

Self-Defeating Arts Funding Practices in Hong Kong – Mechanical Diversity and Managerial Risk Avoidance

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Abstract

Hong Kong's current arts administration adopted the dual structure of the English-speaking countries: a culture and arts department directly under the command of the central government and an arts council operating on arms-length principle. In the case of Hong Kong, the Home Affairs Bureau (HAB) and the Leisure and Cultural Services Department (LCSD) are under the central government and Hong Kong Arts Development Council (HKADC) operates as statutory body on arms-length principle. As an international norm, the culture and arts department which takes care of museums, opera houses, culture centres and arts flagship companies etc. receives higher amount of financial allocation and thus more stringent political accountability while the arts council which mainly finances novice, experimental arts companies and community arts receives a much lower amount of financial allocation and thus more relaxed requirement on accountability. Arts administration on the government side will be measured by more objective standards while arts administration on the stand-alone council side can go on its own with professional, artistic judgment. The latter are given more allowance in artistic risk-taking. The principle can be summarized as such: the closer to the central government and the higher amount of public money received, the heavier will be the public accountability and the stricter the monitoring and auditing requirement. HAB is at the central government level with general bureaucracy and takes a large portion of culture and arts budget, but its monitoring is less stringent than the arms-length professional body HKADC. HKADC takes far less public money but behaves like a parliament. Given that nine flagship performing arts companies are being structuralized in an under competitive subsidized market, while thirty-two small and mid-sized year grant performing arts companies are confined by relatively over competition. Under the government's control, directly and indirectly alike, the big and small performing arts companies form the social and artistic hierarchy but fail to nurture dynamic market for artistic and creative diversity. Why Hong Kong diverges from the norm and ideal type of arms-length arts council from the English-speaking countries? Why are small and mid-sized performing arts companies confined in the over competitive market monitored by a statutory arts council? This paper investigates political and cultural reasons for the argument.

Keywords

Governmentality, Disciplinary Power, Performing Arts Administration, Arm's-length Principle, Funding Practices in Hong Kong, Hong Kong Arts Development Council

Introduction

Hong Kong's current arts administration adopted the dual structure of the English-speaking countries: a culture and arts department directly under the command of the central government and an arts council operating on arms-length principle. In the case of Hong Kong, the Home Affairs Bureau (HAB) and the Leisure and Cultural Services Department (LCSD) are under the central government and Hong Kong Arts Development Council (HKADC) operates as statutory body on arms-length principle. As an international norm, the culture and arts department which takes care of museums, opera houses, culture centres and arts flagship companies etc. receives higher amount of financial allocation and thus more stringent political accountability while the arts council which mainly finances novice, experimental arts companies and community arts receives a much lower amount of financial allocation and thus more relaxed requirement on accountability. Arts administration on the government side will be measured by more objective standards while arts administration on the stand-alone council side can go on its own with professional, artistic judgment. The latter are given more allowance in artistic risk-taking. The principle can be summarized as such: the closer to the central government and the higher amount of public money received, the heavier will be the public accountability and the stricter the monitoring and auditing requirement. HAB is at the central government level with general bureaucracy and takes a large portion of culture and arts budget, but its monitoring is less stringent than

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the arms-length professional body HKADC. HKADC takes far less public money but behaves like a parliament. Given that nine flagship performing arts companies are being structuralized in an under-competitive subsidized market, while over thirty small and mid-sized year grant performing arts companies are confined by relatively over competition. Under the government's control, directly and indirectly alike, the big and small performing arts companies form the social and artistic hierarchy but fail to nurture dynamic market for artistic and creative diversity. Why Hong Kong diverges from the norm and ideal type of arms-length arts council from the English-speaking countries? Why the small and mid-sized performing arts companies are confined in the over competitive market monitored by a statutory arts council? The paper is trying to investigate political and cultural reasons for the argument.

The discussion starts with an examination of Jeremy Bentham's plan of the Panopticon (1791). Foucault (1979) advances it for his argument over effective government in which power is mobile, productive and connected with knowledge, space and bodies. Foucault's concept of power is further interpreted by Dreyfus & Rabinow (1982), focusing on disciplinary technologies together with the emergence of a normative social science. Dean (1999) stresses that life as both an autonomous domain and as an object of systematic administration. Rose (1999) and Gaventa (2003) cites power is diffuse rather than concentrated, and Lemke (2012) emphasizes that power is not about physical control, but inquiring one into the conditions of a consensus or the prerequisites of acceptance.

To govern effectively, the government counts on state apparatus to organize practices, in an attempt to control governable subjects through mental conception, rationalities, and operational techniques in everyday life. To govern the lives of individuals and organizations through the use of diverse mechanisms, which are aimed at directing behaviour (Rose et al., 2006). State apparatus or diverse mechanisms are not prisons in modern societies, since "modern governments gain no glory in punishing. The 'Enlightenment', which discovered the liberties, also invented the disciplines" (Foucault, 1979). The governing power is to control people through disciplines. The ideals in rationalities of enlightenment and discipline may be feasible only when individuals are taught to share social responsibilities, conduct self-disciplinary, peer-surveillance, and commit as active citizens. Disciplinary power is described by Foucault (1979) as a form of power to produce docile bodies, either individuals, groups or organizations that can be subjected, transformed and improved through strict regimes of disciplinary actions. The disciplinary control, which no longer confines bodies only, but also controls mind and souls in the grid of power relation, aims to drive up efficiency and productivity for the society.

Panopticism – the Ideal Technology for Building Disciplinary Power

Foucault (1978) explains that three techniques of control are at the core of disciplinary power: hierarchical observation; normalising judgment; and examination. Hierarchical observation suggests power control over people by continuously observation. Normalising judgment allows the authority to rehabilitate or improve people's eccentric behaviour in accordance with the social norms. Examination is the check and balance process, succeeding the unceasing hierarchical observation and normalising judgement. Foucault (1978) points out the Panopticon (1791), illustrated by Jeremy Bentham, as a model of disciplinary technology, an operational plan for feasible power exercise. Panopticon contains a tower in the centre of courtyard surrounded by blocks of buildings. Each building is full of disconnected cells on various levels. Every cell has a front window, with which the guard in the tower is able to monitor every movement in the cells. Each cell has a back window so as to bring in bright light from the fringe of the Panopticon. Inmates learn to behave as if surveillance continuously operates. Foucault (1978) interprets further that this monitoring structure puts every inmate an object for permanent visibility. And he agrees with Bentham's mechanism through which a maximum of efficient organisation can be achieved.

Power over performing arts companies in Hong Kong is both diffused and centralized. State apparatus with functions of public funding distribution are under control of the central power after 1999. Two years after the handover of Hong Kong and at the time when another statutory body the Municipal Councils were disbanded. The disciplinary control is indirect on surface but direct at heart. Home Affairs Bureau directs major public arts and cultural services, meanwhile administers nine flagship performing arts companies after 2007. Leisure and Cultural Services Department, sets up in 2000 after the disbanding of the Municipal Councils, presents arts programmes and cultural events. Its other duties are management and operation of nearly all government's theatres and public cultural venues.

Hong Kong Arts Development Council redistributes small amount of funding to small and mid-sized arts organizations. Commerce and Economic Development Bureau is in charge of the development of cultural and creative arts industries. Development Bureau regulates heritage sites and industrial buildings for revitalisation. Hong Kong Academy for Performing Arts conducts professional training for the industries. West Kowloon Cultural District Authority operates a giant cultural site of theatres and museums and the programs in it. The grantees in power relations and competitions are controlled by examination; they are continuously observed and are subject to transformation of their behaviours. Living in a situation, where funding sources are divided; performing venues and schedules are out of their control, the HKADC year-grantees are lack of performing venues for gaining sufficient revenue from the market support. Professional skills in arts programming and marketing are impotent for their sustainable development. It suggests that the longer they are subsidized by the government, the more likely they become docile bodies, because there is no alternative funding sources sufficient enough in the market for their professional management and operation, they are willing to turn themselves into dependent and cooperative agents for the government. Instead of taking risk to gain market share with repertoires and market revenues from donors and the audience, they largely focus on building trust and harmonized relation with the government and its extended funding bodies. These ensembles 'formed by the institutions, procedures, analyses and reflections, the calculations and tactics, that allow the exercise of this very specific, albeit complex form of power' (Foucault, 1979). In the modern society that encourages open competition for productivity, an artist becomes a governable subject, struggling between being dependent (subsidies) and independent (creativities) at the same time; a regulation and freedom struggle in the power system. Power between the governor (dominance) and the governed (resistance) is not a confrontation but strategic exercises of power over governable subjects without generating resistance, the ways to optimize the art of government. The institutions, rules and procedures ensure potential reactions or resistances in people's act, a technology of calculation to facilitate government's counter-reactions for people's resistances. This chain of measure and calculation is known as 'conduct of conduct' (Foucault, 1994) and it is advanced by Rose and Miller (1990) and Neu (2000) to the concept of 'governance at a distance'. Concept of 'conduct of conduct' is essential for Foucault's another concept of 'G', and "it implies two perspectives; Foucault links the technical aspect of governing (governer) with modes of thought (mentalité) and constructs the neologism: 'governmentality' (la gouvernementalité)" (Nohr, 2012).

Dimensions of Governmentality in the Performing Arts in Hong Kong

I apply two aspects suggested by Miller and Rose (1990, 1992) in the analysis on modern mentality of government, they enable indirect rule or government at a distance.

1. Problematisation

Conducts of individuals or organizations are considered to be problematic if it happens to be inefficient or inconsistent with the objectives of authorities that are obligated to manage them. On the macro level, performing arts development is constrained by Baumol's cost disease (1966). The problem of rising unit cost of production is the result of 'productivity lag' found in the performing arts industry. Nature of live performing arts production bars it from gaining favor from technology advancement as the way other industries do; labour cost and labour's training cost are increasing but the output of production remains more or less the same over the period. Nowadays, we have to employ same number of musicians and actors for Aida as it was 100 years ago. Rationalities for public subsidies in performing arts is robust, otherwise it is believed that the quality and quantity of professional works will be undercut. As a matter of fact, the HKADC was firstly established as a consultation body namely Performing Arts Council, with specific effort on the performing arts development. The 'problem' was extended into other arts disciplines that were keen on gaining public subsidies. In the 1994, HKADC was transformed into a funding body with more programmes to serve a diversity of arts disciplines, but the resources for performing arts projects and companies still prevail in the mechanism. More than 10 years of management passed, thirty-one small / mid-size performing arts companies are dependent on the HKADC's year-grants, not to mention the rest from the visual arts and the literary arts. On the micro level, problems are visible in evaluation reports submitted by grantees. Problems are not solved at once, but framed by HKADC for conducts of administrative intervention. After comparing mission statements, proposals, contracts and evaluation reports, the Council is knowledgeable to apply economical and legal domination over its grant recipients to prevent existing and forthcoming problems. The live performing arts industry and artists are visibly problematic on the

macro- and micro-level. Managerial, legal, financial, and auditing experts yield the first step of locating power relation for the development of governmentality.

2. Rationalities

Given the problem identified by experts, the next step is to discover identities of agents / social apparatus involved. Rose and Miller (1992) identified three characteristics of political rationalities: moral form, epistemological character, and articulation in a distinctive idiom. Moral form is a broader sense and universal principles that the government should enact in modern society, for instance, economic growth, living standard, justice, and freedom. In terms of freedom for the performing arts, HKADC emphasizes criteria such as arts excellence but fairness and diversity; creativity but sustainable development; well establishment of organization but with limited or unstable funding support. Contradictive rationalities result in self-defeating outcomes; HKADC has been a battle of political debates on accountability and fairness since its inauguration. Although the moral rationalities in HKADC may be conflicting, the role of the Council remains crucial partly because its services are to take epistemological characters (governable subjects) under its wings, they are largely governable subjects of young artists need to be nurtured, and of arts groups must be corporatized and professionalized. In parallel with the augmenting number of emerging artists trained by institutions and academies, the demand of funding by novice artists is on the rise, and the competition is keen. Their thoughts, believes, and plans are constructed in mission statements when they set up companies or to apply for the HKADC funding. This distinctive way of thinking renders a ‘devising reality’, a self-determined distinctive idiom open for the authority to compare their conducts, to examine their efficiency, and to intervene in line with HKADC’s ‘ideal’ objectives.

Formal Rationality in the Hong Kong Arts Development Council

HKADC, as an only arts statutory body for funding in Hong Kong, has obligation to present master development plans for the arts, but it has the leanest resources to make effective impacts in comparison with resourceful HAB and LCSD, which are government departments for managing flagship companies, theatres, museums and running programs in these venues. How tiny annual budget of HKADC receives from the government? According to the Hong Kong Financial Report 2015, one hundred and twenty nine million has been allocated for HKADC's diverse duties. Working without any ownership of arts venues and even without permanent office space in the past two decades, it carries out the most stringent process to select “right” artists to subsidize. The stringent process starts from HKADC internal examination of grant proposals by three examiners, who assess level of artistic excellence, managerial skills of project execution, and financial efficacy. In 1999, HKADC introduced peer assessment system from the Australia Arts Council in order to delegate artistic judgment to external parties, hoping to eliminate potential conflict of interest amongst council members. In the same year, HKADC put forward corporate governance system and affirmed external examination strategy. It required granted companies to form board of directors and allow board members to take responsibility in corporate plan and self-evaluation. Literally, board of directors is a combination of retired civil servants, artists, and entrepreneurs, ensuring the balance of artistic pursuit and sustainable management. The power relation between board of directors and artistic directors is largely based on formal rationality; “value for money” or “cost effectiveness” or “legal conduct”. Under the pressure of incurred rational auditing, and rational law, rationalistic economic ethic, most of the artistic directors seem to have no effective riposte to bureaucrats’ successful distortion of values, manipulation of working condition, and seeping into public’s consciousness the criterion of formal rationality. Their expertise in arts judgment was aided with and gradually is now guided by loads of auditing reports, open tenders, assessment procedures, and contracts. This is the time when formal rationality overrides artistic measurement and judgment, which relies on tastes, values, and experiences passing down from last generations. In compliance with bureaucratic funding rules and procedures, formal rationality prioritizes in an attempt to achieve the objective of professional corporate governance in both granted companies and the HKADC itself. In other words, HKADC is self-governing itself with rules and procedures which are likewise subject to the granted companies.

Hierarchical Programmes for Amenable Intervention in HKADC

HKADC is a subject and an object of power at the same time; a role of governing grantees and a role of being governed by the central government. HKADC chairman, unlike those in the UK or US arts

councils, is not allowed to make artistic judgment with substantive rationalities. Artistic judgment is made by the council committees which is supported and empowered by the system of democratic governance. Setting stringent rules and regulations was the reaction to the potential risk of making arts judgment, which is supposedly the duty of HKADC. According to the statutes that govern the roles of the HKADC, namely the Hong Kong Arts Development Council Ordinance (1995), functions of this small Council were to plan, promote and support a number of arts disciplines, including the literary, performing, visual and film arts, and to formulate and implement strategy for the planning and research, development and promotion, funding and relevant support of the arts. Serving also as a think-tank, HKADC advised the Government on policies, standard of provision of facilities, educational programmes, and levels of funding. As its first financial year 1996/7 shows, HKADC provided funding, in an amount of fifty million, to six full time professional arts companies through the plan General Support Grants (GSG) or Seeding Grants (SG). A year later in 1997, HKADC commissioned Coopers & Lybrand to undertake a review on its funding policy. In response to the research report, HKADC carried reforms on funding categories and regulations in 1999. GSG/SG companies became Three-year-grant companies, with that the hierarchy of the funding created; followed by One-year-grant companies, Multi-project grants, and Project grants in order. Arts company with more formally organized and more established records will receive longer and more stable public grants. Corporate governance and record archiving were encouraged. The systematic hierarchy started to take its shape, and all the programmes or grant types make problems amenable for intervention. This affects the entire cultural ecology, and the dependence on government's funding is expending from discipline of performing arts to literary arts, visual arts, films and media arts. Companies capable for corporate governance are likely promoted to the top grid of power with the status of "Three-year-grant company". Companies are weak at artistic merit and administrative logic, are assigned to the lower tier of the mechanism. Independent artists and callow companies are opting for Multi-project grants and Project grants.

Self-Defeating Technologies Aimed at Solving Problems in HKADC

What makes HKADC equip itself with stringent rules and regulations increases its administrative cost even at most of the time struggling with budget constraints? What does HKADC fear for? In addition to the risk of managing experimental arts and taking side of any particular ideology, the fundamental risk of HKADC is its built-in conflict of interest. Where does the conflict of interest come from? HKADC's deviation from the norm of dual-structure in the English-speaking countries is largely due to the fact that the HKADC involves democratic election for half of its committee members when it was set up in 1995, making it the only arts council in the world that contains democratically elected members in the arts constituency, rendering the Council under heavier public scrutiny by the arts field while the central government in Hong Kong was not yet democratically elected, making the HAB and LCSD operating more like professional bodies with cultural officers.

Managerial practices in the LCSD turn out to have a free hand in artistic judgments while the HKADC becomes ever more self-restricting and cautious in artistic judgments. The latter seems to try every means to dissect funding into smaller segments for the rationality of moral, and displace artistic judgments to the Council's panel members, peer assessors, and the arts companies' board members, avoiding artistic risk-taking to a degree that the Council resembles a government body or a parliament.

The democratic election gives HKADC a good name when the central government is not democratically elected. Putting it in more details, the elected committees in HKADC are not voted by the general public, unlike parliamentary committees in UK or House of representatives in the US Congress; they are voted by the interest parties in the arts field. They are chosen by active working artists and potential grant applicants for HKADC funding. The problem comes almost immediately: the arts constituency is largely formed by artists and members of arts associations who are potential applicants to HKADC grants and these people vote to elect fellow artists to sit in the Council to decide who take the grants. According to the HKADC electoral system, voters must be active artists with either publicly granted prize, publicly granted funds or hold membership of arts association. The elected Council members may have their own arts team, students and peers in the field and Hong Kong's arts field is small enough for people to identify personal relationship with grant applicants. We may imagine what will happen if the board of the Airport Management Council in Hong Kong were democratically elected by owners cargo companies, pilots, air attendants, airport workers and airline

company directors. If such case happened, the Airport Management Council would have been virtually privatized by the interest parties of the air transport business.

HKADC electoral system entails severe built-in conflict of interest at its outset. Scandals of personal favouring and allegations of corruptions were circulated in the arts field and some of them appeared in the culture pages of newspapers in 1996-1998. Protests at the HKADC meeting chamber led by arts company workers who failed in applications were not rare either. Since then, it has been undergoing institutional reforms and funding policy researches in an attempt to minimize potential corruption and dogging scandals. Legal and domination with means-ends rationality to prevent corruption from damaging its public arts funding mechanism gear the authority to be self-governing. HKADC decided in 1999 to delegate artistic judgment to external assessors/examiners, in order to keep the council clean at work. After the delegation, potential conflict of interest amongst plenty of external examiners, and between elected Council committees and external committees does still exist. External examiners are also active artists and managers in the field; they are practically close to both potential grant applicants and the elected Council committees. From that day on, HKADC applies additional sets of disciplinary power; its blinding practices frame every examiner in his/her own cell literally. This complicated and step-by-step process is not for Council staff or Council members to make artistic judgment, but it is for outsourcing the responsibility to a group of external examiners, who work on rotation and combination so that they won't have a single chance to collaborate and conspire. Council examiners never meet for discussion among themselves, and council committees do not summon examiners to discussion. They avoid official meeting between committees and examiners at the expense of artistic dialogues between experts. And this disciplinary technology favors normalized judgment, after constructing check and balance examination procedures in the sequential funding process. With no arts debates in Council meetings after 1999, HKADC's corporate behaviour is ironically self-defeating and loses its sight of goals as an arm-length agency with flexibility in artistic judgment, nurturing young promising artists continuously, and risk-taking in favor of experimental and fringe programmes.

The HKADC Phenomenon

If we place HKADC in a cell of Panopticon, its front window will face to the civil servants watching at the tower. Same as others, the back window brings in bright light identifying hope and achievement. Looking out from this back window, as a second role of watcher, there is a smaller scale of Panopticon being occupied by granted companies and artists of HKADC. However, it has the third window, through which the professionals in the arts field are able to observe its conducts. HKADC is a subject with power to govern granted arts companies and at the same time an object of power to be governed by the government and the general public. The complex assemblage of intervening technology in HKADC is developed to avoid its chairman and staff making artistic judgment on contemporary and experimental arts, which are difficult to defend whether the funding decision is rational and fair. When the HKADC chairman and staff members are cut off from artistic judgment, it resorts to its elected committees for substantive rationalities on artistic preferences in the process of grant application, selection, auditing and examination. The complication of this power relation does not end here; due to the democratic governance in HKADC with elected committees, it has built-in conflict of interest. In an attempt to play down the risk of committing conflict of interest amongst its staff, and its committees, the Council brings in assessors/examiners to make artistic judgment on grant applications and evaluations; another perplexing technology for intervention is developed. In order not to directly interfere in artistic tastes and preferences, ironically, fairness in concept causes diversity in figure; every grantee in keen competition is unlikely to obtain long and stable funding without being shuffled by the Council. For the sake of fairness and accountability, potent formal rationalities play a critical role to allocate grant to the arts company repeatedly and continuously, otherwise HKADC may be criticized by the public for partiality or bias. It is likely for the Council to rely on legal, administrative, financial rationalities, which suggest normalizing judgment in the procedures of grant application, selection, controlling and examination. Seldom have risk-taking, ground-breaking contemporary or experimental projects be granted by this disciplinary technology. All administrative burdens formulated in HKADC are not common in arts councils in the English-speaking countries; it is a particular disciplinary power and technologies for a multi-dimension agent functioning in a diffusing power relation, aiming to ensure the least possible resistances or challenges from the public. Unfortunately, all technology being applied for disciplinary power does not guarantee positive results; HKADC is itself still a battle of power struggle which cannot easily be resolved; scarce resources for increasing young companies and artists every school year, artistic judgment in contemporary or

experimental arts programmes are difficult to make by voting and marking calculation. Over the past 20 years, it is largely inconceivable to discard the democratic system in HKADC, especially when there has not yet democratic election in the central government. The HKADC Phenomenon encompasses a particular political, cultural and social rationalities and orders in Hong Kong. The negative consequences of its governing technologies trigger self-defeating outcomes; while HKADC is shielded by strenuous rules and regulations to realize managerial risk avoidance and to secure mechanical diversity, the public and the field alike criticize continuously its artistic judgment and burdensome administrative procedures.

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