



THE EXPANSION INTO OVERSEAS MARKETS OF KYOTO CITY'S TRADITIONAL-CRAFTS SECTOR

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Abstract

This study examined the current industrial structure of traditional tie-dyeing in Kyoto, as well as the results of the revitalization project known as “the Kyoto Premium program” in relation to the challenges faced by Japanese firms when it comes to opening up overseas markets. Kyoto traditional craft industries depend on China for some of their production processes and it is very important for manufacturers to be in possession of a business strategy that anticipates the building of company brands and the generation of new products. The author shows that the project referred to above provides for both an expansion into overseas markets and the promotion of brand values on the market for traditional crafts.

Key words

traditional craft industry • tie-dyeing • industrial structure • overseas markets • Kyoto premium program • Kyoto • Japan

Introduction

During the period of high economic growth extending from 1950 through to the mid 1970s, Japan's local industries established a social specialization system centering on wholesale manufacturing (manufacturers) that had the capability to handle mass production and mass consumption. As production costs rose in the 1970s, labor-intensive industries shifted production sites to Korea and Taiwan, but the production structures themselves remained in place until 1990. However, starting with the collapse of the bubble economy in 1991, the number of manufacturing plants began to decline. In the period since, the shrinking of domestic manufacturing functions has become a major issue as the shift of production functions

to China accelerates. Deindustrialization continues in Japan, with the number of offices declining on after the 2000s, and the manufacturing sector in severe decline (Tab. 1).

As we discuss later, Kyoto, with its history as the former capital, is both the Japanese city most visited by tourists and the city with the largest number of officially designated traditional-craft production sites. The traditional-crafts segment (ex. textile mill products, printing and related industries) accounts for a large proportion of Kyoto's industrial structure (Tab. 2). In fact, Kyoto has developed as a city offering a diverse range of traditional industries designated traditional arts and crafts, most famously *Kyo-yuzen* and *Nishijin-ori* textiles (Tab. 3). Traditional crafts production is of profound relevance to the historic city, thanks

Table 1. Changes in the number of facilities in Japan (1999-2007).

| JSIC name | 1999 | 2004 | 2007 | Rate of increase 1999-2004 (%) | Rate of increase 1999-2007 (%) |
|--|-----------|-----------|-----------|--------------------------------|--------------------------------|
| Agriculture, forestry and fisheries | 18,716 | 18,525 | 19,778 | -1.0 | 5.7 |
| Mining | 4,160 | 3,316 | 3,022 | -20.3 | -27.4 |
| Construction | 612,150 | 564,312 | 548,861 | -7.8 | -10.3 |
| Manufacturing | 681,457 | 576,362 | 548,159 | -15.4 | -19.6 |
| Electricity, gas, heat supply and water | 3,609 | 3,209 | 3,049 | -11.1 | -15.5 |
| Information and communication | 46,746 | 54,537 | 59,316 | 16.7 | 26.9 |
| Transport | 141,721 | 130,098 | 129,627 | -8.2 | -8.5 |
| Wholesale and retail trade | 1,861,775 | 1,626,950 | 1,601,548 | -12.6 | -14.0 |
| Finance and insurance | 98,998 | 85,601 | 83,985 | -13.5 | -15.2 |
| Real Estate | 323,209 | 316,606 | 318,537 | -2.0 | -1.4 |
| Eating and drinking places, accommodations | 883,715 | 802,801 | 786,167 | -9.2 | -11.0 |
| Medical, health care and welfare | 240,978 | 275,560 | 311,148 | 14.4 | 29.1 |
| Education, learning support | 161,936 | 164,326 | 170,121 | 1.5 | 5.1 |
| Compound services | 33,264 | 30,428 | 48,997 | -8.5 | 47.3 |
| Services, N.E.C. | 1,090,815 | 1,076,578 | 1,090,244 | -1.3 | -0.1 |

Source: Establishment and Enterprise Census
(*JSIC = Japan Standard Industrial Classification).

Table 2. Outline of the manufacturing industry in Kyoto Prefecture (2009).

| | Establishment | Employees |
|---|---------------|-----------|
| Food | 1,090 | 25,120 |
| Beverages, tobacco and feed | 252 | 5,275 |
| Textile mill products | 6,318 | 30,814 |
| Lumber and wood products, except furniture | 343 | 2,766 |
| Furniture and fixtures | 581 | 2,875 |
| Pulp, paper and paper products | 428 | 5,573 |
| Printing and allied industries | 1,167 | 12,738 |
| Chemical and allied products | 249 | 7,195 |
| Petroleum and coal products | 22 | 186 |
| Plastic products, except otherwise classified | 426 | 6,462 |
| Rubber products | 34 | 995 |
| Leather tanning, leather products and fur skins | 148 | 1,149 |
| Ceramic, stone and clay products | 536 | 5,801 |
| Iron and steel | 100 | 2,166 |
| Non-ferrous metals and products | 110 | 2,473 |
| Fabricated metal products | 1,097 | 12,332 |
| General machinery | 544 | 6,455 |
| Producing machinery, equipment | 833 | 18,296 |
| Operating machinery, equipment | 316 | 11,425 |
| Electronic parts and devices | 330 | 14,576 |
| Electrical machinery, equipment and supplies | 524 | 11,059 |
| Information and communication electronics equipment | 73 | 3,936 |
| Transportation equipment | 210 | 9,578 |
| Miscellaneous manufacturing industries | 776 | 7,706 |
| Total | 16,507 | 206,951 |

Source: Kyoto Prefecture (2012).

Table 3. Outline of traditional craft industries in Kyoto Prefecture (2011).

| Craft name | Category of industry | Number of enterprises | Number of employee | Number of craft master |
|-----------------------|--|-----------------------|--------------------|------------------------|
| Nishijinori | textile | 606 | 6,000 | 325 |
| Kyokanokoshibori | dyed goods | 94 | 1,760 | 61 |
| Kyoyuzen/Kyokomon | dyed goods | 846 | 5,164 | 261 |
| Kyokuromon tsukizome | dyed goods | 171 | 342 | 66 |
| Kyonui | sewing | 40 | 300 | 42 |
| Kyokumihimo | braid | 52 | 240 | 24 |
| Kyobutudan/Kyobutsugu | household Buddhist altar and accessories | 209 | 1,060 | 77 |
| Kyosikki | lacquered ware | 61 | 300 | 41 |
| Kyosensu/Kyouchiwa | folding fan | 97 | 682 | 39 |
| Kyoningyo | doll | 38 | 230 | 35 |
| Kyosasimono | joinery | 13 | 38 | 9 |
| Kyoyaki/Kiyomizuyaki | pottery/ ceramics | 283 | 1,037 | 79 |
| Kyoishi Kougeihin | stonework | 73 | 300 | 11 |
| Kyohyogu | mounting | 231 | 616 | 52 |
| Total | | 2,814 | 18,069 | 1,122 |

Source: APTCI 2011; employee is an estimated number.

to connections with manufacturing technology, the preservation of artistic skills, and the tourist industry. In other words, Kyoto can be considered a city symbolizing Japanese traditions. However, since the second half of the 1970s, the volume of production of even these traditional arts and crafts has fallen rapidly, due to the spread and popularization of Western clothing, and the increased availability of cheap imported clothing from developing countries. The decline in the producing regions has become a serious problem in

consequence. Figure. 1 shows the trend as regards volume of output in districts involved in 17 traditional arts and crafts within Kyoto City. The trend in question is a rapid downward one.

So severe is the decline that it is feared that the techniques and skills of artisans will be lost, since those involved in most of the producing regions are ageing and there is a marked lack of potential successors. Noting this, local governments in the producing regions have implemented a large number of projects by which skilled people and

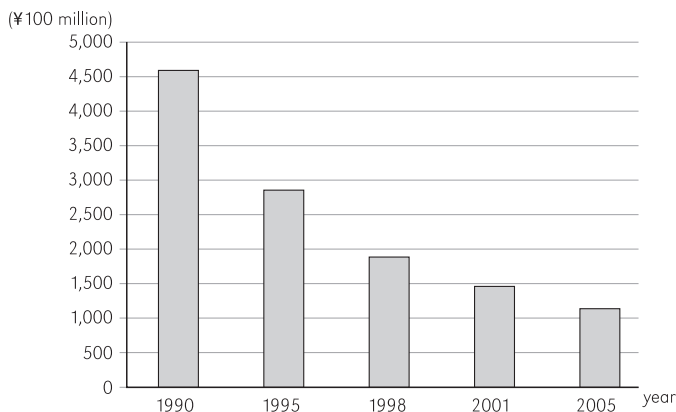


Figure 1. Output of the traditional craft industries in Kyoto.

Source: KCG 2006: 24.

their successors might be trained. However, notwithstanding the new product-development projects, sales-channel development and PR projects, human resources development projects, and so on being implemented under the leadership of Kyoto Prefecture and the industrial associations, etc. in each producing region, noticeable results have not been achieved when it comes to maintaining production volumes (Fig. 2).

while incorporating values and a sense of European design style, as well as young people (Ueno 2003). Other companies address traditional crafts with universal design that facilitate use by the elderly and/or disabled. The development of new production has boosted demand in close connection with the Japanese boom in Europe, as well as growing interest in a recycling-based economy and society.

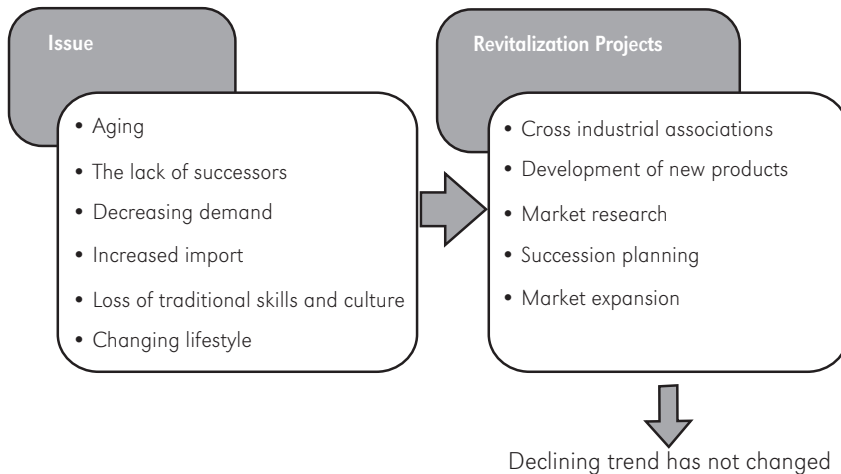


Figure 2. Current situation of traditional craft industries in Kyoto.

For this reason, recent years have seen government support shifting away from the conventional format of simply paying subsidies to associations in producing regions, and towards greater emphasis on support for the activities of young people, e.g. via cooperation between young people and the elderly, back-up for the management of group organizations by young people, etc. Once again, results have not been forthcoming where the maintenance of production volumes is concerned.

By the way, Ueno (2007) and Ueno & Kenkyujo (2008) explained the creation of new markets to expand tradition of craft production is caused by the compromise between Japanese and Western styles, it is not caused by the luxury production which Western and traditional Japanese was distinguished. It mainly seems that leading companies with creative plans and executive power have achieved the production of high value-added products by putting in place new own production networks. For example, some papers report that several companies engage in traditional crafts

There have recently been some noteworthy reports relating to JAPAN brand progress, such as a study on the overseas expansion of Japanese enterprises (JCCI & CFSCI 2006; JRI 2011; etc.). This project has been run since 2004, by the Japan Chamber of Commerce and Industry and the Central Federation of Societies of Commerce and Industry, which are entrusted with the management work by the Small and Medium-Sized Enterprises Agency. These reports reveal that most participants have indeed increased their sales.

As mentioned above, research results concerning the traditional-craft industry and the overseas expansion thereof are gradually accumulating. However, detailed research into several of the industry districts remains sparse (SME 2011).

This study therefore accounts for current traditional-crafts output in the city of Kyoto, in this way revealing the challenges Japanese firms face when it comes to initiating activity on overseas markets. I first explain here current traditional-crafts production in Kyoto, before taking up the example of

the industry producing *Kyo Kanoko Shibori* – one of the traditional arts and crafts, and then revealing the current industrial structure where tie-dyeing in Kyoto is concerned, as well as the common problems facing all processing departments. Finally, I explain the revitalization project known as “the Kyoto Premium program” in reference to the challenges faced by Japanese firms as they seek an opening-up of overseas markets. By focusing

The present condition of the Kyo Kanoko Shibori producing region

Kyo Kanoko Shibori is the collective name for the tie-dyed products produced in Kyoto, by means of a binding process that sees white silk cloth tied up with silk thread with a view to creating dye resistance (places that cannot be dyed) and consequently patterns on the cloth (Fig. 3).

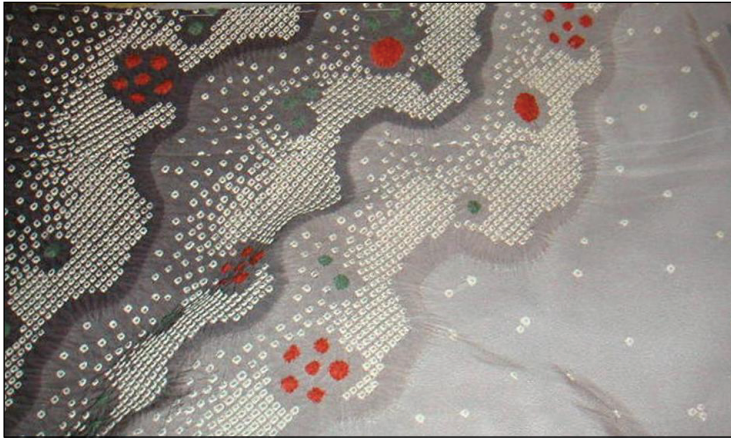


Figure 3. Example for the design of Kyo kanoko shibori.

on the process of decline of traditional-craft production areas in Kyoto, as well as the challenges faced regarding their revitalization, I reveal the current state of traditional-craft production areas across Japan, as well as the challenges they face. Few empirical studies exist revealing changes in production structure and their effect on industrial areas during the era of shrinkage. As the same holds true for the production structure of traditional crafts, it is clear that a revelatory study has indeed been a pressing necessity in the era of shrinkage.

The data used in this paper is based on an interview survey carried out with the Kyo Kanoko Shibori Promotion Cooperative Association (hereinafter ‘the Association’), which is to say five manufacturing companies that are members, plus four artisans involved in the sketching, the binding process, color separation, and the dyeing process, respectively (the survey period was from December 2005 to March 2006).

Tie-dyed products became widespread in Japan in the early Edo period, and Kyoto was the center of production. From the second half of the 1950s, the volume of production grew, and there was a ‘golden age’ which lasted into the early 1970s. As of 1973, the net sales from all the producing regions were worth approximately 30 billion yen, while the Association had some 229 companies as affiliated members. In 1976, *Kyo Kanoko Shibori* received certification from the Minister of International Trade and Industry as a traditional art or craft. However, since the second half of the 1970s, the percentage of people wearing traditional Japanese clothes has fallen, due to the greater popularity of Western clothing, with the result that production volumes have declined rapidly. In line with this development, the number of companies belonging to the Association has also fallen quickly (Fig. 4). As of 2006, the net sales of all companies belonging to the Association were of approximately 10 billion yen, with just 93 companies remaining as members of the Association. For this reason, the companies have now started to produce products ranging all the

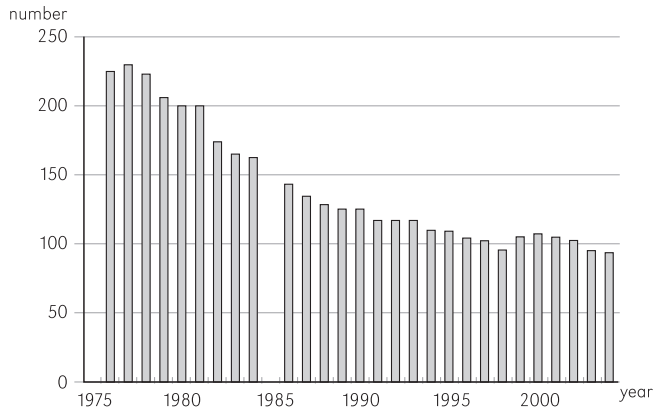


Figure 4. Trend of number of *Kyo kanoko shibori* manufactures. (The number in 1985 is a data gap).

Source: Data offered by *Kyo kanoko shibori* Promotion Cooperative Association office.

way from traditional Japanese clothes through to accessories and interior products, the aim being to expand sales channels. a variety of materials such as hemp, cotton, etc. are also now used, in addition to the traditional silk cloth. As a result, the traditional arts and crafts accounting for 80% of overall production volumes in 1973 took only a 20% share as of 2006.

Kyo Kanoko Shibori production processes

The production processes for *shibori* products are as follows (Fig. 5). (I) The manufacturers in a controlling position in the producing region decide the plan and design for the products. (II) Sketching artisans draw a design sketch on pattern paper in accordance with the design that has been decided on. After they have completed the design sketch, they draw the binding part on the white cloth (sketching) so that the patterns there are dyed onto the cloth by the *shibori* patterns. (III) In accordance with the design sketch drawn on the white cloth, the artisans responsible for the binding process (dye resistance work) tie the cloth with silk thread one knot at a time. (IV) If multiple colors are to be dyed into the cloth, dye resistance work to separate the dyed part and the dye resistance part is necessary (color separation). The artisans responsible for color separation use a wide range of techniques, depending on the number of patterns and colors, to apply the dye resistance. (V) After the dye resistance process has been completed, the cloth is dyed (dyeing). (VI) The dyed

cloth is exposed to high-temperature water vapor, the dye resistant raw silk is unraveled, and the wrinkles in the cloth are smoothed out (steaming). Subsequently, the cloth is dried for approximately one hour in a drying chamber, completing the product.

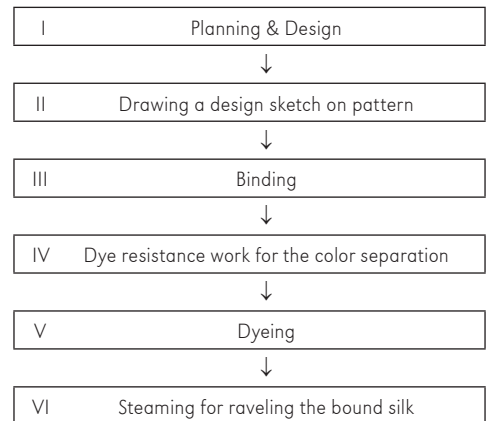


Figure 5. Kyo Kanoko Shibori Production processes.

In line with the above production processes, the production structures in the producing regions can be divided into 6 departments (Fig. 6), i.e. (I) the manufacture production department which controls the producing regions in terms of planning, design, and development, the purchase of the white cloth, and the conversion thereof into the completed final product, (II) the sketching department which draws the design sketch based on the plan and design, and draws the binding-process part on the white cloth, (III) the binding-process

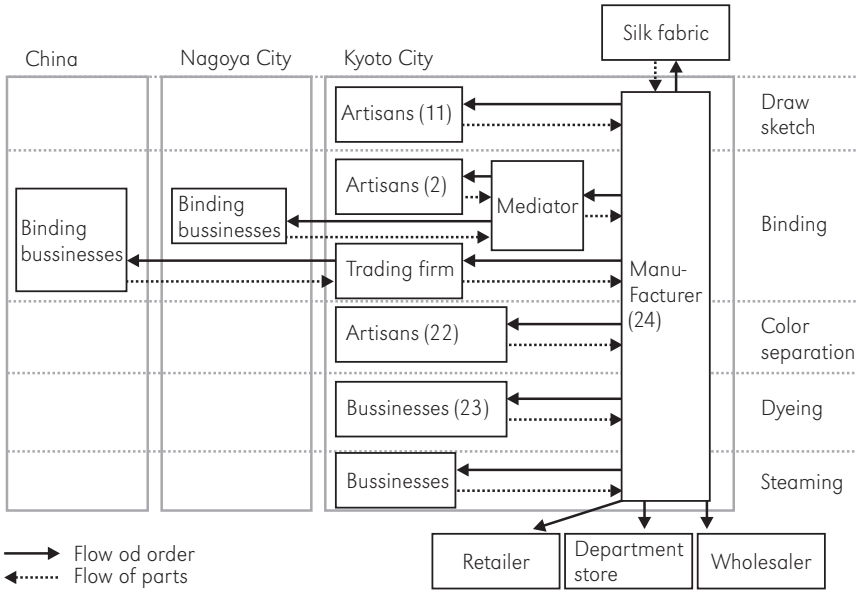


Figure 6. Production structure of *Kyo-kanokashibori* industry. Note: (*) means the number of enterprise or artisan belong to the cooperative association.

department that binds the white cloth, (IV) the color separation department that covers the cloth with vinyl, etc. to implement dye resistance with a view to multiple colors being dyed, (V) the dyeing department that dyes the cloth, and (VI) the finishing department that carries out the steaming and drying. However, this process is mainly conducted by the manufacturers themselves. Here Figure 5 shows that the binding-process department is engaged in production, not only in Kyoto City, but also in Nagoya City and China. We will discuss this point in detail in a later section.

Manufacturers

As stated above, the manufacturers are the departments that control the producing regions. They devise the plans and designs for *shibori* products, outsource the respective processes to the sketching artisans, binding-process artisans, color-separation artisans, and dyeing businesses, carry out steaming, and complete the final *shibori* products. The number of manufacturers that are members of the Association fell from 71 companies during the “golden age” (1976) to 24 companies (2006).

The lead time from planning to sale is approximately six months, and some traditional Japanese

clothing products with many *shibori* patterns can take more than a year.

The important role of the manufacturers is to check the products processed by each of the subcontractors after delivery. Cloth is always returned to the production business for inspection between each processing step. This is done in order to clarify where responsibility lies in the unlikely event of defective goods being produced. As *shibori* products cannot be confirmed as dyed until all of the steps have been completed, manufacturers must have the skill to detect defective products at different stages of partial completion, identifying the step during which the mistake arose. At the same time, they must have the financial strength to bear the losses when defective goods are produced.

Sales destinations vary in relation to the production business. There are cases in which the sales destination is limited to distribution-center wholesalers only, and there are also companies which deliver to distribution-center wholesalers, department stores and retail stores. Market information is mainly obtained from the sales destinations, but ties with consumers are weak, and structures have not been developed to ascertain what is trendy in the fashion industry.

Sketching

The number of sketching artisans belonging to the Association declined from 26 in the 'golden age' (1976) to 11 (2006). Of these, nine are traditional craftsmen with an average age of 64.7 years. The design and color combinations used in sketching, from new designs to slight refinements of existing products, are determined through meetings with the manufacturers, taking account of how well products are selling and the costs.

Once the design is decided upon, the sketching artisans draw the patterns on the pattern paper. The time required for the drawing ranges from patterns that are finished in one hour to some that take two days.

Next, the sketching artisans draw circles for the binding process part, and lines which show the boundaries between the separate colors on the pattern paper. In this way the design sketch drawn on the white cloth becomes a blueprint showing all of the instructions, including the parts to which the artisan has applied dye resistance, the colors of the dyed parts, etc., rather than merely the design of the patterns. This means that the sketching artisans draw the patterns and must at the same time ascertain the abilities and processing fees of the artisans in the other processing departments, and create the sketch that takes this information into account. The sketching artisans are designers and at the same time important producers in the processing department. In other words, it is precisely because the sketching artisans are monitoring conditions in the producing regions that they are able to respond flexibly to the demands of manufacturers, and maintain low-cost production systems.

Binding process

The binding-process department requires the greatest number of workers, and this is a labor-intensive step that takes time and effort. The binding-process artisans pick up the fine points on the white cloth with their fingers one knot at a time, and wind the silk thread around the knots three or five times. Since before the War, the manufacturers as recipients of orders, have been using a female labor force doing extra work on the side for low wages. It is reported that, in the first half of the 1970s in the Kinki region, there were approximately 2000 of these part-time workers.

However, since the second half of the 1970s there has been an increase in other places offering part-time employment to the female labor force, and consequently the size of the labor force engaged in the binding process has fallen rapidly. For this reason, the manufacturers have used intermediaries to move their production centers for binding processes to China. As a result, the number of binding-process artisans in Kyoto City has fallen to about 20 to 30. Looking only at artisans who are members of the Associations, as of 2006 there were just two. The manufacturers themselves are not employing the binding-process artisans in Kyoto City, and the techniques known to the binding-process artisans are being lost from these producing regions gradually.

Consequently, as of 2006 the binding-process departments were already no longer viable under the social division of labor system characterizing the *Kyo Kanoko Shibori*-producing regions, with most of the binding-process work being done in China.

Color separation

As of 2006 the number of color-separation artisans belonging to the Association had fallen from 54 in the 'golden age' (1976) to 22. Of these, 18 were traditional craftsmen with an average age of 60.3 years. Color separation mainly refers to dye-resistance processing steps in the case of cloth being dyed with multiple colors. Here, we explain the work processes using the example of one of the dye-resistance techniques, *boshi-shibori*. Firstly, cotton thread is sown into the cloth along outlines of the patterns. This is called 'stitching'. After the stitching, the cloth is tightened by pulling the thread out. As this takes place, the bunched-up cloth will form a pouch. Pieces of tube-shaped wood, vinyl, etc. are then packed in so that the dye will not penetrate the pouch. This work is called 'coring'. The outside part of the pouch is then covered with vinyl, before thread is wound around it to complete the dye-resistance work.

The level of experience of the artisans involved is extremely important in the case of the color-separation work, because it is necessary to judge the size of the core used in the coring, how strongly the covering vinyl should be tightened, etc. Each and every step in the dye-resistance work must be implemented properly, or the dye

will gain access to the pouch and the product will be defective. The core and cloth will become soft due to the heat, so if they are not very tight the dye will pass inside. Conversely, if they are tightened too firmly the drawn cloth will partially lift up, and the dye will gain access anyway. The artisans must determine how to pull in the cloth, and the size of the core, in line with the pattern they are working to. It is said that the experience of artisans cultivated over many years is necessary to accurately separate the colors along the outline of the boundary part, so that the dye does not pass inside.

Dyeing

The cloth that has been given dye-resistance treatment by the color-separation artisans is inspected by the manufacturers and then taken to the dyeing businesses. The dyeing businesses melt the dye into hot water boiled in a boiler and dye the cloth. In recent years it has been necessary to dye a variety of materials such as cotton, hemp, and wool, in addition to silk cloth, so the dyeing businesses must make skillful use of a diverse range of dyes.

Many years of experience are necessary to judge the dyeing time and the amount of dye, etc. needed to infuse the dye into cloth that has been bound by the binding-process department. Furthermore, in recent years the thickness and types of cloth have been diversifying as well, requiring a capacity on the part of the dyeing businesses to dye the same traditional colors into different materials. The number of dyeing businesses belonging to the Association has fallen from 29 companies in the 'golden age' (1976) to 23 companies (2006). Of these, 17 are run by traditional craftsmen of average age 64.2 years. Dyeing businesses require large-scale production facilities such as boilers, tanks, drying areas, etc., so unlike the other processing departments these companies are by definition large-scale, many of them being corporate enterprises. Currently most of the dyeing processes are carried out inside Japan, but order volumes have declined significantly, so the dyeing businesses are in a tough financial position.

A problem common to all of the processing departments

The "hollowing-out" of production techniques and processes

The biggest problem in the processing departments is the 'hollowing-out' of the techniques within Japan, due to the dependence of the binding-process departments on China. Manufacturers began moving their processing centers to China from the second half of the 1970s onward. In 2006, two-thirds of the manufacturers were outsourcing their binding processes to Chinese businesses. Furthermore, the sketching departments were also transferring to China.

There is also a justifiable fear that skill in applying the techniques of the color-separation departments will be lost. Sketching departments and dyeing departments can switch to other dyed products, but the color-separation department is engaged in a process limited to the processing of tie-dyed products only. The decline of the *shibori* industries leads directly to an equivalent decline in the volume of orders for color-separation processes.

The above problem areas are also a major hindrance to the training of successors. The transfer of the mass-produced products to China means that the processing remaining in Japan is limited to work with a short deadline and high technical level, so the relatively simple work that young people can use for training has been reduced, and their opportunities to gain experience have gone. The manufacturers do not have the financial strength to employ the artisans in all of the processing departments in-house and their awareness of the need to preserve techniques is low.

Added value of products and the skills of artisans

One more major problem area can also be referred to in the processing departments in the producing regions: even if the artisans with technical ability manage to increase the volume of orders, the wage rate for processing is declining every year, so increased order volume does not lead to an income increase. Although the store price of final products which have originality and high added value is increasing, that increase in added value is not leading to a rise in the wages artisans receive

for doing the processing. Currently the price of the processed products before market distribution is one-tenth of the store price in department stores. Most of the difference is accounted for by the distribution margin. It is thought that the fact that the techniques of the artisans have not been added to the wages for processing is one cause of the decline in basic techniques, and therefore of the decline in the traditional industries. Who make the “originality” and “high added value”?

Formation of new networks of companies and artisans

Given the above context, some artisans are attempting to form their own production networks, and to create direct links with consumers through Internet sales. Their production network is separated from the conventional production structures mediated by the manufacturers, and, while production volumes are very limited, this movement is very interesting development. Meanwhile, in the cases of some manufacturers, a change toward the construction of new high-added-value production systems based on designs and techniques is to be noted.

Kyoto Premium

The Kyoto Premium project has been initiated mainly by the Kyoto Chamber of Commerce and Industry, in the years since 2005. Over a three-year period, 30 companies applied to join the project, with 6-10 companies participating. The applicant companies are selected through interviews between the secretariat (Kyoto Chamber of Commerce and Industry) and the consultant (the floor planners for the department stores), at which consideration is given to issues such as whether or not the manufacture's business matches the concept of the project, whether or not the manufacture can continue to open up overseas sales channels, and whether or not the manufacture has the capacity to independently produce and sell its products. Participants have been obliged to pay a participation fee, to develop new products, and to dispatch at least one person to participate in an exhibition in Paris.

During the four months leading up to the said exhibition, planning meetings are held separately with each company four times and the consultant, and the prototypes are developed further. At this

point a variety of opinions are received from the consultant, and further refinements are added as guidance is being received. Furthermore, instructors are dispatched from JETRO (the Japan External Trade Organization) in order that producers can be taught business know-how, as well as how to write English-language letters, etc. This kind of consulting is normally quite expensive when carried out in-house by each individual company, so this offers participating companies great value for money. The number of applicants grows each year, details of the project are becoming widely known by word of mouth, and interest in it is growing. We can conclude that this project is having a good effect on the producing regions in this sense.

For the first four years the exhibition was held at MAISON&OBJET, a trade fair in Paris. MAISON&OBJET is one of Europe's foremost international trade fairs for interiors. Participation was feasible because the exhibition was receiving subsidies from the national government.

This project is confirmed as actually having led to the opening-up of new sales channels by the participating companies. At the exhibition, a certain textile company received an order for the store interior of an overseas construction company. This was a contract worth over 10 million yen. Furthermore, there were also companies that created bags in collaboration with overseas companies, and companies that received orders for overseas novelty products. These were also orders worth tens of millions of yen. The majority of the companies participating in the project managed to achieve contracts eventually – by about the third year. Through participation in the project, they came to be able to obtain contracts by establishing overseas pricing, exchanging e-mails, acquiring business know-how and business management skills, ascertaining tastes in overseas markets, and ascertaining the thoughts of buyers.

In this project, the Kyoto Chamber of Commerce and Industry does not have the concept of the promotion of traditional craftwork. The distinctive feature of the project is that it is not focused on the “traditional.” It simply seeks to promote manufacturing industry, not the traditional industries. Previously, industrial promotion by the prefecture and city was most often limited to the traditional industries, but the philosophy is changing from support for all of the producing regions toward support for highly-motivated companies. Furthermore, the Kyoto Chamber of Commerce

and Industry does not have much interest in the continued existence of the processing businesses inside the producing regions, and it is implementing a variety of industry support measures based on the idea of “produced by Kyoto” rather than the idea of “made in Kyoto.” It thinks that Kyoto was originally a place of ideas and not a production region.

Company K was established in 1935. Until 1994, 100% of its sales were products related to traditional Japanese clothes. In 2000, traditional Japanese clothes accounted for 50% of sales and Western clothing and products for interiors accounted for the other 50%. In 2011, sales of Western clothing and products for interiors had risen to 80% of total sales.

The company’s move away from traditional arts and crafts was prompted by its participation in a new sectoral development project sponsored by Kyoto Prefecture, to examine the question of how traditional culture could be matched to the modern age. The company sells scarves that range in price from 2,000 yen up to 20,000 yen. The president alone is responsible for the designs and planning. There are seven employees. The *shibori* products are produced in China, and they out-source all of the binding processes to China. The president believes that the basic binding-process work has to be done in China if production costs are taken into consideration. He thinks that the people who used to do this work in Japan are now all gone and that the work can be done with the same result anywhere, as long as the workers are

well trained. This company considers design to be of greatest importance.

The above philosophy reflects its aim to establish an own-brand, rather than produce traditional arts and crafts. The advantage unique to Kyoto lies, not in its production capacity, but rather in its accumulation of design and aesthetic sense. The company also thinks that an advantage of being located in Kyoto is that this city has the ability to draw customers. This is to say that, should an exhibition be held in Kyoto, customers will come from all over the country to attend it.

It was as the company was contemplating entering on to the European market that it learned about the Kyoto Premium. Through this project, and the holding of a series of consultations, the company was able to create new products and start new transactions with overseas companies. Furthermore, the company is developing universal designs and new products using tie-dyeing techniques and materials. It works to grasp consumer trends fully and to establish its original brand value by way of a cross-industrial association between different industries such as those involved in design, textiles, beading, and Japanese-made paper. This organizational structure is markedly different from the traditional structure of manufacturing within the industry, which comprised a conventional system centered on wholesale manufacturing. The above-mentioned dynamics are developed by a new inter-firm network, along with a unique planning and design technology. It is important that crafts manufacturers are aware

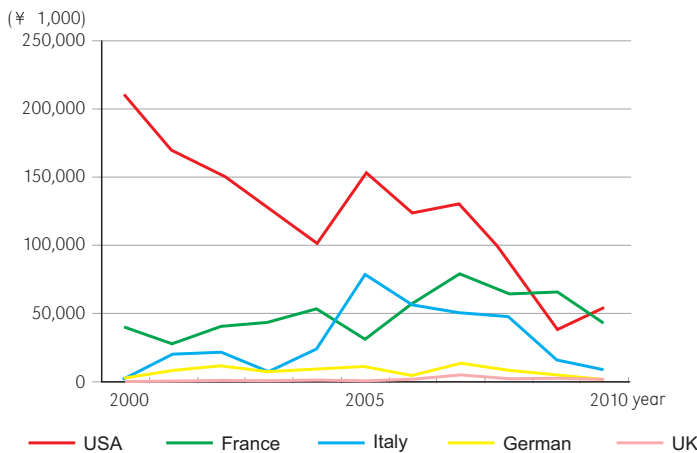


Figure 7. The export of Japanese silk textiles (2000-2010). (The number is based on the items code: HS5077).

Source: Jetro statistics data base.

of their consumers directly. They do not have to produce goods implementing mass-production system, but must possess the skills and techniques of an artist. However, through participation in this project, a company achieved innovation in design and planning, and the opening-up of new markets.

Figure 7 shows the transition affecting the export of Japanese silk textiles in the 2000s. The graph considers the main 5 countries in Europe. The level of export to the USA can clearly be seen to have stabilized, though there was a clear increase in relation to Italy and France in the years 2005-2007, followed by a decline post-2008 in line with the Lehman Shock.

Conclusion

This study reveals that Kyoto's traditional craft industries now depend on China for some of their production processes. The traditional techniques inside the industrial districts are being lost, and crafts traditional for Japan can no longer be entirely produced there.

It is consequently very important for manufacturers to have a business strategy by which company brands may be built, and new products made. Given this context, the revitalization project of the Kyoto Premium is an enormous support measure for manufacturers, which is at present obtaining excellent results.

Nevertheless, doubts need to be articulated. While it is true that planning and design take place in the industrial districts (are produced by Kyoto), several process departments have already ceased to operate in line with the social division to the labor system in this district, and most of the binding process now depends on China. What is tradition? Just what is the nature of the regional brand? Are processing departments not by definition among the most important where traditional craft products are concerned? Is it not a precondition for processing departments to subsist inside industrial districts if their final products are to have authenticity, and are to lead to the formation of added value in traditional arts and crafts (the Japan brand) (made in Kyoto)? It is therefore the strong contention here that processing departments must not go out of operation in the industrial districts.

Finally, it is necessary to point to those challenges needing to be overcome if the *Kyo Kanoko Shibori*-producing regions are to maintain pro-

duction volumes and preserve their techniques into the future. It is important for producers and consumers alike to renew their acquaintanceship with the quality of *shibori* products. In days gone by, mothers would have made clear the quality of *shibori* to their children, but in the current era (when such customs have largely disappeared), it is salespeople and producers themselves – both of whom understand the techniques – who have to be relied on to communicate the relevant information. It is necessary to promote to consumers this quality aspect of *shibori* (the basis for the added value) that is not to be seen in other dyed products. Why are tie-dyed products dyed using *shibori* techniques and not print techniques, and why are they produced by hand, with all the effort and time that that denotes? Naturally it is necessary for producers themselves to consider the techniques they have been using in production one more time. If they are not able to communicate the essential qualities of tie-dyed products, it will be difficult for them to subsist on the market for luxury products with high added value.

Editors' note:

Unless otherwise stated, the sources of tables and figures are the author(s), on the basis of their own research.

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