origin as long as they translated their purchased programs as required. However, the ban on Japanese programs in the 1970s was mostly as a result of institutional process. For instance, the three terrestrial networks were directly or indirectly controlled by the authoritarian KMT ruling government. The most common institutional "pressure" exerted on the TV networks is through the renewal of stations' licenses and the appointment of personnel to the committee board. In the case of Japanese TV programs, the ruling government was still haunted by

---

[3] *Monkey Magic* is based on a sixteenth century Chinese epic called *Hsi-Yu-Chi* (*A Journey to the West*). The tale, set in 630 A.D., describes a brave, smart and mischievous magic monkey who escorts the Tang priest on a perilous journey, in which monsters and demons tried to stop the Tang priest from reaching a Buddhist Monastery in India to retrieve the Buddhist scriptures. The production year for *Monkey Magic (Alakazam The Great)* varies according to several sources. A possible reason

Japanese wartime brutality. Several official guidelines from the authority were issued to the TV networks, implicitly banning the importation of Japanese programs. The consent of prohibition on the importation of Japanese programs was reached without being spelled into law.

Notwithstanding the above findings, Japanese animated programs were approved to enter the Taiwanese market. When asked why Japanese animated programs were allowed to enter Taiwan, the GIO officers[4] speculated that the purpose of the ban on Japanese programs was related to the worry that the "emperor supremacy," the Japanese patriotic ideology, conveyed in Japanese TV programs might arouse favorable feelings toward Japan for those people who grew up under Japanese colonization. The former ruling government (KMT) feared that the programming-generated favorable feelings might have transformed into an escalated nostalgia associated with anti-Chinese nationalist sentiment. However, as a matter of fact, these Japanese imported cartoons always downplayed political issues and minimized Japanese cultural themes. The government was not seriously concerned that its legitimate power would be undermined by the importation.

Economic profit is the other reason for the TV companies to import Japanese animated programs. When the Japanese animation industry was founded in the 1960s, the studios and distributors did not immediately notice the lucrative foreign market. Due to a lack of companies conducting marketing surveys and auditing the studies of the viewing rates in the 1970s, Japanese cartoon distributors had very little knowledge

---

for the inconsistency is that the production of the series spans over a period of several years. Additionally, many different versions have come out after Toei's.

[4] These officers include the legal specialist, broadcasting law specialist, officers of cable division and of satellite division. They refused to give me their names for "national security reasons."

about the Taiwanese TV market. As a result, on the one hand, Taiwanese TV companies were able to purchase Japanese cartoons at an extremely cheap price, and on the other hand, due to the nature of oligopolic competition, the Taiwanese TV networks sold their advertising time slots to media buyers at an outrageously high price. The profitability of Japanese imported animation was once touted as "the most tempting money-making machine" by the Taiwanese TV networks, according to Yeh Jung-Chen[5], a retired programming director. The profit margins of Japanese cartoons far exceeded even those of some general-programming hits and were remarkable in Taiwanese programming history.

Since the three terrestrial TV companies were chiefly owned by the government (Taiwan Provincial Government established the TTV; the KMT, the former ruling party, owned the CTV; and the National Defense Department founded the CTS), the TV stations were operated for the business interests of the government. The dual roles of the policy maker and TV station owner played by the Taiwanese government leads us to conclude that the Taiwanese TV networks' importation of Japanese animated programs was a function of profitability.

Given the two facts discussed above, two reasons can be drawn to explain the influx of Japanese cartoons in the 1970s despite a ban: first of all, these programs made money for the Taiwanese government; second, these animated programs are non-threatening because they downplayed the cultural issues that concerned the Taiwanese government.

---

[5] Based on the author's interview with Yeh in 2001. See Appendix III for detailed information regarding Yeh's biography and interview summaries.

The Acquisition of Japanese Animated Programs before 1993

By 1975, shortly after the launch of the Chinese TV Service (CTS), a terrestrial Taiwanese TV station, cartoon programming attained the pattern that was evident from the late 1970s through the early 1990s. The general landscape of cartoon programming during this time period can be summarized as follows: three major Taiwanese TV terrestrial TV stations broadcast cartoons between 5 p.m. and 7 p.m. to attract children after school. These cartoons were exclusively Japanese imported. On the other hand, American cartoons were positioned as made-for-preschoolers and frequently filled less important time slots. The time slot between 6 p.m. and 7 p.m. was considered crucial for cartoon programming, and so the Taiwanese TV networks allocated their premiere offerings to rival one another during this hour.

The cut-throat competition among three channels forced the Taiwanese Television stations to apply strategies resembling those employed by the American TV networks. These strategies are tied up with external and internal institutional processes: the former refers to program acquisitions from Japanese cartoon distributors; the latter relates to the TV station's internal promotional campaign. I will further elaborate on these two separated issues.

In terms of program acquisition, at the insistence of Taiwanese TV stations, efforts were made chiefly to lock in the broadcast rights of a hit as long as possible, and to remove a disaster from the air with minimal cost. Since program acquisition always involves supply and demand, no analysis of this subject would be complete without analyzing both. Therefore, my paper will first discuss the supply side, then the demand side.

On the supply side, it is important to analyze the Japanese animation industry as well as the comic industry because they played an indispensable role in providing animated TV programs for the Taiwanese TV station. Historically, the development of the Japanese animation industry was suffocated by animation imported from Hollywood until World War II. In wartime, Japanese animation production thrived as a result of the ban on American animation and of the increased internal demand for propaganda animation from the Japanese government (Fan, 1997). The Japanese animation industry evolved rapidly in the post World War II era. Notably, Toei animation studio, the largest Japanese animation studio, was founded in 1956. It watched Disney closely and began to follow the same techniques, but it failed to establish an international presence partially due to the fact that Disney still had a strong hold on the public and controlled the distribution channels (Nantus, 1998).

However, the Japanese animation industry is one of the most prominent beneficiaries of its well-established comic industry, which stressed storyline development, creative spark and characterizations (Fan, 1997). As the penetration curve of television escalated rapidly across many countries in the late 1960s, Japanese made-for-TV animation was presumably more suited for the tone, and started to beam into a large amount of households outside of Japan with a vengeance.

The chief producers of Japanese animation in the 1960s were Toei, Mushi and Tatsunoko. The distribution of the animation was operated by Japanese TV stations, also the clients of the studios. Since TV penetration rates were still limited in many countries in the 1960s, the Japanese distributors were not aware of the lucrative foreign markets, except that of the United States. It was not until the 1970s that the Japanese distribution system became more established, but knowledge about the Taiwanese TV

market was still very scant. The lack of a modern auditing system for TV ratings in Taiwan allowed Taiwanese buyers to negotiate the imported prices to their advantage. According to Yeh, a former Taiwanese TV programming executive who has worked for media in Tokyo, Japanese distributors initially under-priced their programs due to an underestimation of the Taiwanese market size (Yeh, 2001). When they became aware of the size in the 1980s, their distribution of TV programs had been threatened by the increasingly prevalent pirated videos. "It is always better to cut the price and get programs distributed through TV stations than let pirated video do all that," Yeh explained.

On the demand side, several factors affected a Taiwanese TV station's importation of Japanese animated shows. First, the decision to import a Japanese animated show was made, mostly based upon the performance of the show in Japan. This factor was particularly crucial in the initial stage when Taiwanese TV stations started importing the shows and did not have an "acute sense" of the taste of Taiwanese audiences. As years went by, the programming directors polished their skills by bringing in other criteria. According to seven interviewees who have been involved in the cartoon programming for Taiwanese TV companies, the performance of the pirated comic versions of a show is also indicative of future performance. "If a given show's comic version has prevailed before it is introduced, there is some guarantee for its success", Michael Wang, the programming director for a Taiwanese TV company said. There are telling examples: the comic heroes in the 1950s became animated TV stars in the 1960s. Soon after, media, comics, animation, publishing, toy and clothing companies joined forces to turn characters into commercial success stories (Teroso, 1996). The cycle repeats in a predictable manner, the only difference is

that the cycle has become shorter and shorter. As a result, the performance of a given comic book becomes a crucial predictor, particularly in the case of animation; if people are fans of the comic book, there is no doubt they will be hooked on the animation version of the comics.

Generally speaking, a TV station would not broadcast an animated program resembling those on a competing station during the same time slot. In the 1970s, when marketing research in Taiwan was not sophisticated, the most convenient method for avoiding direct competition was to broadcast a genre not currently on the air. For instance, if the CTV is airing *Candy Candy*, a Shoujo (girls') cartoon, its counterpart would usually avoid the same genre by choosing *Gatchman*, a boy-oriented scientific fiction cartoon.

It is important to understand the longstanding categorization of manga readership (or viewership) on which the promotion activities of Taiwanese TV stations were based. Since the development of the Japanese comic industry preceded that of the animation industry, there is small wonder that the genres of animation are reflected in those of comics. The Japanese comic industry was originally based around magazines for boys, and then expanded its production to magazines for adolescents and girls. In the 1960s, the categorization system was entirely delineated by age and gender. The practice was extremely tempting to Taiwanese TV programmers because the system functioned as a *de facto* tool to differentiate the target audience of one station from another. The importation of Japanese animation in the 1970s and the early 1980s was limited to the former two types - programs for boys or girls. This seems to suggest that imported programs in the early years were entirely targeted at children.

A few interviewees expressed favorable attitudes toward the Japanese genre system, concluding that it has contributed to many of the programming successes. Indeed, a programming director can tell the target audiences by the genre categories into which an imported cartoon falls.

Stanley Lu[6], an interviewee working for Golden Sun TV station, recalled that a favorable attitude toward boys' animated programs stemmed from a belief that girls can be interested in boys' shows, but that boys are unlikely to be interested in girls' shows. In the 1970s and the early 1980s, the time slots for animated programs were limited. Consequently, while the *shoujo* cartoons were usually aired by one channel at a given time, in sharp contrast with these girls' cartoons, the more dual-gender pleasing boy-oriented cartoons such as *Giant Robot, Science* and *Adventure* were frequently aired by two or more TV stations at the same time.

The Television Stations' Promotion before 1993

The television stations' promotion for a purchased animated program consists of the launch of a campaign (e.g. the airing of commercials in TV programs) and the repackaging of the purchased cartoons (e.g. the translations for subtitles, the creations of dubbings and theme songs). The launch of a promotional campaign was operated similarly to the other types of programs (e.g self-produced drama or variety show). Yet, since there are specific language requirements for the Taiwanese TV stations, the repackaging of a cartoon program is a special case that demands further discussion.

---

[6] Based on the author's interview with Lu in 2001. See Appendix III for detailed information regarding Lu's biography and interview summaries.

Before the government deregulated the television industry in 1993, programs imported from overseas required some explanation or superimposed captions in Chinese (Su, 1999). Now, technically, a television station is allowed to simply put a foreign program on the air completely unchanged. However, aside from some satellite networks, such as CNN or NHK, which beam news programs from foreign countries directly without Chinese subtitles, very few television stations do this. In light of the fact that few Taiwanese people can comprehend foreign languages, chiefly English and Japanese, without subtitles, translation work has played a very important role in TV's importation of foreign programs.

There are several ways for a Taiwanese TV network to translate a foreign language. Superimposing Chinese subtitles on a foreign program is the primary way by which virtually any imported program is translated. Aside from subtitles, the imported program can be dubbed. In the case of programming for children, a TV company does not have any choice but to do both. After all, children under 10 years old might not be able to read, therefore the vocal translation becomes an indispensable source for children to comprehend the programs.

The creation of a theme song, and a new title, if necessary, for an imported cartoon was essential and frequently key to success in the 1970s and early 1980s. The lyrics of a show's theme song usually summarize the story (who does what and how), the genre of animation (what you can expect) and the educational purposes (what we learn from the story). "These songs were tested again before they were on air. They must be remembered by most children once they listen", Yi-Chung Liu[7], a promotion

[7] Based on the author's interview with Liu in 2001. See Appendix III for detailed information regarding Liu's biography and interview summary.

director for a Taiwanese radio station, commented. Indeed, a quick examination of the major successful animated programs has confirmed Liu's observation (as seen in Table 4.2 on next page). In order to create a sense of "we-ness" to draw the program's audiences, the theme songs for animated cartoons in the 1970s were usually sung by an elementary school choir.

However, since the 1980s, enthusiasm for creating a theme song for an animated program shrank sharply. As a result of budgetary constraints, the illegal cable stations usually left the imported programs unchanged except imposing translation subtitles. This practice, however, enabled Taiwanese audiences to watch the original version of Japanese programs, and consequently, the exposure to the "authentic" version of Japanese animation reshaped the taste of Taiwanese audiences. According to Liu, the theme songs created by TV stations were considered to be "phony" shortly after the original version of Japanese programs had been on air. Given that Japanese imported culture products were increasingly popular in the late 1980s, TV stations became enthralled by the idea of "Japanese-imported." Gone were the days that TV stations were required to de-emphasize the Japanese flavor, as was the case in the 1970s. Ironically, efforts made by the Taiwanese TV stations, legal or illegal, emphasized the programs' Japanese-imported qualities by spelling out "how well-preserved these programs were," and the creation of a new Taiwanese theme song for the local became an "outdated" practice, and "not cool", at all according to Liu (Liu, 2001).

Table 4.2
The English title, Chinese title and theme songs of several Japanese imported animated shows in Taiwan.

English Title	Title used in Taiwan	What we learned from the theme song?	Debut Year In Taiwan
Pinnochio	Adventure of the Wooden Doll	**Who**? Wooden doll, carpenter and the magic lady **What**? A wooden toy's journey to becoming a real boy. **How**? Filial piety changes a wooden doll into a living boy. **Genre**: Adventure/drama; Target: Boys/girls **Educational implications**: Endurance, filial piety and warm-heartedness are important qualities that children should have.	1977
Gatchman	The Little Scientific Musketeers	**Who**? The little scientific musketeers **What**? A project to stop enemies from destroying the earth **How**? Brave and wisdom **Genre**: Science fiction **Educational implications**: Be strong and bring the evils to justice	1977
God Mazinger	Undefeatable Iron Giant Robot	**Who**: Iron Giant Robot **What**: Kill evils **How**: Apply wisdom, advanced weapons conquer **Genre**: Giant Robot; Target: boys **Education implications**: Be strong and resistant to evil power.	1979
Candy Candy	Little Sweet Sweet	**Who**: Candy Candy **What**: The life in orphanage and the upbringing of a girl **How**: unmentioned **Genre**: girls; Target: girls **Education implications**: Be brave and optimistic, you must be able to overcome the turbulence in your life.	1979
A dog of Flanders (adapted from a French novel)	Long-Long and his Royal Dog	**Who**: Long-Long and his royal dog **What**: The wandering life of a boy, Long Long and his dog **How**: The dog makes a good company for Long Long by helping him out of the difficulty time. **Genre**: drama (literature) **Education implications**: implicit loyalty	1984
Heidi	Little Angel	**Who**: Little Angel **What**: The life in the Alps Mounts. **How**: The simple life and attachment between man and environment **Genre**: drama (literature) **Education implications**: Perseverance and conservation	1978

The lyrics of the songs can be seen at http://www.fju.edu.tw/homepage2/pollyanna/year.html (in Chinese). It is a website operated and maintained by the Comic and Animation Club of Teng-Jiang University in Taipei. The descriptions shown in above table are my primary analysis based on the original lyrics for theme songs of cartoons.

The Government Broadcast Policy and Cartoon Programming after 1993

In terms of the importation of the Japanese programs, 1993 is a milestone year. The Taiwanese government lifted the formal ban on Japanese programs, as well as the language requirements. The new broadcasting law passed in 1993 does not regulate any specific type of program. In other words, animation programming is treated exactly as any other type of programming. For instance, if a given shown is not rated as "for all audiences," it is the responsibility of a TV station to post its rating prior to the show. This rule applies to animation too. Although some legislators were wary about the violent and sexually explicit content in some animation and attempted to make new laws to tighten control over the animation programs, their attempts failed (Kou, 1997).

This change in the law did not affect animated shows because they had been imported under the government's "tacit consent" as discussed earlier. That being said, the three Taiwanese television stations realized fewer and fewer profits from the importation of Japanese animation in the 1980s, as a result of the fierce competition from illegal cable stations and the proliferation of pirated videos. Despite concern about the tremendous loss, the Japanese government was not able to negotiate a new bilateral treaty governing copyright protection with Taiwan. The trade surplus with Taiwan had put the Japanese government in an inferior position in the talks. More importantly, the position was exacerbated by a worry about trade sanctions or boycotts from the Chinese government, since historically, the Chinese government has exerted immense pressure on the Japanese government to accept China as the only legitimate political entity and boycott any talks, formal or informal, between Taiwan and Japan (Yeh, 2001). With an eye toward the potential of the huge Chinese market, the

Japanese government has been vulnerable to the pressure from the Chinese government.

In 1993, chiefly in response to the pressure from the American government, Taiwan enacted a new copyright law in compliance with world standards with respect to intellectual property protection (Kou, 1997). Ironically, in terms of cultural products, Japan has become a chief beneficiary of the new law, under which, in order to carry animation programs, the newly legalized Taiwanese cable operators have to purchase the broadcasting copyright. The enforcement of the new copyright law makes the importation of Japanese animated programs a complicated case. Generally speaking, the copyright for an animated program includes broadcasting rights, video distribution rights, and spin-off merchandising production rights. The Taiwanese TV companies could decide to buy "all rights," and become the program's exclusive distributors in Taiwan or simply purchase the right to carry the show.

However, the Taiwanese TV companies are usually reluctant to buy "all rights" for several reasons. The most compelling reason, according to Lu, is that most of the TV companies have not successfully transformed from program carriers to copyright "wholesalers." Second, it is usually the case that a Japanese company will set up its own subsidiaries in Taiwan if it considers the market lucrative enough. For instance, the Japanese company Sanrio Co., a stationery producer, also the creator of *Hello Kitty*, set up Sanrio Taipei as its second overseas subsidiary in 1992. In examining the distribution systems of most of the popular cartoon icons, we could conclude that Japanese companies have tightly controlled the copyrights of the popular cartoon icons.

Third, and also importantly, the markets of animation and its relating products are still greatly threatened by copyright infringement. "Buying all rights might end up doing something all wrong", as Jerry Wang[8], a TV programmer with TTV, jokingly put it. After the Taiwanese government enacted the new law under pressure from the U.S., the law enforcement of the Taiwanese government focused more on American imported products than those of other origins. The cultural products imported from Japan were relatively less protected because of their vulnerable status: there is still no bi-lateral treaty between Japan and Taiwan. In other words, a cartoon icon registered in Japan would not be recognized by the Taiwanese government until the identical icon has been registered in Taiwan, and vice versa. In this sense, Taiwanese pirating companies do not break the law by selling *Hello Kitty* dolls until a Taiwanese company successfully registers the copyright.

Among various copyrights derived from a registered cartoon icon (e.g. video tapes, CD-ROM, or merchandising), the copyright pertaining to the merchandising spin-off is most frequently violated (Lu, 2001). In response to the prevalent copyright violations, the Japanese subsidiaries in Taiwan increased the supply and dropped the prices. It is widely believed that the room for pirating products has been squeezed. For instance, Sanrio Taipei teamed up with McDonald's in a promotion campaign through which a couple of dolls, encompassing *Hello Kitty* and her boyfriend *Dear Daniel*, were sold at $2.50 to those who ordered $2 meals[9] (Lim, 2000). This promotion plan caused an unprecedented frenzy in 2001. There were four kinds of Hello Kitty sets sold in the campaign, and the most popular kind - the Hello Kitty in Kimono,

[8] Based on the author's interview with Wang in 2001. See Appendix III for detailed information regarding Wang's biography and interview summary.

according to McDonald's - sold 7 million sets in just three days. The number is roughly equivalent to the total number of Taiwanese households (Huang, 2000). The decreased price differentials and significant difference in quality made the pirated products less desirable.

Cartoon programming after 1993

According to Stanley Lu, Yuro Chang, and Jerry Wang, the programming manager, the marketing director and marketing executive, respectively, of Goldsun Satellite Co., there are some factors in addition to those discussed earlier that affect a Taiwanese cable station's decision to purchase a Japanese program under the new copyright law. Generally speaking, Japanese program distributors are categorized as first-, second- and third-tier; and Taiwanese TV companies negotiate prices accordingly. Reputable Japanese TV networks, - for instance, Fuji and Tokyo Broadcasting System (TBS) - fall into the first tier; TV Asahi falls into the second. However, the categorization does not necessarily imply that Taiwanese cable companies always prefer the first tier to the rest. The decision-makers take many factors into account. To begin with, Japanese TV companies have either purchased ownership stakes in (e.g. TBS owned 30 percent of JET TV) or strategically allied themselves with Taiwanese TV stations (e.g. Goldsun has signed a contract to carry Japanese programs). This practice creates difficulties for independent indigenous TV channels. Not only do they have to pay higher prices for the same programs, but, in addition, they are unable to import the ideal programs since they usually have been preempted by the competing television channels.

---

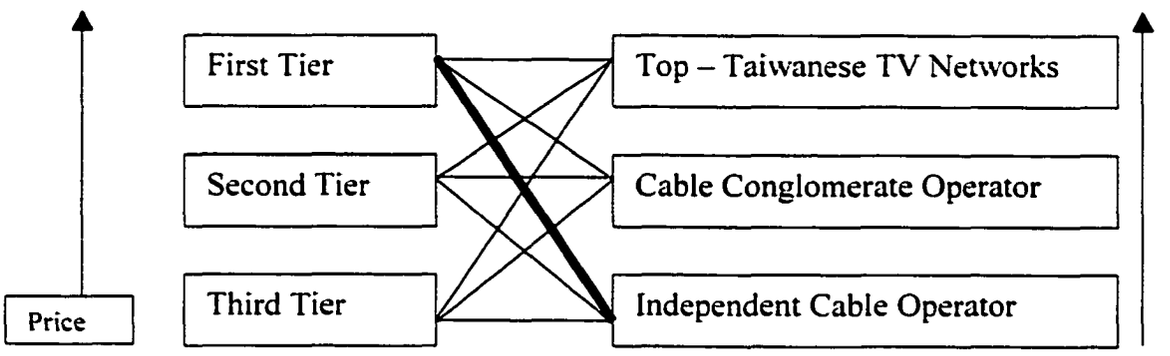
[9] 1 USD = 33 TWD (2000)

However, the programs created by the first tier Japanese TV station do not necessarily equate to the most matched program for a Taiwanese station. Many reasons make them undesirable. The most obvious one, according to Lu, is "they are too tough to deal with." Indeed, the large TV company's inefficiency in clearing up the copyright ownership issue has driven the Taiwanese audiences to piracy. The most well-known example is that of *Long Vacation* (1998, TBS), one of the most popular shows on television, which was never carried by any Taiwanese TV stations because Japanese TV companies failed to resolve part of the copyright ownership. The laggard pace of distributing the episodes allowed pirating companies to make good profit. Lu jokingly said that he could have worked for pirating companies since only they could distribute the ideal show he wanted to target to his audiences. However, the phenomenon described by Lu did not last long, as Japanese TV companies noticed the black market and rectified the situation after several years.

A couple of years after the Taiwanese TV market was fully liberalized, Japanese TV stations came up with a standardized pricing system for their prospective Taiwanese buyers. Taiwanese TV companies are classified by Japanese companies into two types: terrestrial TV stations and cable channel operators. Terrestrial TV stations are charged much higher prices due to their higher ratings than their cable counterparts. A given program is priced higher to a large cable conglomerate (e.g. The United Communications Group – UCG, or the Eastern Multimedia Group - EMG) than an independent cable operator (e.g. JET channel). In theory, prices are contingent on the category into which both sides fall. For instance, the first tier Japanese TV companies charge the largest prices to the terrestrial Taiwanese TV stations for their animated programs.

The pricing system is further explicated in Figure 4.1 on the next page. The pricing system seems to suggest that independent cable channel operators have difficulty acquiring first- or second-tier programs in the sense that Japanese animation distributors might sell to the large Taiwanese TV stations on favorable terms for purposes of efficiency (shown above as the only bold line). However, this hunch is not validated in that most of the independent channel operators were partially owned and also allied with Japanese TV stations. For instance, JET and Goldsun were able to preempt some Japanese animation aired by the TBS at fairly inexpensive prices.

Figure 4.1
The pricing system of the acquisition for animated programs



The pricing system discussed above is fundamental. Additionally, it has become more frequent in recent years as Japanese TV companies have applied "bundling" as their selling strategy, a strategy in which Taiwanese companies are required to buy a package of shows. This strategy overwhelmed Taiwanese TV channels with Japanese cartoons that they did not intend to buy. Furthermore, in contrast to paid-by-frequency airing rights, Japanese TV companies now usually sell

the rights by airing duration - one-year, three-year, or five-year. Once a TV company owns the rights, they can broadcast the program as many times as they want. As a result, popular Japanese animated cartoons can be re-run many times by the same TV station; tons of failures, "giveaways" from Japanese animators, are on the air as well, having been acquired for free. These two strategies functioned in tandem, making Taiwanese cartoon programming very Japanese. This argument is supported by the empirical data retrieved from AC Nielsen-Taiwan database: there were 1,305 Japanese half-hour animated episodes on the air in the second week of March (March 4 to March 10), 2002. The total running time for these programs is sufficient for a month's time slots. It is not exaggerating to conclude that Taiwanese air is congested with Japanese animation.

There were times when the programming battle among Taiwanese cable TV channels and terrestrial stations became bitter. According to Yi-Jung Liu, CTV's marketing specialist, the price for the broadcasting rights of *Chibi Maruko Chan* increased at least 200 percent shortly after its debut in 1991. "How could the re-run show be priced two times higher than the premiere? This is ridiculous!" Liu said. Despite a 200 percent increase, competitors still had the faith in the deal because guesswork, with no advance research is even more expensive. The common ordeal the Taiwanese TV programmer has to face is that, once a given imported show gains in popularity, the competitors offer an unbelievably better price to outbid for show's broadcasting rights. When this occurs, the programmer has to raise the price to outbid the competition. The worse outcome for a programmer might be a situation in which a show that has just been promoted lavishly and whose popularity is reaching its peak, is acquired by a competitor. This type of in-fighting has dampened the enthusiasm for

Taiwanese programmers to be innovators and introduce new shows because innovators always have to "swallow the failure quietly" but "share the success" with others. According to Liu, the best policy in this industry is "be conservative, follow up AC-Nielsen rating reports restlessly, and buy out whatever is hot and on the market."

Earlier it was pointed out that Japanese manga (comics and animation) categories is generally divided accordingly: boys, *shonen manga* (39%), girls, *shoujo manga* (8.8%), young men's, *seinen manga* (with crossover female readership, 35.8%), ladies (7.9%), and the remaining (8.5%) (e.g. pornography) (Smith, 1993). However, according to many of my interviewees, the earlier system classified by age and gender does not function well any longer. Apparently, age no longer functions as a clear demographic classification. Growing up watching manga, many Taiwanese young people (aged between 25 to 40 year-old) remain drawn to the cartoons they watched in their childhood. For example, *Chibi Maruko Chan* and *Doraemon*, originally created for girls and boys, now have attracted numerous followers in their 30s or even early 40s. *Candy Candy* is not exclusively for young girls, since those who watched the show in the 1970s still watch, now as 30-somethings.

Furthermore, several newly invented genres do not fall neatly into in any category. *Sailor Moon*, for example, explicate the interpenetrates among the originally well-defined genres. The show featuring a young girl with magic power has incorporated the elements of *shoujo manga* into those of *shonen manga*. Moreover, the large-eyed, girlish-but-voluptuous leading character in a revealing outfit also fits in the theme of *male's girl manga*, also known as *lolicom*, which often delineates the adult male's sexual obsession with pre-pubescent girls (Kinsella, 2000).

Given this fact, the new genre system tends to classify the categories based on the content (Cooper-Chan, 2001). The transformation of categorization not only reflected in the changed organization of the comic book rental shops, but also in the way the web sites regarding manga are arranged. With reference to both discussed above, the commonly used "new genre" system is shown as follows. It is noteworthy that the following table only focuses on the imported animation aired by Taiwanese TV channels, it excludes several adult manga genres.

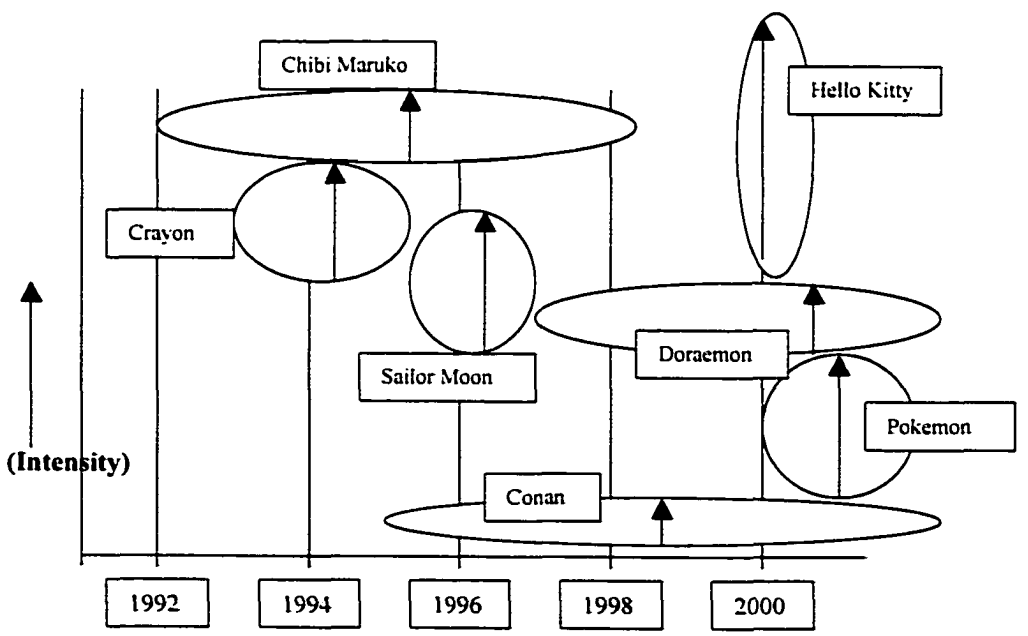
Table 4.3
The animation genres and their targeted demographic groups

Genres	**Target**	**Samples of successes in Taiwan**
Adventure	All, Male-oriented	*Adventure of Sinbad* (1962) *City Hunter* (1989)
Comedy	All	*Daimao* (1969) (Chinese: Dummy Magician) *Crayon Shinchan* (1990-)
Drama	All, Female-oriented	*Heidi* (1974) *Detective Conan* (1990) All Hayao Miyazaki's Work: *Kiki's Delivery Service, Laputa: The Castle in the Sky, Nausicaa of the Valley of Wind, The Crimson Pig, My Neighbor Totoro*
Fantasy	All	*Chibi Maruko Chan* (1984)
Giant Robot	Boys	*God Mazinger* (1984)
Kid Shows	Preschools	*Hello Kitty* (1977)
Magic Girl	All, especially girls	*Sailor Moon* (1989)
Science fiction	Male-oriented	*Astro Boy* (1963) *Gatchman* (1977)
Shoujo Manga	Girls	*Candy Candy*

Sport	Boys	*Slump Dunk* (1989) *Iron Leaguer* (1991)

In reviewing cartoon programming history, the major successes after 1990, according AC Nielsen-Taiwan, were (1) *Chibi Maruko-Chan* (1992 - 1998); (2) *Crayon Shin-Chan* (1993 - 1995); (3) *Sailor Moon* (1994 - 1996); (4) *Doraemon* (1997 – 2001); (5) *Pokemon* (2000 – 2001); and (6) *Conan Detective* (1995 – 2002). Aside from the former six, *Hello Kitty* did not succeed in the form of animation broadcasting, but its animation related products have overwhelmed the island and created a frenzy in 2000. The time durations shown in the parentheses were the periods when the show enjoyed overwhelming popularity. It should be noted that these shows usually remained at their peaks for several months until another show emerged and replaced it.

Figure 4.2.
The fashion cycle of Japanese imported animation in Taiwan



The trend functions similarly to "fashion cycle", a term conceptualized by Davis, an American sociologist, to analyze the pattern of transformation of a widely accepted clothing code at a given moment (Davis, 1992). Interestingly, the notion of fashion cycle is particularly illuminating in examining the rise and fall of an animated show. The fashion cycle of an animated show can be articulated as: at first, a new animation show was usually launched to confront the widely accepted norm. Then, this new show has to exert a strong confrontation on other TV stations in an attempt to convert the dominant norm (e.g. a stunt turns out to be an unexpected success). If the confrontation turns out to be a success, all TV stations adopt the new norm quickly, and, as a result, many channels strive to buy the same programs in order to satisfy the perceived newly-found, burgeoning demand. In response to increased demand, Japanese animation suppliers raised prices. When the price goes up, the profit margin drops sharply. In order to maintain profitability, a TV station has to introduce another new show to confront the well-accepted norm.

Alternative Response toward Japanese Imported Animation

The Establishment of Yo-Yo TV

The first all-day cartoon channel carrying Japanese animated programs was Chung-Do (Center City) Cartoon Channel in 1993, according to Ya-Chun Chiang, once the project executive for Chung-Do and currently the marketing specialist for Yo-Yo. It was operated by the ETTV media group, one of the two main cable TV conglomerates. The long-standing popularity of Japanese imported animation in Taiwan made the company believe there was a lucrative market waiting to be tapped.

Shortly after the authorization of cable TV in 1993, Chung-Do started to broadcast as the first all-day Japanese cartoon channel. However, the channel did not survive the fierce competition and ceased broadcasting after one year.

Given the popularity of Japanese imported animation, the failure of the all-day Japanese cartoon channel perplexed even market-savvy professionals. Chiang attributed the failure to Chung-Do's lacking a focus in programming. "In terms of cartoon programming, there must be a distinction between Japanese animation and American animation. The performance of American cartoon shows is generally poor. The all-day cartoon channels of Disney and Warner are operated to defend their territory and build up their presence in Taiwan. However, Japanese animation is everywhere. The audiences watching Japanese animation are segmented, they look for very specific programs." Although it is uncertain whether the fierce competition from a myriad of channels drove Chung-Do out of business, the profit potential for a single television channel broadcasting Japanese imported animation decreased sharply since the Taiwanese market was liberalized. Gone was the heyday for the terrestrial television stations. According to AC-Nielsen Taiwan, the cartoons that have achieved even a three-percent viewing share since the 1990s are very few.

In an expansion project, ETTV acquired one channel and reached its current status – with ownership of seven cable TV channels. The failure of Chung-Do frustrated the ETTV's enthusiasm for an all-day cartoon network. However, in recognition of the needs of diverse and increasingly-sophisticated audiences, each new cable channel needs to position itself in a unique niche. Despite the pessimism about the operation of all-day cartoon programming, the company still firmly believed that there was room for children's programming. This belief was further boosted when the

group noticed that it owned six channels that all targeted adults (ETTV News, 2001). Given these considerations, ETTV decided to launch an open all-day cartoon channel again, but this time narrowed its target and applied niche programming. Since most Japanese imported cartoons actually target students of primary school age or older, children aged between one and six years of age (pre-schools, toddlers and infants) were in fact the most under-targeted demographic group.

The new cartoon channel is named Yo-Yo, which literally means baby-baby. Interestingly, Yo-Yo has become an all-cartoon channel that does not carry any Japanese programs. Aware of rampant accusations of violent and sexually explicit content in Japanese imported animation, Yo-Yo positioned itself as the "quality channel." It heavily advertised its vision as a "care-free and trustable baby sitter" to the parents of pre-schoolers.

Jui-Jane Cheng, programming director of Yo-Yo, joined ETTV when Yo-Yo first went on air. Her long-standing interest in animation, derived from her experience leading a comic and animation club while in college, has enabled her to appreciate animation imported from diverse sources other than Japan and the U.S. She has successfully introduced a small amount of European and Australian imported animation.[10] The popularity of the channel had escalated rapidly, and as of August 2001, the average viewing rate for Yo-Yo channel outstripped that of any other channel owned by ETTV.

---

[10] One of the well-regarded animation shows aired by Yo-Yo is *Pingu*. Made of modelling clay, *Pingu* was created by Silvio Mazzola and produced by Trick Film Studios in Switzerland. Shortly after the program was on air, *Pengu* has become famous worldwide and is heavily merchandised.

According to Chiang, "the ETTV did not have high expectation for Yo-Yo." Initially, the key managerial decision-maker simply wanted to preempt a good channel number[11] and sell it to someone at a higher price later. The low expectation from managerial personnel has given the channel the freedom to purchase some unique programs as long as the budget did not exceed the managerial plan.

Knowing that there were virtually no programs made for babies and toddlers, Cheng decided to carefully target this demographic group. She believed that the importance of this demographic group had been underestimated insofar as traditionally people do not consider babies as perceiving and capable audiences. However, on the contrary, according to her observation, babies are easily enthralled, and once babies get hooked, their parents usually do nothing but comply with the babies' preferences and demands.

The philosophy of Yo-Yo, as explained above, enabled Cheng to call for a change in the channel's name. Since several alternative animation (e.g. clay-made) or non-animation programs were on the air, the channel changed its name from Yo-Yo Cartoon Channel (Baby-baby cartoon channel) to Yo-Yo TV (The TV for babies).

The outstanding performance of Yo-Yo has changed the conceptualization of cartoon programming in the minds of top managerial personnel. ETTV started to invest in domestically-made programs. However, according to Chiang, ETTV will only invest in low-cost programs; for instance, call-in programs for pre-schoolers are

[11] As of 2001, a regular Taiwanese cable system offered approximately 80 channels. The battle among operators of cable channels partially relates to the channel's number, as assigned by cable system operators. For instance, a smaller number is always believed to be better than a large number. Generally speaking, a new channel would want to be right next to a highly rated channel because of anticipated spillover of audience flow from the highly rated channel.

the current project. When asked whether the company will invest any in animation project, "no, our company would not go that far," Chiang replied with assertiveness.

The Public TV Service

Historically, there have been multiple and contradictory forces against TV programming driven fully by commercial interests. These counter-arguments have been based on different but interdependent theoretical discourses ranging from anti-commercialization *per se*, to anti-media concentration, and to anti-media imperialism. In terms of animation programming, the proliferation of Japanese imported animation was always under attack. Reviewing academic journals and articles published in Taiwanese newspapers, criticism on recent TV programming, chiefly from indigenous communications scholars and animation film artists, argued that the influx of low-quality and sensational foreign programs was facilitated by the lifting of the quota limitation in the new cable TV and satellite TV law (Kou, 1997). Although these accusations may be tied up with a different news agenda, they usually focus on two issues: first, the public interest was poorly served as result of the commercialization; second, the local production was marginalized, frustrated and suffocated.

Although local resistance was rarely mobilized to influence the policy-making process, the pressure exerted on the mainstream, profit-driven commercial TV stations has facilitated the establishment of the Public Television Service (PTS). After 18 years of delay, PTS finally began broadcasting on July 1, 1998, with its own channel[12] (Taiwanese Media Landscape, 2001). PTS offers various tailor-made programs for

[12] The creation of public-interest television was first proposed in 1980, and four years later the GIO established a task force to produce public-interest programs that were aired on a rotating basis on the three terrestrial TV stations. In 1998, the PTS finally got its own channel.

ethnic minorities ranging from educational programs, to documentaries, dramas, and investigative reports.

The PTS law passed in 1996 stipulates that PTS should not focus on market share, but instead commit itself to excellence in programming, while aiming to increase the public's cultural awareness[13]. Although PTS was fully subsidized by the government during its first year of operation, the subsidy was gradually reduced in subsequent years. Broadly speaking, the law regulates by content what PTS should carry. The issues regarding local production and program acquisition (e.g. over-dependence on Japanese imported programs) are not specifically addressed. In other words, it is still perfectly acceptable to carry Japanese imported animation as long as the content is well justified according to the purpose of the law.

The organizational structure of PTS reflects its mission – to serve the public interest, particularly under-privileged minorities.[14] There are two separate divisions devoted to minorities, Taiwanese Aboriginal Tribes, and Programming for Children and Teenagers.

According to Tai-Ling Tong, director of Programming for Children and Teenagers, PTS initially allocated its budget lavishly to boost local animation production. A handful of the projects they co-produced with local animation studios, including *Kavalan* (2000)[15] and *Antenna Baby* (2001), have been moderately successful. However, due to its declining subsidy, PTS can no longer afford to produce as many programs as the station did earlier.

---

[13] The PTS official site's URL: http://www.pts.org.tw (Chinese). The law is available online (see bibliography for details).
[14] The organizational structure of PTS can be seen on the official site (http://www.pts.org.tw) (Chinese).

Indeed, the declining budget in 2001 forced PTS to reduce its expenditures on program production and seek funding from other sources. Regarding the reduction of expenditures, PTS achieved its goal by cutting the percentage of programs produced by PTS independently or co-produced with local production studios. The reduced number of internally-produced programs was offset by the acquisition of foreign imported programs.

Although the budgetary difficulty has rocked PTS severely, Tong was pleased that *Tiger Aunt,* an animation co-production project launched in 2000, seemed to be a beautiful case study that resolves several problems at the same time. This project was praised by local media[16] as an illuminating model that PTS should actively pursue in the long run in order to survive the fierce competition.

Tiger Aunt is a part of the *Animated Tale of the World,* an international animation project initiated by the *Shakespeare – The Animated Tales and the World Faiths series* for Channel 4 Schools in the Second World Summit on Television for Children, and sponsored by The Children's Television Trust International. The project invited participants from 26 countries to produce ten-minute animated projects based on their own national folklore. After completion of the project, each participating member will receive the local broadcasting rights for the projects produced by the other 25 countries.

The portion of the project produced by Taiwan was initiated by PTS. After a couple of months investigating various local folklore tales, *Tiger Aunt* was chosen for its distinctiveness and sense of humor in representing widely circulated traditional

---

[15] *Kavalan* is a made-for-TV animated series produced by the Cuckoo's Nest. The program was also discussed in the previous chapter.

Hakka folktales. As of September 2001, *Tiger Aunt* has received a few international animation awards, notably, the best children's animation film in the 2000 Chicago World Children's film festival.

Tong stressed that the success of the project may not be entirely attributed to Taiwanese efforts. Rather, the cooperation and organization of the animation project among 26 countries was the key. This project is historically remarkable in the sense that it is almost impossible for a single TV station to import programs from 25 countries at the same time. This practice has increased the efficiency of the programming exchange significantly.

The local efforts toward making sense to viewers play an important role in the success of the program. Since the length of each project is usually only ten minutes, PTS inserted an approximately twenty-minute introduction, making each episode a thirty-minute program when the series was on air. The introductory part generally introduces cultural facts about the countries before the actual animation is shown, enabling Taiwanese children to be able to relate the countries to Taiwan.

However, the significant achievement of *Tiger Aunt* in Taiwanese animation programming is not easy to duplicate although it has been touted as a model for international co-production. One of the reasons is that this type of project is heavily dependent on coordination from international organizations, such as United Nation Child's Fund, of which Taiwan is not recognized as a member. The status of Taiwan frustrates Tong as well as Taiwanese producers. In the case of PTS, since *Tiger Aunt*, Tong has been so enthusiastic about participating in this type of project, but her attempts frequently have failed because of Taiwan's status.

---

[16] This viewpoint was shared by a few film reviews from the *China Times*, the *United*

Star TV and Globalization Discourses

Acquired by Rupert Murdoch as part of his ambition to expand his media empire in 1991, Star TV pioneered satellite television in Asia. With his eyes on the fast-growing Asian market, Murdoch has spent lavishly. In 2001, the Star TV's footprint has covered 64 Asian countries with a potential audience of 2.5 billion people, or half of the world's population (The Star TV official site, 2001). As of November 2001, Star TV was broadcasting about 28 channels in seven languages to most of the countries in Asia.

Rupert Murdoch's purchase of Star TV was quickly understood as his goal to establish a strong presence in Asia. Many discussions have been framed in the notion of "media imperialism" and centered on a worry of cultural invasion – which is to say that the ownership and content of the media in Asian countries would be subject to substantial influences and pressures from the Western world[17]. However, empirical evidence does not confirm these assertions regarding the pervasive presence of Western media content and its infliction on the local market (Chadha et al, 2000). In fact, there are tremendous counter-forces exerted against Star TV's entry into the Asian market. These forces can be summed up as follows: first, the local government's gatekeeping policies (e.g. China's authority refuses to open the market to foreigners);

Daily and the *Liberty Times*.

[17] This perspective has been widely adopted by different agents ranging from political figures and government agencies to media watchdog groups, who argue the

and, second, fierce local competition. In light of the new development of the global media system since the 1990s, communication scholars have gradually framed Star TV within the discourse of globalization.

In financial terms, since News Corporation acquired Star TV, it has lost an estimated $1 billion (Granitsas, 2000). And now the company's outlook is grim. The company realizes minimal subscription revenue. For instance, Star TV was and is not able to collect a cent in subscription fees in the mega-market of China where Star TV has long hungered for access, and there is no sign that it will do so in the near future (Einhorn et al, 2000). The company's business model is ineffective, relying too heavily on advertising revenue. Asian advertisers have been stretched too thin and are not ready to spend more of their budgets in Asian markets. The situation was exacerbated after the Asian financial crisis.

To deal with the strategy of broadcasting foreign imported programs, Star TV was forced to undergo some dramatic changes in the 1990s. This is evidenced by Star TV's acknowledgement that the original pan-Asian and one-size-fits-all models did not function well (Einhorn et al, 2000). In response, the company has shifted from being an English-televised provider to being a local language broadcaster. In other words, Star TV has increasingly gone local. However, the move has caused some difficulties. First, going local seems to contradict Star TV's original intent to beam re-runs of English programs across the Asian market in order to enjoy scale advantage. Additionally, as stated earlier, programs tailor-made for the local market demand significant cash investments, cash through which that Star TV has already burned, and the company is hesitant to invest more.

---

exponential growth of foreign media content within their national media systems is

In the midst of a difficult business environment, the Taiwanese version of *South Park* was launched as Star TV's 2000 initiative. With an extraordinarily high viewing rate, the program was widely considered a success. It not only spawned ever-growing sales of merchandising related to *South Park* characters, but also a talk show that teaches Taiwanese audiences to be mean and vulgar by cursing with the English slang used by the characters in *South Park*.

Star TV did not initially anticipate that the program would enjoy such popularity in Taiwan. As a matter of fact, a quick examination of the history of Star TV's importation of American television will reveal that very few American imported cartoon programs, or the programs of any other genres, do well. For example, in terms of viewing rate and advertising sales, *Simpson's* and *Beavis and Butt Head* did so poorly that they almost dampened Star TV's further attempts to air these American "funnies."[18] Popular situation comedies in the United States, such as *Beverly Hills 90210* and, recently, *Ally McBeal*, were, at best, moderately successful[19]. These prior failures have made *South Park* a special case that demands further inquiry.

The Significance of *South Park*

Aside from the aforementioned unique qualities of *South Park*, there are at least two reasons that make its case academically significant. First, this study intends to advance the understanding of how mediators manage an imported American cartoon

---

likely to result in catastrophic cultural and social consequences.

[18] These cases were mentioned by Chang, director of the advertising division of Star TV in Taipei, to demonstrate the fact that American television programs are not as appealing as people tend to believe. The interviews were conducted by the author in August 2001.

program so that it "makes sense" to local audiences. According to theories of reception analysis, audiences can accept, negotiate or resist the symbols in foreign TV that they do not understand. In the environment of media saturation, particularly in the case of Taiwan where the cable penetration rate is over 85 per cent (Taiwan Media Overview, available online), imported symbols that do not make sense to local audiences can easily be rejected. Therefore, the study of *South Park*, a successful case, will shed light on the seemingly endless debate about going global or going local. For instance, one question that can be answered is: how much can American humor be translated into a different culture?

Second, most research about the operation of Star TV in Asia has paid attention to the whole region that the company's footprint covers. Some studies have paid attention to the operation of Star TV in a specific country. If this is the case, India or China is usually in the spotlight because of their potential market sizes. The Taiwanese market, which makes up one per cent of the entire market of the Asian population, is frequently considered too small to have an impact on the Asian market. This presumption is inaccurate, at least in financial terms. As a matter of fact, the market of Taiwan generates 37 per cent of Star TV's revenue ("Ship Me", 1996). Several of Star TV's attempts were implemented successfully only in Taiwan. This seems to suggest that the Taiwanese market possesses some special qualities that demand further inquiry.

A Perplexing Success ?

[19] *Ally McBeal* was imported by Star TV into the Taiwanese market in 1998 shortly after its debut in U.S.

There are many approaches to explain the success of a foreign imported program. Reception theories, as an approach to analyze the media system, emphasize the process of generating meaning among audiences, asserting that audiences always actively interpret the messages and choose to accept, negotiate or resist the meanings. In contrast, the conceptual foundations of political economy presume that "the underlying economic structure and power relationship in the media industry determine the process of production and consumption" (Sinclair, 1996). My research intends to combine both approaches to examine the factors in the middle range of institutional process, between political economy and reception analysis approaches. Elaborating the prior point, my research intends to understand the gatekeeping process of Star TV in importing *South Park*. Not only does my research concern the process of meaning generation, but also the economic and political forces that reshape the production process. As encompassing as it might sound, this research targets are restricted to only the "primary audiences" for *South Park* who would be commonly known as the gatekeepers.

This research asks the following questions to the gatekeepers in Star TV responsible for the importation of *South Park*:

Q1. Since there are numerous American programs available, why was *South Park* chosen?

Q2. Why and how was *South Park* adjusted to meet local tastes? Who determined what was adjusted?

Q3. How was *South Park* promoted in Taiwan?

The research techniques applied in this study are interview, document analysis and textual analysis. In order to understand the political and economic forces that

affect the gatekeeping process, I conducted interviews with the programming manager and the marketing manager of Star TV in Taiwan and had some informal conversations with *South Park*'s advertisers or potential media buyers. Additionally, documents relating to the research (in Chinese and English) were collected. Textual analysis was conducted to explain how the sample texts in *South Park* were translated (or created) to make sense to Taiwanese audiences.

South Park as a Stunt

A quick glance at the landscape of the media market in Taiwan is helpful to understand the strategy applied by Star TV. In a place like Taiwan where virtually every household receives 80 channels or more of cable TV, there is almost no room to build up a new following. Star TV owns nine channels in Taiwan. Each has its niche market. The following table demonstrates details.

Table 4.4
The nine channels owned by Star TV in Taiwan

Name of Channels	Content	Competitors	Viewing rate
Star Chinese Channel	General; non-specific.	About 15 channels	Series Drama and variety shows have followers
Star Mandarin Movies	Hong Kong and Taiwanese movies	About five channels	Low
Focus Asia	Pan-Asian programming	Hard to tell	Extremely low
Star Movies	Western movies	HBO, Cinemax, Hollywood, Sunmovie... About seven to ten channels	Low, but a few movies do well
Star Sports Asia (ESPN)	Sport	A few local sports programs	Stable; a few followers
Star Sport Taiwan (ESPN)	Sport	A few local sports programs	Stable; a few followers
Channel V (Music)	Rock music	Entertainment, Western music	Moderately well

National Geographic	Science; education	Discovery; Explore;	Moderately well
Star World	Not reveiwed	Not reviewed	Not reviewed

(Source: www.startv.com/eng/channal/main.html The data of competitors and viewing rates shown in the table were acquired from the interviews.)

According to data from AC-Nielsen Taiwan, very few channels have more than a one per cent of viewing rate at a given time. If a program beamed by Satellite TV enjoys more than a 1 percent viewing rate, this program is considered to be a "hit". As shown in the shadowed cells in the above table, Star Movie channel is positioned as a 24-hour Hollywood movie channel, similar to HBO. When the director of programming tried to select a western program from among the sea of availabilities, he quickly decided that this channel needed a stunt. The reason was quite simple: in attempting to use a stunt, the channel had nothing to lose because it was already at the bottom. However, it would be possible for this channel to reverse its situation through the introduction of something fundamentally different. Yet no matter what it did, Star TV's movie channel could never beat HBO, which is constantly airing Hollywood's blockbuster movies, and has enjoyed an established prestige over the years.

The decision to beam *South Park* in Taiwan was a meticulously calculated move for Star TV. Although Hollywood blockbusters are attractive, they have several disadvantages. First, they are regarded as generic movies with predictable scenarios. Second, there are at least six channels competing for a small portion of viewership. Third, the running time of a movie is usually two hours, which often disturb audiences with very short attention spans.

Examining the pros and cons of the western movies aired by the other channels, Star TV felt that *South Park* fit the qualities that the company was looking for.

However, there was some concern. First, very few western cartoons had done well in Taiwan. For instance, *The Simpson's*, which, at first glance, appears very similar to *South Park*, had done extremely poorly in the past. Second, putting aside the history, it was uncertain whether Taiwanese people could derive humor from *South Park*.

Despite these concerns, Star TV decided to put *South Park* on the air. The show became the network's weapon in its fight against HBO and Cinemax. In order to demonstrate that *South Park* is a program made for adults, the show was scheduled to air at 11:30 on Saturday night.

The Localization Project

The most crucial practice in adjusting to the tastes of the Taiwanese people (which is also a departure from regular translation) is that producers eliminated the English script and dubbed *South Park* into Chinese. This unprecedented practice has turned out to be the key to the show's popularity.

As far as translation was concerned, Star TV producers had two options. The first was to translate the texts faithfully. However, *South Park* makes for a tough case because the texts are often allegorically ironic, and demand a sophisticated understanding of American popular culture and politics. Sometimes the jokes in *South Park* can be difficult even for American audiences. For instance, while watching Kenny's ubiquitous death, how many Americans actually get the meaning out of its association with "the myth of the eternal return," as suggested by Nixon (Beatty, 2001)? Do American audiences reflect on the possible satire of constant violence in U.S. television? If American viewers might sometimes have difficulty with the jokes in *South Park*, can Taiwanese viewers be expected to make sense out of them?

The producers of *South Park* decided not to translate in the way discussed above. Instead, the producers made the dialogue of *South Park* something to which Taiwanese viewers can relate, even if this entails a departure from the original English script.

First of all, the show's title has been changed to give it a local flavor: the Taiwanese version of *South Park* has been renamed *Nan Fang Si Jian Ker* or *The Four Scamps in the South*. In Mandarin this also sounds like "The Four Musketeers". The four scamps in the Taiwanese version of *South Park* refer to the four leading characters: Cartman, Kenny, Kyle and Stan.

Despite the frequent departures from the original American script, the Taiwanese producers asserted that the tone of the show was well preserved. The characters are just as foulmouthed and politically incorrect as they are in the United States. The adjustment manifests itself not only in the dialogue but also in the creations of new identities for the characters. In order to explain how the Taiwanese version of *South Park* makes sense to the people of Taiwan, a textual analysis of the *South Park* script is offered. Table 4.5 below shows how a sample of slang terms, which are usually highly culturally dependent as compared to other words, were translated; table 4.6 indicates how and why the newly created attributes of identities make sense to the Taiwanese viewers.

Table 4.5
A comparison of names and terms
in American and Taiwanese version of *South Park*

American Version	The Taiwanese Version and its nuanced differences
Stan Marsh (main character's name)	Chinese Name: Shi-Dan. It is a phonetic translation, but coincidentally, the name literally means "shit and egg" in Chinese. It is a possible vulgar nickname for kids in elementary school.
Kyle Broslovski (main character's name)	Chinese Name: Kai-Tsu. It has connotation of "prodigious son."
Eric Cartman	Chinese Name: A-Pi. (or Pi-Tsu). The Chinese name has the connotation of "bully."
You bastard!	Kao! Ni Jei Ger Huen Dan! Kao is similar to "Wow". The entire expression suggests that I was not aware of the fact that you've been taking advantage of me.
F**k, Shit...	Ni Hen Gi Tser! The straight translation was avoided. The selected curse words. "You are very motorcycle", are used exclusively by the younger generation in Taiwan.
Son of b***h	The straight translation was avoided. It was translated into various slang terms used by young Taiwanese people. For instance, "Chi Ni Der Dan-Dan Man", which literally means "go to eat your Dan-Dan Noodle". The slang term is not as vulgar as its English version. The expression is used only by younger generation in Taiwan. It is very new and playful to most Taiwanese people.
My God! They killed Kenny!	Tian-ah! Kenny Bei Kua Diao! This sentence in Chinese becomes passive. Literally, it means "My God, Kenny was hanged!"

The translations exemplify how the English names of main characters, originally neutral, were transformed into Chinese names that suggest some qualities of the characters. Stan, Kyle and Eric are all regular American names; they do not intrinsically suggest any characteristics; however, in the Taiwanese version, even a

naïve viewer can infer that one must be often bullied by his fellow students if he has a nickname such as "Shit-and-egg". Additionally, a person named Kai-Tsu is not likely to be poor.

According to the producers, much research was conducted to correctly translate the slang terms that frequently appear in the episodes. For example, according to Mai Da-Jay, the program's chief producer, "one of the scriptwriters was assigned to collect the slang terms used by young people in Hsi Men Ting, a trendy shopping district in Taipei" (Chu, 2000). In order to better understand how Taiwanese young people talk, the other scriptwriter, Michelle Chen, draws slang terms from her regular meetings with a group of youths between the ages of 15 and 20. As a 30-something documentary writer, she has no 17-year-old friends. So she turns to her younger brothers for input by "listening to them shoot the breeze and talk about problems with their boyfriends and girlfriends" (Chu, 2000).

In addition to the innovative introduction of slang terms used by Taiwanese young people, the scriptwriters also create new identities for characters. A few examples are shown in the following table:

Table 4.6
A comparison of attributes of characters' identities
In the American and Taiwanese version of *South Park*

The attributes of identity possessed by the characters in American Version	**The attributes of identities possessed by the characters in the Taiwanese Version**
Kyle is Jewish	Kai-Tsu is Hakka, an ethnic minority in Taiwan.
Kyle's mother got upset over a Christmas parade	Kyle's mother got upset over a Buddhist parade
Barbra Streisand was usually poked fun at in the original version of *South Park*; she was teased for her lousy sound and over-exposure	Hsiao-Yang Chang was poked fun at. Hsaio-Yang Chang is a well-known personality who hosts many variety shows in Taiwan. She is often teased for her bad voice by Taiwanese media.
American politicians were poked fun at	Taiwanese politicians were poked fun at. Ex-President, Teng-hui Lee, and incumbent Vice President, Annette Lu, were frequently poked fun at.
Mexico	The southern part of Taiwan, usually small towns where people usually speak Taiwanese instead of Mandarin.
An African American character	A person speaks in Mandarin with the mainland-China's accent. Taiwanese people can infer that the given person fled mainland China for Taiwan in 1949.
Stan gets teased for having a gay dog	Stan's friends scornfully suggest that he attend "a Leslie Cheung concert". Leslie Chang is a well-known Hong Kong gay actor starring in *Farewell my concubine.*

The new attributes of identities shown above illustrate that the essential part of adaptation lies not only in replacing suitable slang terms in Mandarin, but also in innovatively creating a set of new identity attributes for the characters in the show.

Consequently, these new identities are woven to form a social relationship that differs slightly from that in the original show.

It should be noted that any single adjustment does not made a new Taiwanese *South Park*, but the pool of localized symbols interwoven into a new social network does. In other words, it is the social relationship in the new show that makes sense to the Taiwanese people. However, the practice might provoke controversy. One of the aforementioned examples is that Kyle, originally Jewish, became Hakka in the Taiwanese version. Apparently, finding an identity for Kyle with exactly the same connotation as Jewish in the United States is at best a difficult task. Hakka people are similar to Jewish people in the sense that during the last hundred years, Hakka people also migrated around the world, chiefly in Southeast Asia, East Africa, Europe (Holland, United Kingdom, France, Germany), South America (Brazil, Trinidad) Canada and the US (Lee, 2001). Additionally, as latecomers to places traditionally occupied by local Taiwanese people, Hakkas usually had to struggle and survive on the less desirable portion of the land. Thus, Hakka people are well-known for their perseverance even in the most adverse environment. Among all the Chinese people, Hakkas are "among the most conservative in keeping the traditions" (Lee, 2001). This quality is also something that American people ascribe to Jewish people. Examining the ethnic profile of Hakka, we could easily understand why membership in the Hakka ethnic minority group was one of Kyle's identity attributes that was taken for granted in the Taiwanese version. However, once Kyle is pronounced to be a Hakka, the way Kyle behaves seems to be understood as how a minority group would be portrayed by

the producer. This practice has generated some dispute in the online community[20]. Although very few Taiwanese viewers believe that the program intends to offend Hakka people, the practice became nevertheless controversial.

The producers refrained from excessively creating new identities for characters and strategically chose to be faithful to the original script. For example, Canadians were frequently reviled in the American version. In the Taiwanese version, the producers faced a tough question: in order to make sense of Taiwanese people, should any ethnic groups – say, Koreans or Japanese – replace "Canadian"? Perhaps the Taiwanese producers learned from the lesson of Hakka, as this part of story was left as it had been; no ethnic group was chosen to replace the Canadian people.

An example of a positive change in a character's identity, one in which producers, scriptwriters and some critics enthusiastically endorsed, is the episode about the trip to Mexico. In this episode, the uncle of one of the major characters goes to Mexico. He intends to buy fireworks but the staff in the grocery store wants to check his ID. In the Taiwanese version, "Mexico" becomes "the southern part of Taiwan", which is commonly conceived of as an insular and peasant region by the Taiwanese people. The translation was almost seamlessly integrated into the local Taiwanese culture because coincidentally an annual fireworks festival was about to take place in a town in the southern part of Taiwan and the local government actually had enacted a new law to tighten the sales of fireworks. Furthermore, in the Taiwanese version, as the uncle was refused by the staff, he started to "haggle" by saying "come on, don't be

[20] The online community refers to some college's electronic discussion boards created by the fans of *South Park* in Taiwan.

so stubborn, I served in the same platoon as your older brother. He is my blood-brother!" This part of the translation is ultimately Taiwanese. Growing up in Taiwan, people generally have the sense that a tight brotherhood among adult males thrives in the military. Speaking out loudly that you are the buddy of someone in the army is a fast way of demonstrating that you are among his closest friends; the expression is synonymous with the statement: "How dare you check my ID! Go to hell! We are under the same family roof and thus I should be treated favorably."

Promotion of *South Park* in Taiwan

Other factors that are indispensable in explaining *South Park*'s success in Taiwan include the marketing strategies and public relations campaigns launched by the marketing and advertising division of Star TV in Taiwan. These promotional activities, generally refered to as the "integrated marketing communication", have a long history in Taiwan, where the advertising market operates in a way similar to the markets in western countries. Before *South Park* was imported, the marketing manager, Cindy Chang[21] was concerned about the controversial content in *South Park*. She closely examined the performance of advertising sales of *South Park* in the United States and came to realize that in the American case, the controversial content did not appear to be hurting advertising revenue, although some advertisers requested to be taken out of *South Park* and other edgy MTV programs (Beatty, 2001). For instance, sales at MTV rose to more than 20 per cent in 2000 despite the controversial content of

[21] Based on the author's interview with Chang in 2001. See Appendix III for detailed information regarding Chang's biography and interview summary. Her Chinese first name is Cheng-Yi. Her name is identical to the other male interviewee currently working for Disney. In order to differentiate each other, this dissertation applies her English name Cindy.

its many programs. However, this raises another question: are the media buyers in Taipei similar to those on Madison Avenue? What do Taiwanese media buyers think about a group of potty-mouthed grade-schoolers?

In terms of selling *South Park*, Star TV quickly realized that the worst outcome that might happen to *South Park* is that it would be positioned by the media buyers as a cartoon aimed at children. With four cute kids as main characters, *South Park* might be automatically categorized as "kid's stuff" by Taiwanese advertisers. If that had happened, advertising revenue would have shrunk at least 60 percent, as Chang related in an interview. Generally speaking, the advertising rate for cartoons is at best only about one-third of that of a news program. At the worst, the advertising time slots in cartoon programs were frequently included as a bonus or a give-away to promote a major sale of more important non-cartoon time slots.

In light of the potential threat, much effort was made by Star TV to re-package *South Park*. The most convenient tactic was to rate *South Park* as "Restricted – under 18 requiring accompanying parent or adult guardian". *South Park* could have been rated as "PG – Parental Guidance Suggested" if some texts had been changed slightly, however, Star TV chose to leave the dialogue as vulgar as it was in the original in order to gain a more "adult" rating.

Chang explained that the benefit of this move is manifold. First, she states, "this rating of 'Restricted' obviously helps us clarify that we are not airing a kiddie cartoon. Instead, the cartoon is made for adults." Second, "this program is controversial and we can foresee that parents in Taiwan would not be happy if their kids picked up some vocabulary that is used. Since it is rated as 'Restricted' and we aired it at 11:30 p.m., we have acted responsibly. It is totally up to the parents to

control their kids' viewing habits." Third, "this move to rate *South Park* as 'Restricted' helps us later more clearly define our target as the young people aged from 18 to 40."

Indeed, Star TV worked hard in positioning *South Park* by aggressively bringing many elements of metropolitan youth culture into the program. The sarcasm of the four fish-eyed cartoon characters ranged from teasing cynically the newly elected president Chen Shiu-Bian, to poking fun at Taiwanese or Hong Kong celebrities, and criticizing trendy events taking place in Taiwan.

The advertising endeavors of Star TV were actually made in tandem with a series of public relations campaigns. Since the beginning, Star TV has boosted *South Park's* exposure by providing press releases to the Taiwanese media. Besides, Star TV not only paid attention to the online discussions, but also managed these discussions to their own advantage. For instance, as the debate arose regarding the nature of cartoons, Star TV instantaneously provided the public with some examples to explain why it is inappropriate to think of cartoons as a TV genre exclusively for kids. These arguments were directed at the Taiwanese people in their 20s and 30s, who are supposed to be the first generation that has grown up watching cartoons.

Despite these efforts, *South Park* had a tough time attaining its later status of success. Chang admitted that, in fact, the program was somewhat rocky as it was first put on the air. The sponsorship from Hey-Soong Beverage boosted the confidence of the program producers and the media buyers.

Why did Hey-Soong sponsor *South Park*? Hey-Soong Beverage Enterprise is a prestigious Taiwanese local beverage company. When it comes to soda, Hey-Soong was the leading brand until the late 1980s. However, because of fierce competition from local brands, such as President Inc., and Golden Car, and a couple of

international brands, such as Coca-Cola, sales of Hey-Soong were dropping. Hey-Soong had been advertising aggressively that it was "a long-life companion of Taiwanese people." In order to survive such hard times, the company had long associated its brand with the warm feeling of reunion with old friends after many years. The advertising strategy, known as nostalgia-style soft-sale, has sustained the brand's market share among middle-age adults and seniors. However, the market share in the young adult and teenager category, which is considered to be the major consumer group for soft drinks, dropped under the fierce competition[22].

The intention of Hey-Soong was clear: Hey-Soong was convinced that the tone that *South Park* possessed was something that Hey-Soong hungered for. Since the brand was struggling to change its image from that of a faithful old friends brand to that of a buddy of youngsters brand, sponsorship of *South Park* was a natural decision. United Ltd., the advertising agent for Hey-Soong, argued that the sponsorship would be key in adding a trendy flavor to the brand, and the agency also facilitated the public relations campaign launched by Star TV.

Chang attributes the success of *South Park* in financial terms to the unexpected marriage between Hey-Soong and *South Park*. Hey-Soong's sponsorship allowed Star TV to increase its budget to promote the show. Additionally, the promotion campaign for *South Park* sponsored by Hey-Soong selectively gave away free spin-off merchandising products, including *South Park* mugs, cups and T-shirts. This is widely considered to be a smart marketing maneuver for both sides. "I knew the characters of *South Park* would definitely sell. They have round faces similar to *Hello Kitty* and

[22] *Advertising Magazine* (in Chinese) had a comprehensive coverage of the advertising strategies employed by Hey-Soong over seventy years.

Doraemon[23], the major cartoon celebrities in Taiwan. They are cute! People do not care how maliciously they behave once they see these characters." (Chang, 2001) In Chang's theory, *Simpson's* did not sell well because the characters look terrible. In Taiwan, how the characters look determines the sales of spin-off merchandising products. As spin-off merchandising products go, the program goes. As the program is promoted successfully, so is the sponsor.

Despite targeting the program to adults, after a series of promotion campaigns, the popularity of *South Park* spilled over to children. Evidences for this is demonstrated by the fact that many web sites of *South Park* are created by children, even children under the age of 12. This practice has raised some parents' concerns; nevertheless, it has not yet become a troublesome issue that Star TV in Taiwan has had to deal with.

Conclusion

In some sense, the case of *South Park* seems to confirm the notion of "cultural proximity," a term advanced by Straubhaar. The phrase suggests audiences will first see the pleasure of recognizing their own culture in their program choices (Straubhaar, 1992). Very few media practitioners and scholars would argue with the contention that the key to the success of *South Park* is its innovative adjustment to fit local preferences. In other words, the Taiwanese audiences have "connected" to some elements in *South Park*, and the adjustment made by Star TV is conducive to the feeling of connections and the consequent popularity of *South Park*.

[23] Indeed, the well-known "Big Four" cartoon characters in Taiwan - Hello Kitty, Doramon, Pokemon and Snoopy all have round faces. Chang jokingly named this phenomenon as "round face complexity."

This case study also exemplifies that English-speaking programs can still be popular in non-English speaking countries if appropriate adjustments are made. In the case of *South Park*, indeed, it is difficult for the Taiwanese people to figure out the American humor. Yet it is much easier for the Taiwanese people to understand the "Taiwanese-American" humor of *South Park* in Taiwan. However, an extra effort has to be made; an additional price has to be paid in order to localize the foreign imports. For instance, in the case of *South Park*, it costs approximately $6,000 to modify an American episode into the Taiwanese version. As compared to the cost of the American original version, the price is strikingly cheap.

The discussion seems to lead inescapably to an essential question that many communication scholars could be very concerned with: could *Star TV* duplicate the adjustment model of *South Park* in Taiwan to fit the other markets in Asia? To answer this question demands a thorough understanding of different markets in Asia. This study suggests that although it might be too early to claim it is impossible, there would be some difficulties for Star TV in launching the same project elsewhere in Asia due to some unique qualities of the Taiwanese media environment.

First, the process of democratization in the early 1990s has made Taiwan one of the most liberalized markets in Asia. In the age of globalization, most states in Asia still adopt a variety of gate-keeping mechanisms to restrict the inflow of media. These controls can be manifest in many ways ranging from explicit bans to quota restriction to active support for home produced programming (Chadha et al, 2000). However, very loose gate-keeping practices have been implemented in Taiwan since the passing of the Cable TV Law and Satellite TV Law in 1993. For example, the quota restriction for imported programs on TV was totally deregulated. Nor does any law explicitly

protect indigenously produced programming. The management of TV stations in Taiwan functions almost entirely according to free-market principles. These practices have made the market for TV trade in Taiwan even more liberalized than some other economically liberalized countries in Asia, such as South Korea and Singapore. The former still imposes a 30 percent quota restriction on imported programs on TV cartoon channels (Yu, 1999). The latter was well known for its efforts to emphasize the role of the media in "retaining fundamental Asian values"[24] (Chadha et al, 2000).

Taiwan's liberalized media environment allows Star TV to operate its business in a way similar to its Western counterparts. For example, the controversial American program *Temptation Island*, was aired on Star TV in Taiwan shortly after its U.S. debut. This practice - beaming a program globally so as to enjoy scale advantage - is the very intention that Murdoch thought about when he launched Star TV. Due to the tighter gatekeeping process implemented by some governments in Asia, several controversial programs, such as *Temptation Island*, might be banned entirely. In addition, partially because of legal issues, Star TV was able to effectively collect subscription fees only from Taiwan and India among all the countries in Asia (Chan et al, 1996). Despite Taiwan's less than one percent of the pan-Asian population, Taiwan generate 37% Star TV's revenue. Evidently, Murdoch's original pan-Asian and one-size-fits-all models do not function. However, his intention to sell American programs to Asia has been somewhat fulfilled in Taiwan.

The second factor making Taiwan a special market is the demographic characteristics of its audiences. Since the late 1980s, there have been a myriad of talk

[24] The statement was made by the former premier Lee Kuan Yew of Singapore in a conference in 1998. He also emphasized that it was necessary to limit the unrestricted inflow of Western media within Asia.

shows and satires on the air in Taiwan, which deliberately poked fun at politicians, governors or the President. Additionally, owing to the phenomenon of the reverse brain-drain[25] in the 1990s, young Taiwanese audiences have been widely exposed to American culture through direct interaction with these "Taiwanese Americans" living in Taiwan, and through intermediated interactions with Taiwanese American celebrities[26]. Some American born Chinese celebrities also host talk shows, introduce American popular culture or teach English on Taiwanese TV programs. The saturated appearance of ABC and of other Caucasian people help Taiwanese to cultivate a shared discursive space where Star TV could localize. Therefore, the Taiwanese audiences have become conditioned to readily recognize and appreciate any form of sarcasm in *South Park*. However, the case in the other countries can be otherwise: people in China might not have the sophisticated understanding of the background knowledge of political satires if this television genre has yet not penetrated in their domain of life.

To sum up, the success of *South Park* is closely related to two important characteristics of the Taiwan market. They are, first, Taiwan's liberalized market; and, second, the well-preparedness of Taiwanese audiences to receive the program. Due to

---

[25] Brain drain refers to a social phenomenon with regard to migration of labor force across national boundaries. Throughout the post World War II Era, the best and brightest, in the less developed countries (for example, Taiwan) routinely left for the economic opportunities and higher standard of living in the West. However, in the 1990s, improved economic and employment opportunities have caused a "Reverse Brain-drain". Hundreds of thousands of overseas Taiwanese along with their second generation have returned to Taiwan.

[26] "American-born Chinese" (or ABC) has become a brand that sells in Taiwan and Hong Kong. Quite a few American born Chinese enjoyed publicity and popularity soon after going back to their motherland, Taiwan or Hong Kong. David Wu., L.A. boys and Daniel Wu are examples.

the differences in the media landscape, it might be difficult for Star TV to launch the same project in other Asian countries.

CHAPTER 5
CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

Conclusions

The historical development of the Taiwanese animation industry exemplifies the new international division of labor in the communication industry. However, even though the Taiwanese animation industry has played a significant role in the global assembly line of animation production, the industry has not attracted much attention from the Taiwanese government. Throughout the 30-year development of the Taiwanese animation industry, the Taiwanese government adopted a *laissez-faire* policy. As a result, the sum of the economic and political forces represented by three key actors (chiefly the U.S., Japan and China) has reshaped, in a remarkably short period, the position of Taiwan.

The high fluidity of the global production of animation is also very much related to the economic nature of animation production. Generally speaking, animation, as a form of mass media, requires stable, skillful, and cheap labor worldwide for its mass production at a fast speed. It is an industry with extremely high entry barriers in which only a few transnational corporations have been financially capable of investing. Since the 1990s, the technological advancement and global deregulation helped transnational capital reorganize the world economy toward an unprecedentedly globally integrated, task-segmented system of production. The transition to a global animation production line is illustrated as the two following figures: the global production line before the 1980s is shown in the first, followed by the production line after the 1980s.

Figure 5.1.

Global production before the late 1980s

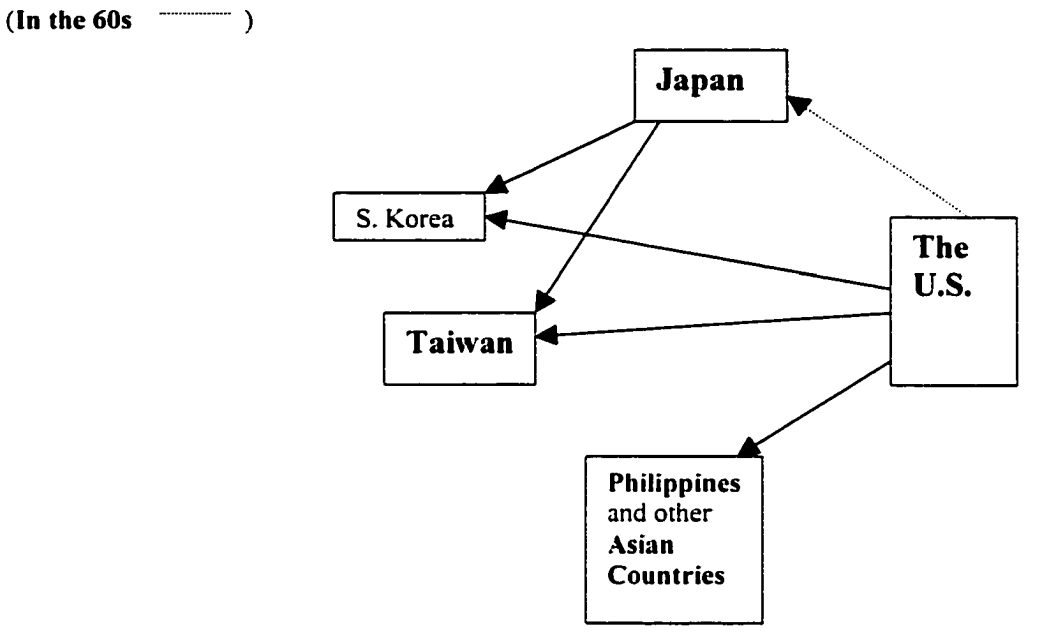
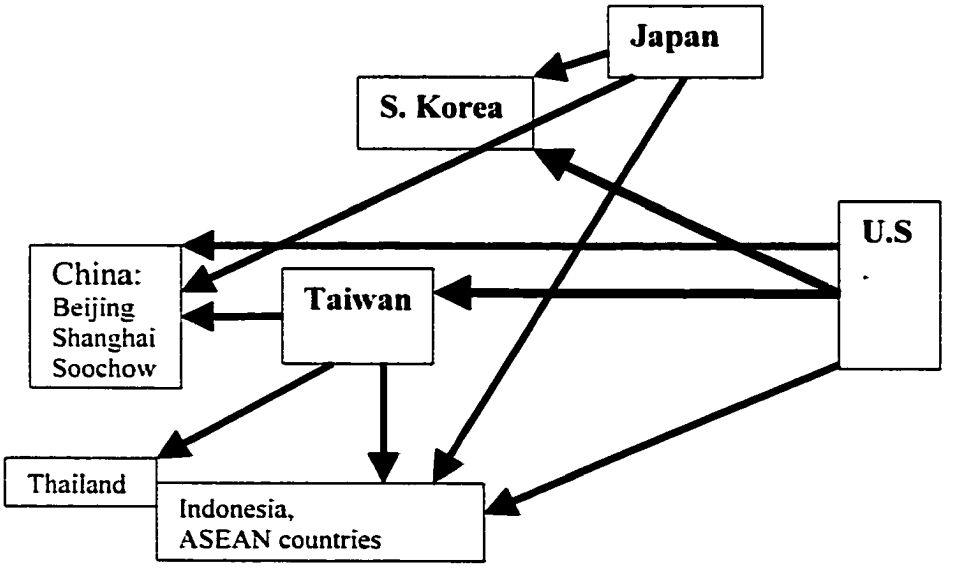


Figure 5.2.
The global production line after the 1980s



As seen in Figure 5.1 and 5.2, the development of animation to some extent confirmed the "flying geese" metaphor applied by Kaname Akamatsu to explain the product cycles of industries. The flying geese metaphor is used to describe a V-shaped curve, with a leader in front and others following in an orderly fashion, as with the shifting of electronics production from Japan to the four tigers (Hong Kong, Singapore, Taiwan and South Korea), and then to China and the ASEAN countries except Singapore.

However, despite the appealing images, the changing dynamics of global animation production are not entirely captured by the notion that countries advance sequentially as illustrated by the metaphor. In the case of the animation industry, the expansion of the global production line is related to a number of equally important factors. As discussed by many scholars with respect to the global development of diverse industries[27] in East Asia, the linkages to the Japanese market and different capacities of technological innovations are crucial factors (Mittelman, 2000). Additionally, as discussed earlier, the economic integration of the Great China Region has greatly reshaped the economic activities in the region. Since China gradually opened and liberalized its market in the late 1990s, the boundaries among states in the regions have been blurred. Built upon extensive kinship relationships, Chinese ethnic networks are increasingly becoming a major player. The network links the less-developed areas in China to the investors in Hong Kong, Taipei, or domestically, Beijing and Shanghai, with their ties to the other powerful Chinese business communities overseas.

[27] See Henderson 1989 for a study of the semiconductor industry; Doner 1991 on automobiles; Dixon 1991; and Machado 1997.

The dynamic process mediated by the Cuckoo's Nest is a telling case of the rise of the pan-Chinese networks. Educated in the U.S., Wang successfully built up the ties with American investors (Hanna Barbera) in the 1970s. Since his family withdrew from China to Taiwan in 1949, he still has familial ties with people in China. Over the past two decades, Wang's expansion of the Cuckoo's Nest in Thailand, Indonesia and China was chiefly through his kinship network (Wang, 2001).

The importation of Japanese animation programs by Taiwanese media also greatly impacts the media landscape in the region. Since the early 1990s, Taiwanese TV stations have changed rapidly from "oligopolic competition," ruled chiefly by the interest of the authoritarian ruling party, toward "open competition," driven by market interest. This development is widely evident in the process of media liberalization of many countries. However, there are several characteristics that make the importation of Japanese animated programs in the Taiwanese market a special case which will be elaborated as follows.

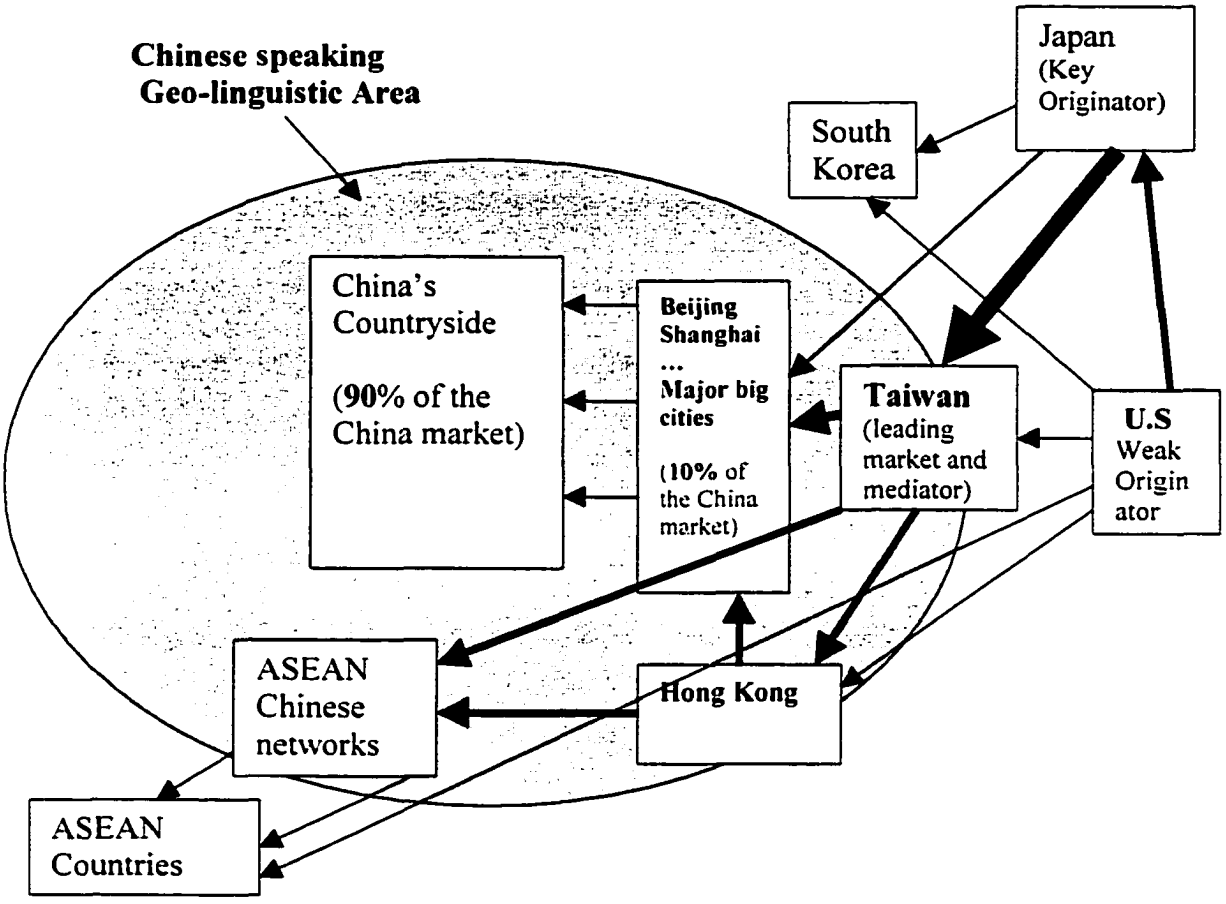
To begin with, Taiwan is probably the first, and, one among a few, that has a fully liberalized TV market in Asia and allows the importation of Japanese animated programs without quota limitation. Since very few external forces are exerted on programming, the Taiwanese TV market was able to integrate with the Japanese market. Recently, the salient trend is that Japanese TV companies run their debut in Japan and Taiwan simultaneously. If the program is successful, it will continue to go "west," chiefly to the main cities in China, and then it goes "south" – to Hong Kong and Singapore. The frenzy of *Hello Kitty* follows this sequence exactly. The recent popularity of *Sailor Moon* and *Chibi Maruko Chan* in China are also good examples.

Since the mid 1990s, the large influx of Japanese popular culture and the subsequent vogue for related Japanese cultural products in Taiwan, Hong Kong, Singapore and urban China have led a new phenomenon called "the fever for Japan-ness". For instance, *Hello Kitty*, along with other animation figures such as *Doraemon*, *Chibi-maruko*, *Tare Panda*, or *Detective Conan*, has overwhelmed the local markets of Taiwan, Hong Kong and Singapore. Japanese dorama (trendy drama) has attracted fairly large audiences in these countries since the early 1990s. The trend became even more salient after 2000 when the Korean government, known for its longstanding anti-Japan sentiment and strong cultural protection policy, lifted the ban on the importation of Japanese culture-related products. This phenomenon implies that, to some degree, a Japanese hegemonized regional popular culture has been formed across East Asia.

However, this single trend does not explain the full phenomenon in the region. In addition to the trend of "Japanization," there are other important trends interwoven with one another. Among these is the rise of the Taiwanese audio-image industry. As evidenced by the popularity of Taiwanese variety shows, soap operas and pop songs in the Greater China region (China, Hong Kong, Malaysia and Singapore), Taiwan has become one of the most important audio-image production centers in East Asia. Although the product exchange is still limited by the current ideological and political barriers among these Chinese speaking countries, strong cultural affinity, growing economic integration, technological advancement, and enhanced economies of scale are reshaping this geo-linguistic region into a single and integrated television market.

The diffusion process of animation and its related products, and the integration of the Greater China Region, is illustrated by Figure 5.3.

Figure 5.3
The diffusion of Japanese animation programs and its relating products



(The gray zone suggests a gradually integrated "geo-linguistic" Chinese-speaking market.)

Limitations

This dissertation is based on research into how the different elements in the animation production are dissected, farmed out, assembled, imported, and put together in the first place. It is an ethnographic study of cultural production. The understanding

of animation that this approach generates is quite different from the type of understanding attained through the assessment of the animation text alone.

However, there are several limitations that arise from the way I carried out my research in Taiwan. First of all, admittedly, the interviewees I sampled were of a limited number. I failed to reach several historically significant informants that I planned to interview for various reasons. The most common reasonfor not interviewing certain players is that these sources had left for mainland China or the U.S. This, then, is further evidence of the globalization of the labor market. Among those informants, who I was able to interview, part of their motivation for talking to me was undoubtedly to use me as a sounding board to express their frustrations. Additionally, since the industry has evolved so rapidly, there are trends my interviewees failed to recognize or were consciously unwilling to talk about. For instance, the cartoon programming pricing system is generally confidential, although some of my interviewees disclosed the general rules to me (see chapter 4). Notwithstanding their generosity, it is also difficult to validate the reliability of their reports.

Recommendations for Further Research

The Rise of Greater China Region

The study on the New International Division of Labor (NIDL) generally pays more attention to how transnational linkages are made possible by the technological advancement and the flow of commodities. My study focuses on how technological advances are reshaping the global animation production line and the fluctuation of the employment market is an example.

However, the outsourcing strategy applied by the Cuckoo's Nest and a few other Taiwanese animation studios in fact is very much related to the economic integration in the Greater China Region starting from the late 1980s. My dissertation suggests that cultural factors (e.g. languages, dialects, marriages and kinship) also play an important role in the transnational linkage and recommends further study to examine the various manifestations of regional and global networks in which culture and the division of labor are intertwined.

Regionalization vs. Globalization

Examining these trends discussed above, my research casts doubt upon the proposition of cultural imperialism, which predicted a worldwide American-dominated audio-visual market (Chadha K. et. al., 2000). I argue, rather, that it is cultural similarity, not just language, that binds the television markets into geo-linguistic regions (Sinclair, 1996). These phenomena confirm the notion of "cultural proximity", which is to say that "audiences will first see the pleasure of recognizing their own culture in their program choices." (Straubhaar, 1991)

These trends call for a further examination of the discourse on globalization: does the regional integration of the East Asian markets manifest itself in terms of "regionalization" or "globalization"? At the macro level, how does regionalization relate to globalization?

Additionally, the analysis of how Japanese animation and related merchandise were exported to Taiwan during the recent era of the global capital economic system offers further study. Follow-up research might focus on a close examination of these

mediating factors, as well as expand the scope of this study to more genres of TV program exchange in East Asia.

Japanese Animation and Commercialization

It is argued that the practice of outsourcing might have a deleterious impact on the ability of American corporations to maintain their competitive advantage based on product innovation. For instance, Hollywood's first offshore studio opened in Japan in the early 1960s. As the years ensued, Japan quickly acquired Hollywood's sophisticated skills, as well as its advanced technology, and developed its own animation industry. From the viewpoint of world system theory, Japan, Hollywood's first offshore destination, had apparently moved upward from the periphery and became a core country in the 1970s in terms of animation production.

In fact, the case of the founding of the Japanese animation industry differs from that of the Cuckoo's Nest in at least the following ways. First, evidence suggests that the Japanese animation industry owes partially its success to the previously well-established comic industry. Second, the Japanese animation industry was established with a large demand in the domestic market. It enjoys the first mover's advantage, which the Cuckoo's Nest did not have. Third, since the early 1990's the tremendous demand for animated programs on Taiwanese cable TV could have increased the domestic demand for domestic cartoons, and these demands have been directed to Japanese imported animation.

As observed from what occured in the 1990s, in order to make a greater whole than the sum of the parts, a media conglomerate might look to acquire complementary media organizations. One widely discussed phenomenon has been inter-media

activities. The success of Japanese imported animation in Asia to a great degree is related to the institutional strategies employed by the Japanese animation industry. In light of insufficient analysis of the subject, my research offers the following suggestion for further studies: a comparative analysis of these media exportation strategies carried out in different countries in the same region, and, equally significant, the resistance generated by the respective localities.

BIBILIOGRAPHY

Animated Classics of Film and Television. Retrieved April 2, 2002, from http://home.earthlink.net/~steveandrenee/anime.htm.

Animation Web Guide (Sorted by Genre Key). Retrieved March 27, 2002, from http://www.tcp.com/~doi/alan/webguide/genre.html.

A-Kuei official site. Retrieved March 2, 2002, from http://www.a-kuei.com/; animation-related products are displayed at http://a-kuei.a-kuei.com.tw/index.asp (Chinese and Japanese).

A-Kuei's Family (2001), *Animedia*, p 43, December 2001 (Chinese).

A-Kuei talks about his feeling on Taipei (2001). PC home magazine online version, Retrieved February 2, 2002, from http://cityguide.pchome.com.tw/mark/page75.html(in Chinese).

Barber, B. R. (1996). From hard goods to soft goods (Chap 4) and From soft goods to service (Chap. 5), In Jihad vs. Mc world: How globalization and tribalism are reshaping the world. New York: Ballantine p 59-89.

Beatty, S. (2001, April 20). MTV Ratings Soar Off Gross Humor, Sex. *Wall Street Journal*, p. B.1.

Beltran, L.R. (1978). TV etchings in the minds of Latin America: conservatism, materialism, and conformism. *Gazette*, 24(1), p 61-85.

Beck, Ulrich (2000). Errors of globalism, In What is globalization? (Trans Patrick Camiller). Cambridge, UK: Polity Press. p 117-128.

Boyd-Barrett, J.O. (1977). Media imperialism: Towards an international framework from an analysis of media systems. In J. Curran, M. Gurevitch & J. Woollacott (Eds). Mass media and society London: Edward Arnold. p 116-135.

Blass, A. (1992). Trade: Learning the soft way, *Far Eastern Economic Review*, Hong Kong; 155: 48, p54.

Braman, S. (1996). Interpenetrated globalization: scaling, power, and the public sphere, In *Globalization, communication and transnational civil society*. S. Braman & A. S. Mohammadi (eds), Cresskill, N.J.: Hampton Press. p 21-36.

Breitzer, F. (2000), Flash with substance, *Macworld*, San Francisco, June 2000.

Cardoso, F. (1973). Associated-independent development: Theoretical and practical implications. In W. Ladd Hollist and James Rose Rosenau (eds), world system structure: continuity and change, Beverly Hills Ca.: Sage, p 140-71.

Caveth R. (1992). The reconstruction of global media marketplace, *Communication Research*, 19 (6), p 756-23.

Chadha K. & Kavoori A. (2000). Media Imperialism revisited: some findings from the Asian case, *Media, Culture & Society*, 22: p 415-432.

Chadwick, S. (1996). Cambridge's animator draws on computer and crayon. *Hollywood Reporter*, p22-26.

Chan, J. & Ma, E. (1996). Asian Television: Global trend and local process. *Gazette*, 58, p 45-60.

Chan-Olmsted, S. M. (1996). Market competition for cable television: Reexamining its horizontal mergers and industry concentration, *The Journal for Media Economics*, 9(2), p 25-41.

Chase-Dunn C. (1998). Global formation: structure of the world-economy (2nd ed) Boston: Rowman & Littlefield.

Chaw, Y. (1997). The viewing of foreign programmes in Taiwan. Paper Presented at the conference on "On the Management of TV in 2000", Taipei: New Review Commission.

Chen, P. (1999). Market Concentration in Taiwan's cable industry, *Media Asia*, 24 (4), p 206-215.

Chen, S. (1998). State, media and democracy in Taiwan. *Media, Culture & Society*, 20, p 11-29.

Chibi Maruko Chan, Retrieved April 22, 2001, from http://www.geocities.com/Tokyo/Flats/5330/.

Chossudovsky, M. (1997). The globalization of poverty: impact of IMF and world bank reforms. Penang: Third world network.

Chu, H. (2000, Dec 20) *South Park*'s trash-talking tots have become widely popular in Taiwan, *Los Angeles Times*, p B4.

Comic and Animation Club, Teng-Jiang University (2001). Retrieved February 2, 2002, from "The lyrics for theme songs of cartoons from 1974 to 1995," http://www.fju.edu.tw/homepage2/pollyanna/year.html.

Cooper Chen, A. (2001). The dominant trope: sex, violence, and hierarchy in Japanese comics for men, in Comics & Ideology, McAllister, M. P. & Sewell, E.H., and Gordon, I. (Eds) New York: Peter Lang Publisher, pp. 99-128.

Davis, F. (1992) Fashion, Culture and Identity. Chicago: University of Chicago Press, p.152.

Doyle, G. (1982). Media ownership: An assessment of the proposals, *Media, Law & Practice* 16(3): 82-85.

Dunford. M. (2000) Globalization and theories of regulation. In Global political economy. R. Palan (Ed). London and N.Y. Routledge.

Einhorn, B. & Aubin T. (2000) 'Rising Star?' *Business Week*; May 29: p 34.

ETTV News Bi-weekly, (2001). The vision of ETTV. Retrieved January 10, 2002, from http://welcome.to/et168 (Chinese).

Fan, C. (1998), An introduction to the historical development of Japanese animation. In An exploratory review of international animated films, Huang Y. & Yu. W. (Eds.) Taipei: Yuan Liu publisher.

Fang, L. N., Sun, S. (1994). Glocalization and identity politics: reflections on globalization theories from the Taiwanese experience. *Journal of popular culture*, 9(2): 79-98.

Ferguson, Marjorie (1992). The mythology about globalization. *European Journal of communication*, 7: 69-93.

Fiske, J. (1987). Television culture. N.Y.: Methuen.

Frederick, H. (1993). Global communication and international relations. Belmont, California: Wadsworth.

Friedman, J. (1994). Cultural identity and global process. London: Sage Publications.

Furniss, M. (1998). Chapter 8: Three dimensional animation. In art in motion: animation aesthetics, Sydney: John Libbey. P 155-176.

Fuji Television station official site, Retrieved April 2, 2002, from http://www.fujitv.co.jp/en/profile/outline/drama.html.

Garcia-Canclini, N. (1995). Hybrid cultures: Strategies for entering and leaving modernity. Minneapolis: University of Minnesota Press.

Gomery, D. (1993). Who owns the media, in Alexander A., Jowers, J. & Carveth, R, Media economics: Theory and Practice. Hillside (NJ): Lawrence Associates, Publisher, p 47-70.

Government Information Office (1999), Cable Radio and Television Law of the Republic of China, Taipei: Government Information Office.

Granitsas, A. (2000, Jul 27). Black Hole, *Far East Economic Review*. p 34. Retrieved from November 11, 2001 Proquest Database, Keyword: Star TV.

Hall, S. (1982). The rediscovery of ideology: return of the repressed in media studies. In Gurevich, M., Bennett, T., Curran J. & Woollacott J. (Eds), *Culture, society and the media,* London: Methuen p.56-90.

Hamelink, C. (1997). International communication: Global market and morality. In A. Mohammadi (Ed.), International communication and globalization. Thousand Oaks, California: Sage.

Halligan, F. (1996). Chinese cartoon factories thrive on H.K. biz, Retrieved March 20, 2001, Temple Paley library "proquest" database http://proquest.umi.com/pqdweb, search key word entry: animation industry.

Hannerz, Ulf (1990). Cosmopolitans and locals in world culture. *Theory, Culture & Society*, 7, p 237-251.

Held, D., McGrew, A., Goldblatt, D. & Perraton, J. (1999). Introduction, pp. 1-31. Global transformations: politics, economics and culture. Stanford, CA: Stanford University Press.

Hettne B, (1999). Globalization and the new regionalism: The second great transformation, 1-25, in Globalism and the new regionalism, edited by Hettne, B., Inotai, A. & Sunkel, O. St. N.Y: Martin's Press, Inc.

Heuvel, J.V. & Dennis, E. E. (1993), The unfolding lotus: East Asia's changing media, New York: Columbia University Press.

Hirsch, P. Globalization of mass media ownership, *Communication Research*, 19(6), p 677-81.

Hoffer, W. (1981). Animation – A reference guide. Westport, Connecticut: Greenwood Press.

Hong, J. (1999). Globalization and change in Taiwan's media. *Asian Journal of Communication*, 9(2), 39-59.

Huang, A. (2000). PM cycle, Business News, Cartoon doll creates frenzy and fighting in Taiwan, Associated Press Writer

Huettig, M.D. (1944). Economic control of the motion picture industry: a study in industrial organization. Philadelphia: The University of Pennsylvania Press.

Ishii K., Su, H. & Watanabe, S. (1999). Japanese and U.S. programs in Taiwan: new patterns in Taiwan television, *Journal of broadcasting & electronic media*, 43(3), p 416-431

Kinsella, S. (2000). Chapter 2: The manga production cycle; Chapter 3: Adult Manga and the regeneration of national culture, Adult Manga, Hawaii: University of Hawaii Press, p 50-69; p 70-102.

Kotabe, M. & Helsen, K. (2000). Chapter 10: global sourcing strategy: R&D, manufacturing, and marketing interfaces, Global marketing management NY: John Wiley & Sons, Inc.

Kou, T. (1997). An analysis of Taiwan comic industry from the perspective of political economy, Master Dissertation, National Chun-Cheng University, Telecommunications Department: Taiwan.

Lange, P. (1985). Semiperiphery and core in the European context: Reflections on the postwar Italian experience. In G. Arrighi (ed.) Semiperiphal development, Beverly Hill: Sage. p 179-214.

Lee, C. (1980). Media imperialism reconsidered. Beverly Hill: Sage.

Lee, D. & Chen C. (1998). Satellite television and national imagery: A case study of Japanese trendy drama broadcast by the Star TV, *Journalism Research*, National Cheng-Chi University, 56: 9-34 (Chinese)

Lee, D. & Cheng, C. (1998), The satellite TV and the imagined nationality: The Japanese trendy drama on Star TV, The Journalism Research (in Chinese), 56: 9-35.

Lee, T. (1997). The development of Taiwanese animation industry. (Chinese) In An exploratory review of international animated films , Huang Y. & Yu. W. (Eds.) Taipei: Yuan Liu publisher.

Lee, S. (2001). The profile of Hakka. Retrieved February 10, 2002, from http://www.asiawind.com/hakka/

Lent, J. A. (1995). Comics in East Asian countries: a contemporary survey. *Journal of popular culture*, 29(1): 185-198

Lent, J. A. (1999). Local Comic books and the Curse of Manga in Hong Kong, South Korea and Taiwan. *Asian Journal of Communication*, 9(1): 61-78

Lent, J. A. (1998). The animation industry and its offshore factories. In Global Productions: labor in the making of the "information society." Gerry Sussman and John A. Lent (Eds.). Cresskill NJ: Hampton, p 239-254.

Lent, J. A. (1993). The renaissance of Taiwan's cartoon arts. *Asian Culture Quarterly*, 21 (1): 1-7.

Lim L. (2000). Hello Kitty frenzy a step back for civil society, Singapore: *The Straits Times*, June, 20, p 26

Major Taiwan 3-D animation software players (2001), *Software Century* 14: 3-10, also available online, Retrieved March 10, 2002, from www.itnet.org.tw/soft5, (Chinese)

McAnany, E. & Kenton W. (1992) From cultural imperialists to takeover victims? Questions of Hollywood's buyouts from the critical tradition. *Communication Research* 19 (6): 724-48.

McMichael, P. (2000). Globalization: trend or project? In Global Political Economy. R. Palan (Ed). London and N.Y.: Routledge.

Media at a glance, Taiwanese Government Information Office's official site. Retrieved December 12, 2001, from http://www.taipei.org/info/nation/en/glance/ch8_c.htm.

Milestones of the animation industry in the 20th century (2000). Animation World Magazine, 4:10, Retrieved December 12, 2001, from www.awn.com.

Mittelman, J. H. (2000). The globalization syndrome: Transformation and resistance. New Jersey: Princeton University Press.

Mowlana, H. & Rad, M. M. (1992). International flow of Japanese TV programs, The "Oshin" phenomenon. *KEIO Communication Review*, 14, 51-68.

Nantus, S. (2002). Retrieved March 12, 2002, from History of Japanese animation in the U.S., http://az.essortment.com/historyjapanes_rdck.htm.

National Central library academic database (Chinese) Retrieved January 10, 2002, from http://readopac.ncl.edu.tw/html/frame1.htm.

National central library: Taiwanese master and Ph. D. dissertations database (Chinese) Retrieved March 20, 2001, from http://www.ncl.edu.tw/ncl1.htm.

New York Times News Services. (2001). Online animators redraw game plans, Retrieved January 10, 2002, from the database of The Taipei Times: www.taipeitimes.com.tw , search key word: animators.

Patten, F. (1996), A Capsule History of Anime, Animation World Network, Retrieved April 10, 2001, from http://www.awn.com/mag/issue1.5/articles/patten1.5.html.

Perlmutter, Howard V. (1991). On the rocky road to the first globalization civilization. *Human Relations*, 44: 897-920.

Pilling J. (1997). Introduction, A reader in Animation Studies. Sydney: John Libbey.

Pietterse, Jan Nederveen (1994). Globalization as hybridization. *International Sociology*, 9 (2), 161-184.

Pollyanna's unforgettable lyrics of the cartoons in the early days, the Comic and Animation club of Teng-Jiang University, Retrieved January 10, 2002, from http://www.fju.edu.tw/homepage2/pollyanna/year.html.

Portor, M. (1990), The competitive advantage of nations, *Harvard Business Review*, p 73-91.

Public Television Service (official site), Retrieved January 10, 2002, from http://www.pts.org.tw.

Robertson, R. (1990). Mapping the global condition: Globalization as the central concept. Theory, Culture and Society, 7(2-3), p 15-30.

Robertson, R. (1992). Globalization: social theory and global culture. CA: Sage publications.

Raffaelli, Luca (1997), Disney, Warner Bro. and Japanese animation: three world views, in A Reader in animation studies, Jayne Pilling (Ed), Sydney: John Libbey.

Rogers, E. M. (2000). Informatization, globalization, and privatization in the new millennium, *Asian Journal of Communication*, 10(2), 71-92.

Rubin, B. (1993). New Technologies breach the five barriers of media control, Intermedia, 21 (1): 22-28.

Salwen M. B. (1991). Cultural imperialism: a media effect approach, *Critical Studies in Mass Communication*, 8: 29-38.

Schodt, F. (1986) Manga! Manga! The world of Japanese comics. N.Y.: Kodansha.

Schiller, H. (1970). Mass communications and American empire. N.Y.: Augustus M. Kelly.

Schiller, H. (1976). Communication and cultural domination. N.Y.: M.E. Sharpe.

Schiller, H. (1989). Culture, Inc.: The corporate takeover of public expression. NY: Oxford University Press.

Schiller, H. (1996). Information inequality : the deepening social crisis in America, New York : Routledge.

Schiller, H. (1999). Living in the number one country: Reflections from a critic of American Empire. New York; London : Seven Stories Press.

Sinclair, J. (1996). Latin American television : a global view. London; New York: Oxford University Press.

Sinclair, J. (1996). Peripheral vision. In new patterns in global television : peripheral vision, John Sinclair, Elizabeth Jacka, and Stuart Cunningham (Eds). New York: Oxford University Press.

Straubhaar J. D. (1991). Beyond media imperialism: asymmetrical interdependence and cultural proximity, *Critical studies in mass media*, 8 (1991), 39-59.

Starrt J., Sloan, W. (1989). Historical methods in mass communication NJ: Lawrence Erlbaum Associates.

Smith, T. (1993). The World of Manga, *Japanese Book News*, 2: p1-3.

Stop Motion Animation Programes (BBC), retrieved January 13, 02, from http://www.bbc.co.uk/dna/h2g2/alabaster/A246241.

Ship me somewhere East of Wapping (1996). *The Economist*, July 6: p58.

Su, H. (1999). All thing Japanese: children's TV viewing and Spending on imported Cultural goods in Taiwan, *Asian Journal of Communication*, 9(2), p 47-58.

Su, H. (1994). A study of children's motivations and behaviors of reading comics, *Journalism Research*, National Cheng-Chi University, 48:123-145 (Chinese).

Taiwanese media overview, The Government Information Office web site. Retrieved May 05, 2001, from http://www.gio.gov.tw/info/book2000/ch16_2.htm

Tesoro, J. M. (1996). Asia says Japan is top of the pops, Retrieved January 10, 2002, from http://www.asiaweek.com/asiaweek/96/0105/feat1.html.

The Cuckoo's Nest Inc. Brochure (1999). Taipei: The Cuckoo's Nest (in Chinese and English).

The Cuckoo's Nest Inc. Financial Report (2001). Taipei: The Cuckoo's Nest (in Chinese)

The hottest cartoon icons in Taiwan (2002): Retrieved February, Polls at Yam.com (Chinese), from http://news2.yam.com/newspoll/result.php3?pid=426.

The Hayao Miyazaki web: Grave of fireflies, Retrieved June 10, 2001, from http://www.nausicaa.net/miyazaki/grave/.

The China Times official site, Retrieved January 20, 2002, from www.chinatimes.com.tw.

Tomlinson, John (1991). The discourse of cultural imperialism, In Cultural imperialism. Baltimore: John Hopkins University Press. p. 1-33.

Tomlinson, J. (1997). Cultural globalization and cultural imperialism. In International communication and globalization. A. Mohammadi (Ed.) London: Sage. p 170-90.

Toru, S. (2000, July 10). Made in Japan has never looked so cool as culture sells big in Asia Movies, TV, pop music, fashion being embraced by young and old alike, *The Nikkei Weekly*, p 22.

Trendy drama collection, Retrieved December 10, 2001, http://sites.netscape.net/jsvlee99/dramas/ai.html.

Tsui-Auch, L. (1998). Regional subcontracting and Labor: Information and Communication Technology Production in Hong Kong and Shenzhen, In Global Productions: labor in the making of the "information society." Gerry Sussman and John A. Lent (Eds.). Cresskill NJ:Hampton, p 145-172.

Virtual Singer: K. K. Long, Retrieved January 24, 2002, http://www.ch1.com.tw/.

Wang, J.(1997). Global media and cultural change. *Media Asia*. 24(1), p15-22.

Wasko J. (1995). Hollywood in the information age: beyond the silverscreen. Austin, Texas: University of Texas Press.

Wallerstein, I. (1974). The modern world system I: capitalist agriculture and the origins of the European world-economy in the sixteen century. N.Y.: Academic Press.

Wallerstein, I. (1979). The capitalist world-economy. Cambridge: Cambridge University Press.

Wallerstein, I. (1984). The politics of the world-economy: press the states, the movements and the civilizations. Cambridge: Cambridge University.

Waterman, D. (1994). The Economics of television program production and trade in Far East Asia, *Journal of Communication*, 44 (3): 89-111.

Wei, C. (2000), Let the innovative ideas flash online: The interview with the founder of A-Kuei, The Digital Times (in Chinese). Retrieved January 10, 2002, from http://news2.yam.com/newspoll/result.php3?pid=293.

Wei, C. (2001), An engineer who creates ideas: The interview with the founder of A-Kuei, The Digital Times (in Chinese), Retrieved February 10, 2002, from http://news2.yam.com/newspoll/result.php3?pid=426.

White, Livingston A. (2000). Reconsidering cultural imperialism theory. Paper presented at Global Fusion 2000 Conference, St. Louis, October p13-15.

Winckler, E. (1981). National, regional, and local politics. In E. Ahern & H. Gate (eds.), The anthropology of Taiwanese society. Stanford, CA: Stanford University.

Yu, K. (1999). Development of the Korean animation industry: historical, economic and cultural perspectives, Ph.D. Dissertation, Dep. of Mass Media and Communication, Temple University.

Yu. K. (1998). Global division of cultural labor and Korean animation industry, In Themes and issues in Asian cartooning: Cute, cheap, mad and sexy, J. Lent (Ed). P37-60.

Zhao, Y. (1998). Media, Market and Democracy in China: between the party line and the bottom line. Urbana: University of Illinois Press.

Zeller, T. (2000), Motion without sickness: Web animation comes of age, New York Times: New York, N.Y. Sep 20, 2000.

1999 Asia Comic Summit Taipei, Retrieved May 10, 2001, from http://www.dreamer.com.tw/events/asiamanca/ (Chinese).

APPENDIX A
INTERVIEW GUIDELINES

Objectives

The interview guidelines explain the procedures governing all interviews. Since this dissertation chiefly relies on interviewing techniques to acquire information regarding the current environment of the Taiwanese animation industry, it is important that the interviews are conducted consistently, and the raised questions are "to the right point." In other words, these objectives of these guidelines are to ensure the "validity" and "reliability" of the interviews in this dissertation. More specifically, these guidelines have three objectives:

(1) To formulate a standard procedure that the researcher can follow closely in interviews. The standard procedure helps the researcher to resolve problems that may arise in the interviews.

(2) To demonstrate an operationalized rule that can be repeated, challenged or falsified by other researchers. It offers the readers of this dissertation a thorough understanding the process of data collection.

(3) To facilitate the supervision from the committee members. Based on these guidelines, the committee members are able to evaluate whether these interviews are conducted in a sound way. Thus, the researcher may improve the interviewing techniques before further interviews are conducted.

Guidelines

The Issue of Reliability

Reliability is defined as the extent to which measurement yields numbers that are consistent, stable and dependable. In the case of my study, clear and concrete guidelines ensure that the interviews are conducted consistently.

1. The in-person interview is preferred. In only a few cases, however, in light of the limited availabilities of interviewees, telephone interviews offer an alternative method.
2. Conversations are recorded with the consent of my interviewees.
3. These interviews are conducted in a relaxed manner. It is important to avoid creating the impression that the interview is a quiz or cross-examination. To achieve this goal, the questionnaire is used in an informal manner. Before the researcher conducts interview, he/she should have in hand an informal questionnaire, then study and memorize the questions carefully. The researcher should practice asking the question aloud or conduct a mock interview with someone.
4. The interview is semi-structured. In other words, it permits a flexible question format, so long as each question maintains the predetermined focal point.
5. The interviews usually start with a self-introduction. In some cases, this part can be skipped (e.g. the interviewees are acquaintances).
6. The nature of the questions should be debriefed; and some indication of the subject matter if requested should be provided. However, be cautious NOT to give away any research hypotheses.

7. The question sequence should be carefully planned for continuity. The dissertation raises eleven chief questions and each respondent only answers some of the questions. In order to make these interviews comparable, the same question is presented in the standardized order to different respondents.

The Issue of Validity

Validity refers to the issue of whether a measurement technique provides measures of what its user thinks it is measuring. In other words, if the questions in these interview measure what the researcher thought to measure, the interview is valid.

In this dissertation, the issue of validity refers to whether the researcher raises the appropriate questions to the right person. In other words, the issue is about - are the questions to the right point?

To achieve the goal, both research questions and sample interviewees are defined in the dissertation proposal. The sampling rationality is further explained as follows.

The Plan for Interviews and the Rationales for Each Category

Questions	Prospective Interviewees
Part I: A. Taiwanese animation production industry	
1. How did the production of animation in Taiwan develop before the Wang film production studio was established in 1978? What did Taiwanese animation studios produce?	Wang (Founder of the Cuckoo's Nest); five independent animators.
2. Why did Hollywood choose Taiwan as a base to export its animation? What were the impacts of Wang on the existing studios and local animators?	Wang (Founder of the Cuckoo's Nest); five independent animators.

3. How was the Taiwanese animation production industry integrated into the global labor production line? How has its role changed during the past three decades?	15 interviewees from Wang's Studio; ten interviewees from the existing animation studios other than Wang[1]; five Taiwanese expatriates
4. How did the interplay of political and economic forces in the world system affect the growth and transition of the Taiwanese animation production industry?	Wang; ten interviewees from the existing animation studios other than Wang; five amateur animators; five Taiwanese expatriates
5. How was the interplay of political and economic forces reflected in the government's regulations regarding the production industry?	Wang; five independent animators, ten interviewees from the existing animation studios other than Wang; amateur animators; five people from regulatory unit
6. How did technological innovation (for example, computer-animation) affect the Taiwanese animation industry?	Wang; five independent animators; ten interviewees from the existing animation studios other than Wang; amateur animators;
Part II. Consumption	
1. What animation has been aired or carried by the Taiwanese mass media during the past three decades?	Chiefly acquire the data from historical document
2. How did the interplay of political and economic forces affect Taiwanese TV's heavy reliance on foreign programs, particularly Japanese animation, during the past three decades?	Five governors from regulatory unit; twenty employees of various TV stations; merchandizing retailers; two advertising agencies.
3. What roles did the Taiwan's major regulatory units, the "Government Information Office" (GIO) and the "National Institute for Compilation and Translation" (NICT), play in the media's	Five governors from regulatory unit; twenty employees[2] of various TV stations and merchandizing retailers; two advertising agencies

[2] Due to a lack of information about the market share of imported animation program now, I am not able to name these interviewed television stations at this time. However, I will check some document (e.g. The advertising annual report 2000) on my trip to Taiwan and will sample these stations according to these data.

purchase of foreign animated programs? How has this role changed over the past three decades?	
4. How did media globalization, mainly manifest in the trends of deregulation, commercialization, and privatization, affect the media's purchase of foreign animated programs, particularly Japanese programs?	Five governors from regulatory unit; twenty employees of various TV stations and merchandizing retailers; two advertising agencies
5. What is the market structure of animation-related products? How is it related to the mass media's heavy reliance on Japanese animation?	Merchandizing retailers; two advertising agencies

APPENDIX B
A CHRONOLOGICAL LIST OF INTERVIEWS CONDUCTED IN TAIWAN

The Production of Animation in Taiwan

The name of Interviewee	The Position of the interviewees My justifications	Interview content	Date
Tom Hong; Wendy Hsiao	Tom is well connected with Taiwanese cartoonists. He is both a cartoonist and a cartoon historian. He has done several publication about Taiwanese comic art and is currently editing a book entitled "Taiwan cartoon history: 1950-2000". Wendy is writing the preface of the book for him.	Tony summarized the historical development of animation production in Taiwan. He introduces many cartoonists to me.	08/23, 9/13
Sunny Ku,	Manager of Human Resource Dep. Wang Film Production Co.	A brief introduction of the Wang; the animation industry in Taiwan and China	08/28, 09/03
Zen-Jay Mai	A cartoonist. He worked as an animator in the Wang in the 1980s, but currently is a freelancing cartoonist and animator. Animation Director of *Grandma Ghost*, the feature film released in 2000	The production environment of animation in Taiwan; the production of the feature film, Grandma Ghost	09/09
Ching-Long Chang	He was an animator of the Wang. He left the industry about 10 years ago and now owns a cartoon spin-off gift shop.	The production environment of animation in Taiwan;	09/09
James Wang and his Wife	The founder of the Cuckoo's Nest	The production environment of	09/03

		animation in Taiwan	
Tracy Yo	Assistant Manager of marketing and merchandizing division, the Wang	The Wang's involvement in the cartoon merchandizing industry	09/03
Lee	The project planner of the Wang's Cartoon summer camp	The Wang's involvement in the cartoon education	09/03
Juno Lin	Manager of multimedia division, the Ladder Education Publishing Inc. (it applies American program, *Sesame Street*, as English language learning material in Taiwan)	The application of animation as a means to learn English.	8/25, 9/03
Chen	A high-school graduate, 21 years old. She was the inbetweener of Hong-Yin (the second largest animation studio). After being laid off, she works for the Ladder.	The work, pay and life of an inbetweener	8/30
Dong	A high-school graduate, 25 years old. He is the last generation of animator trained by Hong-Yin. After being laid off, she works for the Ladder.	The work, pay and life of a animator	8/30
Yang	A high-school graduate, 25 years old. He is the last generation of animator trained by Hong-Yin. After being laid off, she works for the Ladder.	The work, pay and life of a animator	8/30
Chiu, Yu-Fong	An acclaimed feminist animator of the Golden Harvest Award and Seoul female film festival; MFA majoring in animation, 2001, Tainan art college.	Animation education, career plan of amateur animator	08/31

Fong, Wei-Chung	An acclaimed animator of the Golden Harvest Award; MFA graduate, 2001, majoring in animation, Tainan Art Institute; Lecturer of Ching-Ming Technology Institute.	Animation education, career plan of amateur animator	09/09/01; 11/30/01; 02/05/02
Lin, Tsueng-Hwa	An acclaimed animator of the *Golden Harvest Award*; a graduate student of MFA in Tainan art college	Animation education, career plan of amateur animator	08/27
Hong, Chun-Yian	A high school graduate, he used to be an inbetweener and an animator of Hong-Ying, after being laid off, he works for publishing company. He is Tony Hong's son.	The personal experience of working as an inbetweener and animator	09/03
Tong, Chia-Ling	A college graduate, holding a bachelor degree of Interior Design. She got involved in animation starting from scratch. She started as an inbetweener in Hong-Ying after a couple month training. After being laid off, she works for publishing company.	The personal experience of working as an inbetweener and animator	09/03
Yu, Wei-Cheng	The Dean of Animation Art Department. Tainan Art Institute he has been working for the Wang for more than 20 years	Animation education, The historical development of Taiwan animation industry	09/04, 09/11
Tong, Tai-Ling	The Programming Director of Children and Youth Division, the Public Television Service; The producer of *Tiger Aunt*, an animated cartoon adopted from Taiwanese fable.	Alternative way of producing made-for-TV cartoon; the policy of the Public TV Station	09/06
Tsao Tsuong-	The vice president of CGCG Inc.,	A brief	09/07

Hong	the biggest 3D animation production studio in Taiwan. One of the largest made-for-TV 3D animation supplier; the Cuckoo's Nest hold twenty percent of share.	orientation about the C.G.	
Ivy Liang (Very helpful, a dedicated young manager at her late 20s, an excellent speaker.)	The Manaer of New Business Division of CGCG Inc., the biggest 3D animation production studio in Taiwan. One of the largest made-for-TV 3D animation supplier; the Wang hold twenty percent of share.	The development of the company and 3D animation industry	09/12
Paggy Liou	The Assistant Manager of New Business Division of CGCG Inc., the biggest 3D animation production studio in Taiwan.	A brief introduction of C.G.	09/12
Chuang, Cheng-Bing	He was awarded in *Golden Harvest Festival* three times, also had been working as an animation director in the Cuckoo's Nest for ten years. In the early 1990s, he left the Wang and created his own studio. His business was done fairly well until recently. He predicted that his studio might go bankrupt in few months.	His personal experience is a story of the historical development of the Wang. A typical portrait of Taiwanese animator in the recent decade.	9/13
Shih, C. Jay	Awarded animator in the Golden Harvest film festival; left for the U.S. in the 1980s MFA (SUNY); Dean of Animation Art Dep., Tainan Art Institute (1999 – 2001). He is currently teaching as an associate professor at Shih-Hsing University .	Taiwan's animation education	9/13
Lee, Dao-Ming	Associate Professor of Tainan art Institute and Taiwan Art Institute; Filmmaker; Temple's MFA graduate	Taiwan's animation education and how technological advancement	09/14

		affects the Taiwan animation industry	

The Consumption of Animation in Taiwan

The name of Interviewee	The Position of the interviewees	Interview Content	Date
Yeh, Ching-Jay (Hsiao-Yeh) and Tsue-Yi, Lin; they introduced many key people for me.)	Yeh was responsible for the importation of Japanese programs for several Taiwanese cable channel companies for many years; Tsue-Yi is Hsaio-Yeh's wife. has written a plenty of articles on Japanese popular culture and its influence upon Taiwan	This was a brief orientation about how Japanese cartoons were imported.	08/13
Jerry Wang	Sales Dep. Deputy Manager, Goldsun Satellite Television	They gave me a sense of how they buy foreign cartoons. For instance, the cost, their airing time, and how they were adjusted the local taste. Since two of the interviewees were from Sales dep., they also talked about how did their advertising agency consider these programs.	8/20
Yuro Chang	Sales Supervisor, Goldsun Satellite Television		8/20
Stanley Lu	Planning dep. Deputy Manager, Goldsun Satellite Television		8/20
Betty Chung	Special Assistant to C.E.O. SEC Entertainment Communication Co. Ltd, **Betty Chung grew up in Japan. She is in charge of the program buying for JET channel.	The SEC owns and operates JET Channel that carries 100% Japanese imported programming. The TBS (Tokyo Broadcast Corporation) holds about	8/21

		28 percent share of JET channel.	
Amanda Chung	Specialist of Programming Planning Dep. Public Television Service Foundation (The government-owned TV station)	Indigenous production; government policy	8/24
June Chien	Past: Advertising Executive, Fu-Kang Advertising agency (8 years); Now: Marketing manager of an Internet company	Advertising of the product for kids; Media buying from advertiser's point of view	8/25
Chiang, Ya-Chun	The Programming Manager of the only kid's channel run by the domestic cable conglomerate.	The development of Taiwanese children programming on cable television	8/25
Liu, In-Lung	Marketing Specialist, China TV (CTV), one of the four terrestrial TV networks	The market of cartoon programs in CTV (one of the four major terrestrial TV network)	09/06
Chiang, Cindy	Sales Director of Star TV, Taiwan branch, The Star TV Taiwan has successfully introduced many Japanese and American animated cartoons into the Taiwanese market	The advertising sales of cartoon programs, Case study: how the Star TV localizes the "South Park" which later hit it quite big in Taiwan	09/07
Wang, Dao-Ping	The PR manager of ACNilesen	Asking for the permission of using their data	9/10
Wang, Wen-Tsing	Specialist, Taiwan TV (TTV), one of the four terrestrial TV networks	The market of cartoon programs in TTV (one of the four major terrestrial TV network)	09/11

The Officers of Government and Legal Specialists

The name of	The Position of the interviewees	Interview	Date

Interviewee		content	
Cheng	Legal specialist, The Bureau of Broadcasting and Television, The Government Information Office (GIO)	Government Regulation	08/24,08/30
Anonymous	Officer in charge of satellite TV programming, The Bureau of Broadcasting and Television, The Government Information Office (GIO)	Government Regulation	08/24,08/30
Anonymous	Officer in charge of Cable TV network, The Bureau of Broadcasting and Television, The Government Information Office (GIO)	Government Regulation	08/24,08/30
Anonymous	Officer in charge of video and electronic publication, The Bureau of Broadcasting and Television, The Government Information Office (GIO)	Government Regulation	08/24,08/30
Anonymous	Librarian, Library, The Foundation of Broadcasting and Television	In search of historical facts	08/24
Tong (I used to work here so I know of a lot people.)	Assistant Manager of the division of exhibition, The foundation of Taiwan film business development. This is a government-funded foundation that hosts the Golden Harvest film festival	The government policy; meet and talk to animators here.	08/24, 08/28, 09/14
Kao, Hisao-Mai (She helps me a lot!)	Manager of the division of exhibition, The foundation of Taiwan film business development, the government-funded organization, host the Golden Harvest film Award	The government policy;	08/22, 09/14
Wang, Kevin	The specialist, the division of 5-year project of supporting software industry, Industry Bureau, the Economic	The government policy in the future;	09/15

	Department

Phone Interviews

The name of Interviewee	The Position of the interviewees	Interview content	Date
Chang Cheng-Yi	Current: Designer and Animator for Disney; The Character Designer for *Mulan* Past: animator of the Cuckoo's Nest; Acclaimed animator of the Golden Harvest Festival; Animator of Warner Bro. (1994-1997);	The historical development of global animation production;	04/24/01, 03/27/02, 04/15/02, 04/22/02
Wang Dou-Ping	Public Relations Officer AC Nielsen-Taiwan	Data of TV shares (Animation)	09/15/01, 02/15/02, 02/22/02

APPENDIX C
THE MILESTONES OF THE HISTORICAL DEVELOPMENT OF ANIMATION INDUSTRY IN TAIWAN

Year	Key development and its impact	The name of key people involved
1954	The 10-min feature film "*Wu-Soong Beats Tigers*" is the earliest animation in Taiwan animation history.	Kuei brothers
The late 1950s	Granted by the post-war American supply project, three Taiwan Normal University's graduates left for American institutions in a pursuit of masters in Fine Art relating to animation production. They are the first group of Taiwanese people educated in the U.S. All three students major in painting, and know very little about business. However, they later became considerably influential in the founding of the animation outsourcing factories in Taiwan	Chao Jei-Shio Luo Huei-Ming Chen Hsing-Kui
The 1960s	Chao had an internship in Hanna Babera and Disney; both Luo and Chen speak fluent Japanese and were well connected with Japanese animation directors, so they left for Japan shortly after they finished their study in U.S. Luo worked for Toei, a Japanese animation studio, as a background painter; Chen worked for the advertising industry in Japan.	Chao Jei-Hsio Luo Huei-Ming Chen Hsing-Kuei
1968 - 1969	**Scenario:** Chao completed two made-for-TV animation PSA projects: *The letters from Uncle Stone* and *The Racing between a Turtle and a Rabbit.* **Impact:** The production quality of the latter was once greatly touted by the local as "comparable to those from Disney". Hong, a Taiwanese comic historian, feels that the praise was exaggerating, but it nonetheless boost the	Chao Jei-Shio

	local cartoonists' confidence in producing animation.	
1970	Chao first introduced American animation production system, including the production facility and the organization of teamwork into Taiwan. He set up *Jei-Shio* studio to teach animation production. However, he changed his career plan soon and emigrated to U.S. in the early 1970s.	Founder: Chao Jei-Shio
1970	**Scenario:** The establishment of *Egin* (Chinese name: Yin-Zen, literally means "shadowed man") studio. **Impact:** The labor cost in Japan skyrocketed in the 1960s. With a good connection with *Toei* animation studio, Chen set up *Egin* studio as Taiwan's first offshore studio. *Egin* attracted approximately 60 "unemployed" Taiwanese cartoonists who were suffocated by the government's "*Movement of Cleaning-up our Comics*". These comic artists migrated from the comic industry to the newly established animation industry. Several Toei's animators were assigned to recruit and supervise the staff, chiefly once comic artist, in *Egin*.	Chen Hsing-Kwei
1970 - 1972	**Scenario:** *Egin* produced Japanese animation TV series including *The baseball Giant* and *Magic Volleyball Team.* However, labor unrest was felt right after its establishment. The company could not successfully resolute disputes over wage, and consequently Chen decided to shut it down. **Impact:** After 1972, the Taiwanese animation industry became fragmented until the founding of *the Cuckoo's Nest*. Japanese clients remained farming out their work to Taiwanese studios, but they were concerned with the capacity of each small studio.	Chen Hsing-Kwei

1972 - 1978	**Scenario:** The founding of many small studios. Four examples among these studios are Shun-Shun (Up Up), Loong-Zu (Dragon's son), China, Hsing-Hong. Most of them only existed briefly. They will be introduced in some length respectively. **Impact:** Japanese animation studio farmed out their work to many fragmented small studios. These studios were chiefly founded by the prior *Egin* animators. Due to their small size, they were constantly struggling to win the trust from Japanese clients.	
1972 - 1978	**Scenario:** The founding of Shun-Shun and Loong-Zu. **Impacts:** Compared to other studios in size, they were relatively large. Some of its production work, *Heidi* and *Catchman*, was very popular across many countries in the world. Some of them are still aired on cable TV in many countries.	Unknown
1972 -1978	**Scenario:** The founding of *China cartoon company*. It quickly recruited the previous *Egin*'s animators. **Impact:** This is the first Taiwanese company that actively seeks for local investment to produce the indigenous cartoon. Much of its production work was funded by Taiwanese television companies and government. In 1975, the company produced the first local animation feature film, *Fong Sheng Bong,* in Taiwanese theaters. His later attempt in bringing in elements of Kung-Fu genre in animation was not successful. *Stories about Bruce Lee* is one among these attempts.	Dong Yu-Li
1974	**Scenario:**	Mu-Tsuen Huang

	China animation development Ltd. was founded. **Impact:** Huang has good connection with the government. The government started to recognize "animation" to an effective communication art form. Numerous governmental PSA projects were assigned to the cartoon company.	
1978	**Scenario:** James Wang founded the Cuckoo's Nest. **Impact:** James Wang monopolizes the outsourcing production market. He recruits many freelancing animators and strategically woos animators from other studios.	James Wang
1980 - 1990	**Scenario:** Some non-Cuckoo's-Nest studios were founded to compete with Cuckoo's Nest. Hong-Ying is the chief one. **Impact:** Several animators grudgingly accepted the offers from James initially, but later created their own studio or left for U.S.	**Cheng-Yi Chang** (Disney's character design)
1982	**Scenario:** Animation was added as a new section in *The Golden Harvest Award.* **Impact:** It becomes a major outlet for Taiwanese young animators.	Numerous young animator received the awards from 1982.
The 1980s	**Scenario:** Numerous cartoonists tried to team up with animation studio to produce their own animation. **Impact:** Most of them failed. This phenomenon makes	Jer Wang

	the local cartoonists realize that animation production is not identical to comic art.	
1982	**Scenario:** *Hsiao-Ping and Hsiao-Ang,* was aired by CTS. **Impact:** It was produced by a Taiwanese NGO and is believed to be the only domestically made animated series (13 episodes).	I-Dan Foundation
1994	**Scenario:** *"Tsang Sho A Kuan"* The feature animated film was produced **Impact:** Tsai Chih Chung is one of the most popular cartoonists in Taiwan. The failure frustrated him. Many Taiwanese cartoonists started to acknowledge that the success in comic art does not necessarily guarantee the success of its animation version.	Chih-Chung Tsai
2000	**Scenario:** *Grandma and Ghost* (2000), a Taiwanese animated film was produced **Impact:** The production project of the feature animation was proposed by Wang and funded by the government unexpectedly. Wang knew very little animation production, and turned for help from Mai, a once Cuckoo's Nest cartoonist.	Hsiao-Di Wang Zen-Jay Mai