CHAPTER 11  

ARTS AND CULTURE

May Fung

I. Definitions, methodology and background

Definition

1 In this study, we adopt in the main the John Hopkins University definition of the Third Sector, which has been adopted in other mainstream studies. By using the JHU categorization, the Arts and Culture Sub-sector (AC Sub-sector) includes the following kinds of NGOs:

* Media and Communication
* Visual Arts
* Architecture (included in Visual Arts)
* Ceramic Arts (included in Visual Arts)
* Performing Arts
* Historical and Literary, Humanistic Activities
* Museums
* Zoos and Aquariums
* Other Cultural/Artistic Activities

2 They are assumed to be non-profit-making organizations and some even have the status of charities (since their data were obtained from the Home Affairs Bureau, the Hong Kong Arts Development Council, the Leisure and Cultural Services Department and the Hong Kong Arts Centre and these bodies usually only collaborate with or sponsor non-profit-making organizations). They are non-profit making in the sense that all the revenue they receive, directly or indirectly, is ploughed back into the running of their organization’s business. Direct revenue means monies obtained from entrance or attendance fees paid by the public for attending their core-business activities, such as performances or art courses. Indirect revenue is earned by some of the larger groups, such as those with their own space, who are able to lease it to outsiders.

3 Most of these organizations have a goal, sometimes quite specific. For example, a puppet art group’s goal would be to promote that particular art form. Structure-wise, there are many small AC entities operating with a few artists or ad hoc helpers, without a formal board of directors. On the other hand, the bigger groups are more obviously organized and structured as their scope of business demands.

4 They are all “self-governing” and have their own ideals. However, whether they are really equipped to control their own activities is subject to varied deliberation. Many of them are in fact not quite equipped when judged by the following criteria:

* financial and human resource
 capability in promoting their activities
* capability in developing their business

As a result, some groups have become dormant or are struggling to maintain their activities.

5 Most of the groups do have to rely on different degrees of voluntary participation. Nonetheless, it should be noted that the success of voluntarism depends very much on whether an organization is able to motivate its volunteers by demonstrating progress towards achieving its goals.

Methodology

6 The following were the sources of information adopted for this study:

* Survey (conducted mainly by researchers from the Hong Kong Polytechnic University and adapted by the principal investigator as appropriate;
* Interviews with both quantitative and qualitative focus (conducted by the principal investigator and her assistant – hereafter called “the Researcher”)
* Literature review
* Personal experience of the Researcher in the arts and cultural community (the principal investigator is an independent art worker specializing in art administration/curatorship/education and has been actively involved in the AC community, especially in the areas of visual art, performing art and film and media arts for many years. The assistant is an independent art worker specializing in cultural research and studies).

Survey

7 In view of the fact that there is no distinct population category of arts and culture organizations in the Census and Statistics Department or the Companies Registry or the Police Force’s registration of societies, no official list was available. The master list of A&C entities for the study was ultimately compiled based on data from the:

* Home Affairs Bureau
* Hong Kong Arts Development Council
* Leisure and Cultural Services Department
* Hong Kong Arts Centre

8 Of course, there might be omissions because, theoretically at least, there may be AC entities that have never organized any activities or have had any collaboration or communication with the above four major organizations. However, if so, the number should be minuscule. As a result of our compilation in September 2002, it was determined that the population of the AC sub-sector was around 1,900.

9 We stratify the AC sub-sector into two sampling fractions:
* 100% sampling for sub-sectors with a small population size; for example, there are only three architecture NGOs in the AC sub-sector, all of which were sent questionnaires for the survey; and
* 20% sampling for sub-sectors with a big population size; for example, there are over 1,000 performing art groups, only 20% of which were sent questionnaires for the survey.

10 Subsequently, the final sample selected for the survey was as follows:

<table>
<thead>
<tr>
<th>Sampling fraction</th>
<th>Population</th>
<th>Sample</th>
<th>Total return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small : 100%</td>
<td>143</td>
<td>143</td>
<td>32</td>
</tr>
<tr>
<td>Big : 20%</td>
<td>1,802</td>
<td>360</td>
<td>72</td>
</tr>
</tbody>
</table>

11 Ultimately, the non-grossing figures of the survey were adopted for the AC-NGOs in view of the fact the grossing figures would give an unrealistic picture of the landscape of the AC sub-sector in general, especially on the fiscal and the human resource side. The actual and valid response for the 100% sampling is 32 and that for the 20% sampling is 72.

12 The survey was conducted by researchers from the Hong Kong Polytechnic University under contract with the Central Policy Unit.

**Interviews**

13 Initially, we intended to conduct focus group discussions. However, the Researcher found it very difficult to get a small group of representatives from different entities together for a focus group meeting. In view of time constraints, it was decided that individual interviews would be conducted.

14 The major questions asked in interviews focussed on:

* background of organization
* structure of organization
* activities
* income
* difficulties
* views on government policy in A&C
* promotion and development

15 The Researcher interviewed 18 groups. They were selected mainly on the following bases:

* discipline – performing art, visual arts, literary art, media and communication, cultural activities
* size – a few big ones with over 50 members, some medium-sized ones with 10 or so members and small ones with fewer than five members.
* status – some are more known/active and some are less known/active based on the Researcher’s own reckoning.
The 18 groups are:

**Performing Art**
- Chung Ngai Puppet Troupe
- Association of Hong Kong Dance
- Ark Dance Theatre
- On & On Theatre Workshop
- Ensemble of Contemporary Players

**Visual Arts**
- Blend Affinity Society
- Artist Commune
- Art Zone
- Association of Digital Art

**Media & Communication**
- Hong Kong Film Critic’s Association
- Hong Kong Amateur Radio Transmitting Society

**Literary Art**
- Fresh Air Poetry Society
- Hong Kong Parents’ Book Club
- Hong Kong Hok Hoi Library Association

**Cultural Activities**
- Hong Kong Art Teachers Association
- China Culture Development Foundation Fund
- Book Forest Cultural Group

**Museum**
- Hong Kong Museum of Medical Sciences

**Literature Review**

No previous research had been done on the development of arts and culture from an organizational point of view. However, the Researcher was able to obtain the following publications, which one way or the other reflect the history and development of arts and culture in Hong Kong:

**Performing Arts**
- 黎鍵編, 1993《香港粵劇口述歷史》(Oral History of Hong Kong Cantonese Opera). 三聯書店香港有限公司
- 小西編, 1999 《由劇藝到藝術體制》.(From Theatre Art to Art Institute). International Association of Theatre Critics (Hong Kong)
- Toby To Wai-tak and Phoebe Chan Yuk-lan (Editors), 2000 “Vision in a Time of Change – Hong Kong Theatre & Education Conference 2000”. International Association of Theatre Critics (Hong Kong)
- 香港舞蹈界聯席會議, 2000《香港舞蹈歷史》.(Hong Kong Dance History)
From the mid-19th century, when Hong Kong became a British colony, until the 1950s and 1960s, Hong Kong’s cultural lineage mainly stemmed from southern China. The British did not support or intervene in local culture and art. Influenced by frequent visits by artists and literati from China, art and cultural organizations started to emerge in Hong Kong in the 1920s and 1930s. Most of them were amateur and non-profit societies. At that time, Cantonese operas and cinema were the major popular forms of entertainment. Whereas the border between Hong Kong and China used to be open, after the Communist victory in China’s civil war in 1949, the border was closed and there arose a political barrier as well between Hong Kong and China, hindering cultural exchanges between Hong Kong and the mainland.

In the 1940s and 1950s, many Chinese artists and intellectuals migrated to Hong Kong in view of the unstable political situation on the mainland. They set up arts and culture organizations, particularly in the areas of literary art and painting. While Hong Kong’s economy started to develop in the 1950s, there were no cultural facilities, which was why it was then called a cultural desert. After the City Hall was built in 1962, Hong Kong for the first time possessed...
multi-purpose facilities of an international quality. It was indeed the first milestone in the development of arts and culture in Hong Kong.

In 1973, the then Urban Council became financially autonomous. In view of the population increase after World War II and the fast-developing economy, the community started to demand more cultural activities. With support from the Urban Council and the Government, art activities started to flourish. The milestones were:

* formation of the Hong Kong Arts Festival in 1973;
* professionalization of the Hong Kong Philharmonic in 1974;
* establishment of the Hong Kong Art Biennale and the Asian Arts Festival in 1975 and 1976, respectively;
* establishment of the Hong Kong International Film Festival in 1977;
* formation of Hong Kong Arts Centre, Music Office, Hong Kong Repertoire and Hong Kong Chinese Orchestra in 1977;
* establishment of the Queen Elizabeth Stadium and the Tsuen Wan Town Hall in 1980; and
* formation of Hong Kong Dance Company in 1981.

Hong Kong was at its peak of economic growth in the 1980s. The Hong Kong Council for Performing Arts was formed in 1982. It signified the focus of government policy for developing performing arts. Then, in 1984, the Hong Kong Academy for Performing Arts was formed. Thereafter, many more art and cultural facilities were built by the then Urban Council and the then Regional Council (formed in 1986). The major facilities included Ko Shan Theatre (1983) in Shatin and Tuen Mun Town Hall (in 1987), Hong Kong Cultural Centre (in 1989) and the several Civic Centres in Tai Po, Ngau Chi Wan, Sheung Wan and Sai Wan Ho.

As a result, many more resources were available for organizing arts and cultural activities during this period. It enabled the two Councils to adopt a low rental policy to facilitate the promotion of popular art and cultural activities by NGOs.

However, while the hardware was steadily improving, the software side for arts and cultural development, i.e., art education and audience development, were not being developed as well or as fast.

In the early 1990s there were active discussions in the community on arts and cultural policy. In 1993, the then Cultural, Sports and Broadcasting Branch issued a report reviewing art policy. In 1995, the Hong Kong Arts Development Council (HKADC) was formed to replace the Hong Kong Council for Performing Arts. The major reason for the formation of HKADC was to respond to the arts and culture community’s desire for community participation, and the criticism that the performing arts were more favoured by the Government.

Since the dismantling of the Regional Council and the Urban Council in 2000, the Leisure and Cultural Services Department (LCSD) has taken up executive responsibilities in arts and culture. Major facilities, such as the Film Archive,
the Central Library, the Hong Kong Heritage Museum, the Kwai Tsing Theatre, the Yuen Long Theatre and the Hong Kong History Museum were established around that time.

26 The development of art and cultural organizations has been closely related to Government policy. The former Hong Kong Council for Performing Arts and the present HKADC have ensured a stable development of several major AC-NGOs by providing them with annual or three-year grants. Such organizations have to be non-profit making (or a charity) with a good company profile and established structure at both board and administrative levels. In view of cries for reducing government subvention to big groups, three initially government-run arts organizations were corporatized. Some say that in the coming five to ten years, the community will see a trend of corporatization or privatization of government-run art and cultural bodies.

27 In recent years many more people commented that in view of the limited resources available to the Government, it would seem more cost effective and pertinent for the Government to formulate policies to create an environment that is more conducive to arts and cultural development.

28 In April 2000 the Government set up the Culture and Heritage Commission (CHC) to advise it on policy in developing arts and culture in Hong Kong. In early April 2003 the CHC issued its “Report on Policy Advice” on art and cultural development. Some important proposals by the CHC that can affect the survival of AC-NGOs are:

* enhancing art education by collaboration with AC-NGOs;
* partnership with AC-NGOs in making better use of and managing government art and cultural facilities;
* supporting the development of different art forms, in particular, arts for minorities; and
* strengthening arts and cultural development in districts by re-channelling of resources.

29 The commission said that arts and cultural development should be driven by the community rather than led by the Government, and that allocation of resources should be reviewed and more fairly distributed so as to ensure full participation by the community.

II. Current Picture from the Study

The landscape

Nature and Size

30 Using the JHU categorization, the AC sector includes the following kinds of NGOs, with their population size indicated within brackets:

* Media and Communication (80)
* Visual Arts (314)
This means there are slightly under 2,000 AC-NGOs in Hong Kong. However, it must be emphasized that this figure has not been independently verified. Moreover, the above breakdown is also not verified but purely based on the reckoning of the Researcher. This is because of an absence of official count on Arts and Cultural Sector NGOs. In addition, their large number renders it difficult if not impossible to check each and every one through formal communication channels.

Moreover, again in view of the large population, the data cannot be totally updated after the survey. The situation was further aggravated by the fact that the return rate for the survey was low. There were 32 valid returns against the 100% sampling size of 143, and 72 valid returns against the 20% sampling size of 360, totalling 104 actually surveyed NGO’s.

Hence, the landscaping of the AC-NGOs is based on data obtained from the 104 NGOs surveyed in this study and the 18 NGOs interviewed by the Researcher. The total number of AC-NGO’s looked into is 122.

**Years of Formation**

About 40% of the 122 AC-NGOs were formed during 1986-1997, about 20% from 1998 to now, 17% between 1976 and 1985 and 13% between 1946 and 1975. Only 3% were established before 1945.

**Legal Status**

As for their legal status, about 66% are registered as societies and 22% as limited companies. Some 40% have charitable status and 55% do not. All are non-profit-making organizations. (The numbers do not add up to 100% because some respondents did not answer certain questions.)

**Geographical Distribution and Service Area**

About 86.5% claimed that they have one to five geographical offices within the SAR. Based on the knowledge of the Researcher, most of them have one office only. As regards offices outside Hong Kong, returned questionnaires show that only 1% has one to five offices outside Hong Kong; the rest reported nil or did not give any reply. On the whole, 44.4% serve the whole territory of Hong Kong while 17.8% serve neighbourhood or districts within Hong Kong. There are about 16% that serve the world community while 4.1% serve the Asia-Pacific Region; about 10% serve areas in China mainland. It should be noted with caution that there is a discrepancy between two findings:
The 1% of NGO’s having one to five offices outside Hong Kong; and
The 16% of NGO’s providing international services.

Some of them may be subsidiaries of international organizations while others may offer services through networking with overseas organizations. This should be clarified in future research.

Governance and Background and Recruitment of Board Members

Governing boards refer to the board of directors, board of trustees etc. that assume the legal responsibility of the organization. They do not include advisory boards or honorary boards which do not bear any legal responsibility.

Of the 104 respondents, 6.7% claimed that they had over 50 board members, 26% had 21-50 board members, 3.8% had 18-29 board members, 10.6% had 13-17 board members, and 24% had 6-12 board members. Presumably, 25% of the respondents do not have any board members since they either filled in “zero” or just left the space blank.

As regards the composition of the board members, here are some observations based on the survey:

* Members coming from the private sector
  - About 66.4% (69 respondents) either filled in zero or left it blank; and
  - About 23.1% (24 respondents) had 1-12 such members.

* Members coming from the public sector but not representing the Government
  - About 83.6% either filled in zero or left it blank; and
  - About 13.5% claimed they had 1-8 such members.

* Members coming from government officials or representatives
  - About 98.1% either filled in zero or left it blank; and
  - Only 1% claimed they had 1-5 such members.

* Members coming from the organization itself
  - About 65.4% either filled in zero or left it blank;
  - About 17.3% claimed that they had 1-5 such members; and
  - About 9.6% claimed that they had 6-12 such members.

* Members coming from other non-profit organizations
  - About 88.5% either filled in zero or left it blank; and
  - About 8.7% claimed that they had 1-5 such members.

* Members coming from other sources
  - About 91.4% either filled in zero or left it blank; and
  - 4.8% claimed they had 1-5 such members.

* Woman board members
- About 38.5% either filled in zero or left it blank;
- 46.2% claimed that they had 1-5 women board members; and
- 8.7% claimed that they had 6-8 women board members.

Based on the above statistics, the valid deductions that can be drawn are:

* About 50% of the AC-NGOs have 1-8 women board members;
* About 25% of the AC-NGOs have 1-12 members coming from the organization itself;
* About 23% of the AC-NGOs have 1-12 members coming from the private sector; and
* About 13.5% of the AC-NGOs have 1-8 members coming from the public sector but not representing government.

As regards the ways board members are recruited, about 50% of the respondents said their board members were elected by registered members, 20% by appointment of the organization’s headquarters and only about 3% were appointed by the Government. As shown by the statistics, the percentage of responses amounts to 100 while the percentage of cases amounts to 173.1. We must note that about 85% of the 104 respondents did not fill in this part though we can safely say that the remaining 15% did institute more than one way to recruit or select their board members.

**Role in economy**

**Staff Employment**

About 50% of the respondents did not employ any paid full-time staff as at October 1, 2002 while about 18% did not answer the question. About 23.1% engaged 1-10 paid staff, 3.8% 11-20 paid staff, 3.8% 21-50 paid staff and 3.8% had 51-1,000 paid staff.

About 53.8% of the sample organizations did not engage any paid part-time staff as at October 1, 2002 and 17.3% left the question unanswered; 20% of the samples engaged 1-10 such staff, 1.9% had 11-20 paid part-timers and 2.9% had 21-50 paid part-time staff while 3.8% had 51-1,000 paid part-time staff.

For the part-timers, about 18% of the respondents claimed that they worked for about:

* 1-2 half-days per week; or
* 3-4 half-days per week; or
* 5-6 half-days per week.

The rest either filled in “0” or did not respond.

On average, 4% of the sample claimed that every part-time paid staff worked for a total of:

* 1-10 days per year; or
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* 31-50 days per year; or
* over 150 days per year.

The remaining 96% left the question unanswered.

46 On average, 6.8% of the sample claimed that every part-time paid staff worked for a total of:

* 1-30 hours per year; or
* 31-150 hours per year; or
* 151-350 hours per year

The remaining 93.2% filled in “0” or left the question unanswered.

Annual Expenditure and Income (2001-2002)

Expenditure

47 For recurrent expenditure, 46.2% of the 104 respondents, i.e. 48, had less than $100,000, 16.3% had $100,001-$250,000 and 9.6% had $250,001-$500,000. About 16.4% had $500,000 to $10,000,000 and 5.8% had over $20,000,000. Lastly, 5.8% left it blank.

Income

48 As for their main source of income, the different respondents had the following sources:

* 28.8% from unspecified sources;
* 26% from membership fees;
* 20.2% from direct government subvention or grant;
* 11.6% from private donations or sponsorship (including one respondent with sponsorship from the Jockey Club);
* 9.6% from sale of products or services (including 2.9% from fees and charges); and
* 3.8% from parent organizations.

49 As for their second major source of income, the respondents had the following replies:

* 51.9% from unspecified sources;
* 13.5% from membership fees;
* 13.5% from private donations or sponsorship;
* 11.6% from sale of products or services (including 6% from fees and charges);
* 8.7% from government subvention or grant (including 2.9% by government reimbursement arrangement); and
* 1% from parent organizations.
As for their third most important source of income, the respondents reported:

- 67.3% from unspecified sources;
- 12.5% from private donations or sponsorship;
- 8.6% from sale of product or services (including 3.8% from other fees and charges);
- 6.7% from membership fees;
- 3.8% from direct government subvention or grant; and
- 1% from parent organizations.

Based on the recurrent expenditure figures, we may conclude that there are roughly four kinds of AC-NGOs, viz,

**Small NGO’s**: 72.1% - ranged from less than $100,000 to $250,000-$500,000 annually (average monthly expenditure ranged from less than $8,000 to a maximum of $40,000);

**Medium-size NGO’s**: 6.8% - ranged from $500,001-$750,000 to $1,000,001-$2,000,000 (average monthly expenditure ranged from over $40,000 to a maximum of $160,000);

**Large NGO’s**: 9.6% - ranged from $2,000,001-$5,000,000 to $5,000,001-$10,000,000 (average monthly expenditure ranged from over $160,000 to a maximum of $830,000); and

**Mega NGO’s**: 5.8% - over $20 million (average monthly expenditure over $1.6 million).

As regards the income side, on average over 50% of the respondents did not specify their funding sources. Next most frequently came membership fees as the major source of income, followed by private donations and sponsorship, government subvention and sale of products and services, and parent organizations.

**Role in society**

**Major Businesses/Activities**

On average, while 66.3% considered art and culture as their most dominant business or activity, 17% considered either education and research or professional and industry business as their most dominant activity while 10% did not specify any dominant activity. On the other hand, 8.7% considered art and culture as their second most dominant activity and 5.8% as the third most dominant.

**Members and Volunteers (as at October 1, 2002)**

Twenty-five percent of the respondents replied that they had no members while 58.7% claimed that they had members registered in some form; 16.3% did not answer the question. Of those that said they had members, the breakdown is
as follows:

* 28 respondents had a membership of 1-50;
* 7 respondents had a membership of 51-100;
* 19 respondents had a membership of 101-500;
* 3 respondents had a membership of 501-1,000; and
* 4 respondents had a membership of 1,001-10,000.

55 As regards volunteers, 35 respondents said they had no volunteers and 58 (55.8% of the 104 respondents) use volunteers in their service. Some 11 respondents left the answer blank.

56 For the past year (2001-2002) of those 57 AC-NGOs using volunteers,

* 28 used 1-10 volunteers;
* 22 used 11-30 volunteers;
* 4 used 31-100 volunteers; and
* 3 used 101-1,000 volunteers.

57 And, among such AC-NGOs with volunteers,

* 7 (7% of the 104 respondents) had non-member volunteers;
* 10 (9.6% of the 104 respondents) had volunteers up to a quarter of whom were members of the organization;
* 4 (4% of the 104 respondents) had volunteers up to half of whom were members of the organization;
* 7 (7% of the 104 respondents) had volunteers up to three-quarters of whom were members of the organization; and
* 29 (28% of the 104 respondents) had volunteers the great majority—in some cases all—of whom were members of the organization

58 As regards the amount of time for an average volunteer to work for an AC-NGO in the year 2001-2002, the observation is as follows:

* 18 organizations (17.3% of the 104 respondents) had volunteers who worked for them ranging from 1-2 half-day/week to 9-10 half-day/week;
* 15 organizations (14.4% of the 104 respondents) had volunteers who worked for them ranging from 1-10 day/year to over 150 day/year; and
* 21 organizations (20.2% of the 104 respondents) had volunteers who worked for them ranging from 1-30 hour/year to 151-350 hour/year.

59 Hence, it can be concluded that as at October 1, 2002:

* half of the 104 respondents had members;
* about 25% had 1-50 members;
* about 25% had 51-500 members;
* a few had over 1,000 members;
* 33.7% had no volunteers;
* about 50% had volunteers coming from their members; and
* about 50% had their volunteers/members working for them ranging from 1-2 half-day/week to 151-350 hour/year.

According to an interview with a dance group, in view of limited resources they have one full-time administrator only. However, they have a very strong corps of volunteers who are parents of the dance students. These volunteers help out practically in all areas, ranging from administration to publicity and ticketing to running errands.

Service Targets

While 16.3% provide services to members only, 2.9% (3 respondents) do not provide any services to anybody and 5.8% did not respond to this question.

Of the remaining 78 respondents (75% of the 104 respondents), 31 provide services to their members and some members of the public and 47 mainly serve members of the public.

As for those respondents offering services to the public, the quantity varies as follows:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Number of Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.7%</td>
<td>1-100 members</td>
</tr>
<tr>
<td>21.1%</td>
<td>101-1,000 members</td>
</tr>
<tr>
<td>24%</td>
<td>1,001-10,000</td>
</tr>
<tr>
<td>15.4%</td>
<td>10,001 to over 20,000</td>
</tr>
</tbody>
</table>

Hence, we can conclude that about 75% of the AC-NGOs provide services to members of the public, though to varying extents.

III. Links among the Government, the Market and the Third Sector

Interaction between Government and NGO's

At the policy bureau level, the following bureaux should have direct or indirect interaction with AC-NGOs:

* Home Affairs Bureau
* Education and Manpower Bureau
* Commerce, Industry and Technology Bureau

Home Affairs Bureau (HAB)

Under the Home Affairs Bureau, the following departments or institutes have different kinds of interaction with the AC-NGOs as detailed below.

* Home Affairs Department (HAD)
  - There are District Offices and District Councils set up under the auspices of HAD. Such entities organize art and cultural activities at district level. Some NGOs get fiscal support from them in organizing district art and cultural activities.
Leisure and Cultural Services Department (LCSD)
- This is the executive wing of HAB in organizing art and cultural activities for the community. Other than supporting AC-NGOs through collaboration with them, the department also directly subsidizes a few big performing arts flagship organizations for their administration. These groups are:
  - Hong Kong Philharmonic
  - Hong Kong Chinese Orchestra
  - Hong Kong Dance Company
  - Hong Kong Repertoire

Culture and Heritage Commission (CHC) (April 2000 – March 2003)
- It is a high-level advisory body responsible for advising the government on the policies as well as funding priorities on culture and the arts. After two rounds of public consultation, CHC submitted its Policy Recommendation Report to the government in April 2003, putting forward more than one hundred recommendations. Hence, through their consultation with the community, the status of AC-NGOs should have been addressed.

Hong Kong Arts Development Council (HKADC)
- It is a funding body and a large portion of AC-NGOs get subsidies from the council for organizing arts and cultural activities relating to:
  - Drama
  - Dance
  - Music
  - Chinese Opera
  - Visual Art
  - Literary Art
  - Film and Media Arts
  - Art Education
  - Art Criticism
  - Art Administration
- The HKADC offers one-year and three-year grants to some better established groups even though the council also supports smaller or young NGOs on a project basis but such grants are very competitive in view of the very limited budget it has (e.g. for the year 2001-02, the council had $110 million as against $2.2 billion for LCSD)

Education and Manpower Bureau (EMB)

67 In view of the great efforts the EMB has made in the past few years for art education, some NGOs do have one more way to get financial support by getting involved in art education programmes initiated by EMB. Moreover, for the past few years, the EMB/previous Education Department have instituted the Quality Education Fund which, while covering all kinds of educational activities, does enable some schools to strengthen their art education activities, thus providing more opportunities for AC-NGOs. Of course, for some groups, it would mean that they have to have the right kind of human resources to undertake such art
education projects. As such, the bigger and more established groups would have the edge over smaller and younger groups. Nevertheless, there is also the observation that some schools have acquired the knowledge to run extracurricular art and cultural activities, the present trend is that fewer NGOs are able to get such projects nowadays and schools would simply engage an individual artist/cultural personality to do the job for them since it would incur less overhead.

**Considerations of the AC-NGO Community**

68 Some NGOs consider that the Government should have more communication with them.

69 Some NGOs consider that the Government, i.e. LCSD mainly, is their major competitor, competing “unnecessarily” for audience for government rather than NGO programmes. To quote an example, one NGO instituted an alternative art education project that attracted a lot of people, generating revenue from course fees. But then, similar events were held in the Central Library free of charge, thus taking away a large part of the NGO’s audience. At present, the NGO is having difficulty developing such programmes, thus adversely affecting the project and, ultimately, the NGO’s business. Such competition affects the survival of the NGO though it would not hurt LCSD since it is a government set-up. But it would hurt NGOs a lot since resource-wise they can never compete with the Government and, at the end of the day, they just cannot produce events that cost a lot of money or charge a very low admission fee.

70 To some, it appears that good relationship or networking has to be maintained between NGOs and the Government to ensure that the two can collaborate. Some are even of the opinion that business needs to be conducted on a rather personal basis, i.e. an NGO may get some or more performance opportunities when it is on good terms with some government entities. Also, there are views that should an organization be vocal or radical enough, the Government would “submit” to its demands, though still through a proper bureaucracy of resource allocation.

**The Market**

71 Other than organizing exhibitions/performances/research/creative activities, which are the main purpose of many AC-NGOs, many more AC-NGOs are now involved in organizing or undertaking projects that are education-oriented. This is because of a much stronger call for art education in recent years, especially since the economic boom of the 1980s and the Government’s policy on the development of art and culture—particularly in the areas of performing art, visual art and literary art. Hence, the market does not comprise only the audience but also “learners”. Initially, such a need did provide another income source for AC-NGOs. However, since the 1990s many more NGOs have been formed as a result of the availability of more government support; competition among NGOs has become very keen in recent years. In addition, the AC-NGOs have to compete with different kinds of extra-curricular programmes organized by various tertiary institutes, such as SPACE of the University of Hong Kong.
Again, under such circumstances, only better-run or more-established AC-NGOs can have a fair share of the pie.

72 Other than groups organizing mainstream activities that meet the interest of a big segment of the population, there are also groups that promote less popular art or cultural disciplines, such as a poetry society or a book club. Their main purpose is to promote poetry appreciation or reading through publishing local creations. Usually the organizers are poets and writers and they are not particularly good at or interested in doing business or administration. Moreover, they also find it hard to go through the bureaucracy of government-funding organizations, such as HKADC, to get funding for their projects. Hence, they would only organize activities or publish when they have accumulated enough financial support through contribution by their members or sale of their publications. They survive but they cannot really expand their market.

73 Another major competitor for AC-NGOs is the commercial sector. Other than ideological competition of commercialism versus art, the commercial sector is also likely to woo people away from the AC-NGOs. Nowadays, it is not uncommon for some AC-NGOs to create products that are more commercial or mainstream-oriented.

74 Lastly, the local market for A&C services or products is not as fully developed as that in the West, particularly in the area of sale of products created by members of AC-NGOs, such as art works. It is seldom possible to sell art works exhibited by AC-NGOs locally. While the Government spends a lot of money buying overseas programmes for exhibition in Hong Kong, there has never been an overseas market developed for Hong Kong art and cultural products other than through exchange programmes.

IV. Major Issues Facing the AC Sub-sector

75 The critical issues facing the AC sub-sector can be classified into two: those related to capacity building and those related to institution building. By capacity building, we refer to the ability to create and accumulate social capital in the form of participation by members of society in terms of voluntary manpower and monetary donation. By institution building, we refer to the ability to tap, direct and share these voluntary resources and the knowledge and experience accumulated. Overall, both capacity building and institution building are crucial in influencing the way that the Third Sector interacts effectively with the Government and the market.

76 The survey outcome is as follows:

* Funding tops the list as both the “most dominant” issue (47.1%) and the “second most dominant” issue (13.5%) facing AC-NGOs;
* Staffing or Staff Management comes second in the list of the “most dominant” issue (11.5%) and is tied for first place with the funding issue in the list of “second most dominant” issue (13.5%);
* Public Awareness comes third in the list of the “most dominant” issue (9.6%) and second in the list of “second most dominant” issue (7.7%);
* Government Policy comes fourth in the list of the “most dominant” issue (1%) but it is tied for first place (13.5%) in the list of “second most dominant” issue with funding and with staffing and management issues.

* As for the following issues, they are of fairly equal weighting:
  - Recruitment and management/retention of volunteers
  - Opportunities and resources for staff development and training
  - Competition from other organizations or businesses
  - Ethical issues
  - Political stability
  - Public attitudes and expectation
  - Access to information

77 The interviews conducted with the 18 AC-NGOs generally reflected the findings of the survey.

*Capacity Building*

*Fiscal Possibilities and Constraints*

78 Organizations that have members (roughly half) can rely on membership fees to help out but this is not enough to ensure survival. For many AC-NGOs, their funding mainly comes from:

* the Government (e.g. Leisure and Cultural Services Department);
* an art education programme organized by the Government, such as the Quality Education Fund;
* the Hong Kong Arts Development Council; and
* District Councils, which have art and cultural development activities.

79 But again, there are many NGOs competing for such funding and well-established or better run organizations are in a better position to secure support from the above institutes since they would naturally have more faith in NGOs with proven capabilities. It is always difficult for small NGOs, with barely enough manpower to administer their business, to meet bureaucratic demands, such as preparing reports with the efficiency or effectiveness that is required of them. Many small organizations are particularly weak in publicizing and administering their programmes because of insufficient manpower and financial resources, resulting in their activities being unheeded or poorly patronized. It becomes a vicious circle for them – inadequate administration and promotion efforts lead to overall inadequate performance, which in turns leads to a reduction in the capability of the organization, which then leads to sustenance difficulty, leading to dormancy or ultimate extinction. In this connection, of course, we can also conclude that revenue from the audience also becomes a major factor in the organization’s survival or development. However, in order to attract a larger audience or membership, an organization may have to deviate from its original objectives. Hence, in the context of cultural development, the organization may become mass-driven.

80 While many organizations depend on the above-mentioned sources for survival, there are also some that get funding from the commercial sector, say, by
providing performances or by running activities in their venues, e.g. puppet shows in shopping malls. However, it must be stressed that this is something that happens quite rarely.

81 Commercial or corporate sponsorship is not absent but, again, it is not the norm and only very exceptional or popular or prestigious projects would win such sponsorships from the commercial sector, such as airline sponsorship for the Hong Kong Arts Festival or a fashion sponsorship for a rather established NGO film event. Relatively new or small groups still find it very difficult to secure commercial sponsorship.

82 Because of this, some NGOs, especially small ones, are ready to cut their operational cost to a level where they are barely able to survive.

83 Also there are some organizations that do not intend to rely on government support in view of its uncertainty and accompanying bureaucratic demands; they just maintain their operation according to resource availability, i.e., they would do more when they derive more revenue, either from their activity or from contributions, and do less when they have less.

84 Some even just leave it up to their members to find private sponsorships for organizing activities.

85 Some do not have space for carrying out their activities, such as art education programmes. In view of high rental costs in Hong Kong, small NGOs operate without an office and have to make do with someone’s home or in random spaces, such as a member’s office, another organization’s office or in a restaurant.

Staffing and Management

86 During interviews, it was observed that many small NGOs were managed by volunteers, who could be family members. They would have no permanent staff, engaging only temporary staff for projects. This affects the development of these A&C NGOs.

87 On the other hand, there are some organizations (which must have proven their value and performance over a long period of time) that operate in government heritage buildings with a very proper setup (e.g. board of directors, seven to eight staff members and a few hundred registered voluntary workers – as reflected in the survey).

88 Some NGOs think that, if they have more resources, they should engage in more research and development so as to be able to develop their business.

89 Some NGOs collaborate with other NGOs either locally or internationally, for developing their business.

90 Some NGOs have members who come from very diverse backgrounds, a fact that affects the cohesiveness of the NGOs and may even lead ultimately to the closure of the operation.
Some rather prestigious NGOs have active members who are rather aged and have little drive to rejuvenate the organization, which is maintained but not developed.

**Recruitment and Management/Retention of Volunteers**

Some NGOs find it difficult to develop their business because their voluntary members have to make a living by taking full-time jobs, leaving little time for the NGO activities. Moreover, if the volunteers’ zeal should flag or their interests change, the NGOs could become paralyzed. They may still exist, legally speaking, but they are no longer functioning.

**Opportunities and Resources for Staff Development and Training**

Some NGOs encounter difficulties in succession planning or in rejuvenating their membership because many of their members have to make a living or have family commitments.

**Institution Building**

**Public Awareness of the Organization**

The public and the Government treat some AC-NGOs’ performances as mere entertainment. However these NGOs regard their performances as traditional art that should be sustained and developed.

As mentioned previously, it is difficult to publicize programmes effectively in view of insufficient resources; moreover, there is poor public receptiveness to certain art forms or cultural activities.

The social environment in Hong Kong is not very conducive to public critical discourse on art and cultural development, thus skewing popular taste towards pop or spectacular or “entertainment” types of events. Such an environment makes it difficult for groups that are promoting alternative or off-the-mainstream forms of art and cultural events, such as literary arts, like poetry appreciation.

**Government Policy**

Some entities feel that the Government invites too many overseas groups to perform here and does not support local entities adequately.

Others say that the Government does not provide enough space (e.g. rehearsal or storage space) for the daily operations and development of AC-NGOs. They believe that the Government should provide either free or very cheap space for the sustenance and development of AC-NGOs.

Some NGOs suggest that administrative centres be set up to enable small AC-NGOs to share administrative resources in the most effective manner. One proposal is for the Government to develop a resource centre in West Kowloon.
Cultural Development for use by such NGOs.

However, some do not expect the Government to do too much and say the development of their art form should be supported and driven by the community.

Some believe that the development of AC should be coordinated with education policy, taking all ages into consideration.

Some consider that arts and cultural development should not follow the development of art forms, such as dance and music, but rather through development and preservation of our cultural heritage.

Some believe that the Government should allow NGOs free access to public spaces such as museums for art appreciation.

Some say that the Government should formulate policy for NGO museums. The roles of such museums, they feel, should be expanded and supported. They believe that the Government should set up a museum foundation with funding coming from the recurrent costs for the operation of public museums, say 5% to 10%. The foundation should be available to both the public and to NGOs for application of grants on a matching grant basis, thus enabling NGOs to obtain more resources for development.

Some say that the Government should help NGOs set up hardware, which can be used to help the Government (e.g. helping the Hong Kong Amateur Radio Transmitting Society to set up a transmitting station on Tai Mo Shan incorporating 999 emergency service).

There has never existed in the Government a set of long-term macro-policies for developing arts and culture in Hong Kong. Now with the setting up of the Culture and Heritage Commission (CHC) in April 2000 to advise the Government on such policies, it has been claimed that such policies would be formulated and acted upon (as detailed in CHC’s Report on Policy Advice issued in April 2003).

Competition from Other Organizations or Business

Many NGOs (about 1,300 out of a total AC-NGO population of approximately 1,900), are active in the area of performing arts, such as theatre and concerts (both East and West), and the competition for audience is keen. The competition is particularly stiff in events involving young people.

Ethics

It is alleged that good relations have to be maintained between NGOs and the Government to ensure collaboration. For example, as mentioned above, sometimes business is perceived to be conducted on a rather personal basis.

V. Conclusion
Significance and the Way Forward

109 With reference to the CHC’s Policy Recommendation Report, it has been clearly stressed that the development of arts and culture is the fundamental way for turning Hong Kong into a cultural metropolis, as pledged by the Chief Executive in his Policy Address. The report also emphasizes the importance of letting the community lead the development. Hence, the 1,900 strong AC-NGO population should have an important role to play.

110 Only with the active participation and healthy nurturing of AC-NGOs can arts and culture be developed in a diversified manner so as to help Hong Kong preserve and develop its cultural heritage, particularly in the software sense. Their participation and nurturing would depend very much on how well they fare in (a) capacity building; and (b) institution building.

111 In brief, the most pressing problem facing many AC-NGOs are fiscal constraints that ultimately affect every aspect of their operation. Of course, volunteers can help a lot; however, the paradox is that there would be a need for capable AC-NGO personnel to manage such a voluntary system efficiently and effectively. For NGOs that do not rely on volunteers, the Government could play a major role by helping to institute an infrastructure through policy making and facilitation. For those that do, it would seem pertinent for AC-NGOs to reflect and to act on the issue very actively thus maintaining or re-establishing the importance of volunteerism to AC-NGOs and their very survival. Ultimately, the public resource managed by the Government is not unlimited and the market is very competitive both locally and internationally. Both the Government and the community, including the private sector, would have to admit that all parties need to work together to make things work.

112 If it is agreed that there is a very close link between arts and cultural development and the creative industries (envisaged to be a significant economic factor in Hong Kong’s future), it is suggested that, similar to the suggestion made by the CHC in its Policy Recommendation Report, the Government should have a well-constructed review on allocation (and exploration) of resources for art and cultural development to ensure AC-NGOs’ survival and development, with volunteerism put in a proper perspective. The review should enlist the active participation of AC-NGOs.

Shortcomings of the Research

113 There have been time constraints for the Researcher to explore the two main resources—statistical data and literature review—to the fullest extent. Hence, the survey results were not correlated in full and the historical development of art and culture were not explored adequately.

114 Moreover, the Researcher has reservations about the population of the AC sector since no action was taken to verify the existence of various entities other than those sampled for the survey. From the data collected from the few funding institutes, such as HKADC, LCSD, HAB and Hong Kong Arts Centre, the Researcher can only say that there are around 1,900 AC-NGOs in the community.
But their state of being, say active, dormant or defunct is subject to doubt. Hence, if arts and cultural development is so important for Hong Kong’s development, culturally and economically, a population survey should be conducted of the AC-NGOs so that we know their actual strengths or weaknesses.

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* Ark Dance Theatre
* Book Forest Cultural Group
* Hong Kong Film Critic’s Association
* Ensemble of Contemporary Players
* Blend Affinity Society
* Hong Kong Museum of Medical Sciences
* Hong Kong Art Teachers Association
* Hong Kong Hok Hoi Library Association
* China Culture Development Foundation Fund
* Hong Kong Parents’ Book Club
* Hong Kong Amateur Radio Transmitting Society
* Association of Digital Art
* Art Zone
* On & On Theatre Workshop
* Artist Commune

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1 Social capital, as defined by the World Bank Group, refers to the norms and networks that enable collective action. Increasing evidence shows that social cohesion—social capital—is critical for poverty alleviation and sustainable human and economic development. Website: <http://www.worldbank.org/poverty/scapitalo/index.htm/> 31 Dec. 2002.