

INTERNATIONAL | INTELLIGENCE ON CULTURE

HONG KONG ARTS & CULTURAL INDICATORS

FINAL REPORT - October 2005

Prepared for Hong Kong Arts Development Council by International Intelligence on Culture in association with Cultural Capital Ltd and Hong Kong Policy Research Institute

FOREWORD

The process of defining strategic approaches to the governance and support of culture, for determining and assessing policy, measuring outputs and outcomes and responding to calls for greater accountability demands appropriate policy instruments. This explains the enhanced level of interest internationally in recent years in the development of cultural indicators and establishing their connections to indicators in other policy realms such as the social, economic and environmental sectors.

Indicators and statistics are often confused. However, a piece of data only becomes an indicator when it is transformed through a route map of policy so that it points in a particular direction. In turn, indicators only become instruments for policy, when they are embedded in a policy framework from which they derive meaning and value. In this way, indicators identified as part of a process of cultural mapping ('making it talk') become operational for the purposes of cultural planning ('making it walk'). To deliver this more 'holistic' approach to policy, so that cultural indicators can be positioned within a broader and strategic 'quality of life' evaluation, requires a solid evidence base. Hence the need for reliable statistical information.

It was with this in mind that the Hong Kong Arts Development Council commissioned this study from International Intelligence on Culture, working in association with Cultural Capital Ltd, Hong Kong Policy Research Institute and locally recruited independent researchers. The Council recognised that it needed integrated indicators to enable it to assess (among other things) the cultural vitality of Hong Kong, to evaluate the effectiveness of government support, to provide a basis of comparison with other cities and regions, and as a tool to improve future policymaking. Accordingly, it asked for a report on the current position of social indicators relevant to arts and culture in Hong Kong and the availability of data and the state of play on arts and cultural indicators internationally.

The research team appreciated the opportunity of undertaking this fascinating and challenging task. In this context I should like to acknowledge the support in particular of Yvonne Tang, who was the officer from the ADC appointed to liaise with the research team, and to Vivian Ho, who took on the role following Ms Tang's departure in September 2004.

I also wish to convey my appreciation to those individuals who participated in the focus groups (see section 6) and shared their thoughts with the researchers on the survey findings and to Desmond Hui, Director of the Centre for Cultural Policy Research of the University of Hong Kong, who kindly agreed to chair the meetings.

Naturally, I am grateful to all those individuals in Hong Kong who responded to the questionnaires. In our busy world it is often difficult to find the time to deal with requests of this kind. However, without ways of testing public and professional

opinion, it is not easy for decision-makers to assess whether and how policies should change.

Finally, I must express my grateful thanks to the research team: especially to Professor Colin Mercer, Director of Cultural Capital Ltd, who brought his extensive international experience on indicators to bear on the study; to Raymond Chan of the Hong Kong Policy Research Institute, for the efficiency he and his organisation brought to the stakeholder surveys; and to Patrick Mok, Eno Wai Ying Yim and Colin Kwok for their work on the ground. The latter in particular was extremely helpful, responding day or night to our requests. My appreciation as well to Sun-man Tseng for his advice and contribution in the early stages and to my own staff in London, especially Ledy Leyssen, for the thankless task of typing my correspondence in the latter stages as well as the layout and part of the typing of the preliminary, draft and final reports.

Rod Fisher

Director, International Intelligence on Culture

The judgement and opinions expressed and the content included in this publication do not carry the technical endorsement or authentication by, nor necessarily represent the views of, the Hong Kong Arts Development Council.

Hong Kong Arts and Cultural Indicators Project

Final Report

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1 INTRODUCTION

1.1 The Brief

In 2003 International Intelligence on Culture, in association with Colin Mercer of Cultural Capital Ltd, the Hong Kong Policy Research Institute and a small team of independent researchers based in Hong Kong, were commissioned by Hong Kong Arts Development Council to undertake a study to develop arts and cultural indicators for Hong Kong.

Specifically we were asked to:

- Briefly account for the social indicators relevant to arts and culture and their types and functions
- Briefly study the current state of integrated social indicators in Hong Kong
- Compile a general and updated list of the indicators and data collections related to culture and the arts
- Study the availability of data sources related to the compilation of arts and cultural indicators in Hong Kong
- Study the current state of the arts and cultural indicators used internationally and in neighbouring regions; assess them and propose their local adaptation
- Agree a working definition for public arts and culture in Hong Kong applicable to this study
- Ensure the set of arts and cultural indicators covers both qualitative and quantitative aspects. Quantitative aspects should cover the cultural indicators devised by UNESCO in 1986. Advise on the adaptability of the indicators in Hong Kong according to UNESCO's *World Culture Report 1998* with its 30 items on social and cultural development.

1.2 The methodological approach

The methodological approach adopted has sought to assess the nature and extent of the current landscape on cultural and social indicators in Hong Kong and internationally and to devise a set of hard and soft, quantitative and qualitative, indicators appropriate to the Hong Kong reality. From the outset, the approach sought to be strategic, integrated and holistic, in as much as it recognised the need for tools for the evaluation of the specific nature of the arts/cultural sector, its strengths and weaknesses, opportunities and threats, but also sought to establish connections between broader cultural, economic, social and environmental concerns.

The process has involved a combination of desk research, meetings, the devising and management of surveys of stakeholders through written questionnaires to creators and producers, promoters and distributors of culture; progress chasing; telephone interviews with consumers of and participants in culture; the organisation of focus groups to test the survey findings; and extensive analysis.

Four meetings took place with HKADC staff in Hong Kong: initially in December 2003 when the research team outlined its proposed approach to the study; in July 2004 when Rod Fisher gave a progress report; in November 2004, when Colin Mercer, a speaker at an international conference organised by the Home Affairs Bureau took the opportunity to brief the ADC official who had taken over responsibility and, finally, at the focus group meeting, in early April 2005, when Rod Fisher presented the preliminary report.

1.3 Delayed implementation of the Study

International Intelligence on Culture first submitted its tender for the research at the end of July 2002. However, it was not until October 2003 that final approval was given to proceed and not until Spring 2004 the contracts were finally signed. The delay was occasioned by a number of factors, in particular the unexpected withdrawal by one of the original partners in the bid (though not the personnel concerned), which meant that the tender process had to be revisited by HKADC to ensure that its decision to award the contract to the research team had not been compromised.

Secondly, HKADC decided that the organisation of an international conference, which was originally part of the tender, was no longer integral to the research and reduced the overall financial ceiling for the project by 45.5%. This reduction was equivalent to 45.2% of the tender quotation submitted by International Intelligence on Culture. However, the organisation of the conference component represented just under 23% of its bid. Thus there was a shortfall of more than 22%. In the light of this, International Intelligence on Culture and its partners had to re-examine whether it was any longer viable to undertake the project. The research team concluded that while it was no longer *viable*, it was still *feasible* to undertake the

work, a decision influenced by the fact that a considerable amount of time had been spent on getting to that stage. Accordingly, the tender was resubmitted in September 2003 and approved by the HKADC. Subsequently, in December 2003, the research team formally presented its proposals to the HKADC Research Panel in Hong Kong. Work started in earnest once the contract was signed.

Finally, delays also occurred because more time than originally anticipated was spent on formulating the questions for the surveys to ensure there was no obvious bias, and in identifying as representative a range of stakeholders as possible to be surveyed.

2 EXECUTIVE SUMMARY

2.1 This study seeks to chart the current landscape on cultural and social indicators in Hong Kong and internationally and to devise a set of hard and soft, quantitative and qualitative, indicators appropriate to the Hong Kong reality. It was commissioned by the Hong Kong Arts Development Council and undertaken by International Intelligence on Culture in association with Cultural Capital Ltd, the Hong Kong Policy Research Institute and other locally recruited researchers.

2.2 The impacts and significance of the arts and culture as part of a continuum and 'ecosystem' of creativity and innovation are now widely understood to reach far beyond their intrinsic values and touch on matters and policy domains such as social cohesion, economic innovation, regeneration, the creative and knowledge economy, inward investment strategies, tourism and quality of life.

For this wider, more strategic, impact and the significance of culture and the arts to be demonstrated there is a need for a robust and conceptually coherent evidence base to support policy actions and interventions. For this, in turn, there is a need for both a sound *quantitative* baseline of cultural statistics and data and a sound *qualitative* baseline which informs how that data is analysed and interpreted in policy-relevant and enabling ways. The aim of this study has been to provide both the foundations and some of the building blocks to that end: to provide a framework for arts and cultural indicators in Hong Kong which serve both the immediate stakeholders and constituencies and the wider strategic policy environment.

2.3 Hong Kong is in a special position, given its relationship to the burgeoning creative economy of the Chinese mainland and its relationship to the global creative economy, to play a major role in bringing the quantitative and qualitative dimensions together and in mobilising them in operational terms to become a true regional 'cultural capital'. However, it is arguable whether Hong Kong is in that position yet. Currently, it is not well served by sufficient and robust arts and cultural statistics. For example, a significant absence in the Hong Kong statistical architecture is that of any adequately differentiated data on actual cultural expenditure in the form of a regular family or household expenditure survey.

Given the data limitations it is hardly surprising that cultural indicators are not abundant either. This is a common and disabling factor in many countries. On the other hand, Hong Kong has recognised that culture and creativity are strategic urban and community assets for the new economy of the 21st century and beyond.

2.4 Comparisons which are drawn in this study with selected other countries in the

Asia-Pacific region and beyond suggest that Hong Kong is doing relatively well in relation to specific areas of cultural production and consumption. However, this observation has to be qualified because of the incomplete nature of cultural statistics internationally. Part of the solution to this problem, as this project indicates, is the development of robust indigenous data collection and management processes for the cultural sector which acknowledges that the international knowledge base and data availability are not of much assistance in this process except in the broadest of terms.

2.5 Independent of this study, and overlapping with it, a separate piece of research

was commissioned by the Home Affairs Bureau from the Centre for Cultural Policy Research, University of Hong Kong, to develop a Creativity Index for Hong Kong. As it happens, many of the concepts informing the *Creativity Index* – the importance of human, social, cultural and creative capital, for example, and the significance of the ‘creative economy’ - already informed the approach and methodology adopted in this research on arts and cultural indicators for the Arts Development Council. Therefore, there is a happy convergence of both conceptual background and policy implications, which International Intelligence on Culture and its partners make connections with in this report.

2.6 Surveys of stakeholders formed an integral aspect of the study conducted for

the Arts Development Council to enable the evaluation of strengths and weaknesses (and appropriate indicators) across the value production chain from creators and producers, through distributors and promoters to the consumers of and participants in culture. The authors consider the surveys yielded findings that are a reasonable reflection of opinions in a broad range of groups in Hong Kong’s creative and cultural sector and the population at large, and the results were subjected to scrutiny and verification by focus groups.

2.7 Based on our evidence gathering, creation and production stakeholders require:

- More systematic attention to skills and training needs.
- More systematic attention to financing and business support.
- More systematic attention to infrastructure needs in the form of, for example, subsidised workspaces and an ‘incubator’ strategy for start up businesses.
- A co-ordinated domestic and international marketing and promotional strategy.
- Increased formal and informal networking opportunities.
- More systematic attention to ICT training and infrastructure.

- New models and formulae for government support and public funding beyond the current grant/subsidy arrangements.
- The development of synergies with education and training at all levels

2.8 Promotion and distribution companies and agencies are broadly positive about skill levels in Hong Kong. However, they are more negative about the appropriateness and, especially, availability of training. Other key issues for this sector are:

- Expansion of the market and client base into the mainland and overseas
- Appropriate and flexible financial and business support
- The uses of Information and Communications Technologies
- Overseas marketing and promotion
- Government support
- Links and synergies with education and training institutions
- Infrastructure and venues

As with the creation and production sector, there is also a strong perception of these stakeholders' contribution to structural/institutional, human, social and cultural capital.

2.9 It is in the area of consumption and participation that the most significant policy issues arise. In attitudinal terms, culture and the arts appear to enjoy a high rating in Hong Kong. There is a broad consensus across the demographic groups on the actual and tangible contributions that culture and the arts make in community building, personal development, enhancing the image and profile of Hong Kong, recognising cultural diversity and improving quality of life. There is also a very strong consensus in favour of government funding of the arts.

However, these high valuation rates do not translate into consumption and participation rates because a high percentage of individuals consider themselves to be either 'too busy' or 'too busy to participate more often'. A smaller, but still statistically significant, number of those surveyed expressed no interest in cultural activities or an inability to appreciate them.

There was an overwhelming consensus across all stakeholders from creators to consumers on the need to strengthen arts in the education curriculum.

2.10 The Hong Kong Arts Development Council is primarily responsible for the public

funded and subsidised components of the cultural sector and not directly, the commercial creative industries. At the same time, this public funded sector is part of the 'ecology' or 'ecosystem' of the cultural sector as a whole. Often it is an 'incubator' of the people and skills that move into – and in and out of – the commercially driven creative industries, a provider of content and innovation and a talent pool. With this in mind, this study proposes the use of a five-stage 'value production chain' model or 'culture cycle' analysis in the organisation of a framework for arts and cultural indicators in Hong Kong, covering creation, production and reproduction, promotion and knowledge, dissemination and circulation, and consumption and usage. Similar approaches have been developed in the UK, Australia and Canada, to assist in organising cultural data to inform policy and planning. This value production chain or culture cycle analysis will enable the assessment of strengths and weaknesses from the 'supply side' to the 'demand side' and provide a diagnostic framework for policy and intervention.

2.11 The study recommends that the Hong Kong Arts Development Council commence discussions immediately with the Home Affairs Bureau, the authors of the *Hong Kong Creativity Index*, and the Department of Statistics, to establish a unified template and matrix for arts and cultural sector data capture. This should include: agreed parameters of the arts and cultural sector and its component sub-sectors; a value production chain or culture cycle architecture as advocated and demonstrated in this report; and the identification of relevant Industry and Occupational codes (including those indicated in the *Baseline Study on Hong Kong's Creative Industries* and on the *DCMS Evidence Toolkit* model developed in the UK).

2.12 The report also recommends that a continuing programme of cultural statistics and indicators research be established and agreed, on a stakeholder basis, between relevant government agencies, including the HKADC, the Home Affairs Bureau, the Department of Statistics, industry bodies and Hong Kong universities. This should be focussed on:

- The capture, refinement and analysis of relevant Industrial and Occupational codes for the cultural sector as a whole and its component sub-sectors.
- The priority development of research and data capture on cultural consumption patterns and trends and attitudes to the arts and culture.
- The development of research targeted at qualitative issues relating to social impacts of the arts and culture.
- Quantitative and qualitative research linking cultural statistics and indicators to quality of life, social cohesion, identity, the profile of Hong Kong and cultural rights.
- A rolling programme of sub-sector specific 'snapshots' combining quantitative and qualitative data and indicators.

- Longitudinal research programmes on the quantitative and qualitative impact of arts and culture.
- The compilation of a bi-annual *Report on Cultural Trends in Hong Kong* combining quantitative and qualitative data and indicators.
- The establishment of a Cultural Observatory function to monitor and assess Hong Kong, mainland China and international data and indicators. This could be a partnership arrangement between a government agency and a university.

3 WHY ARTS AND CULTURAL INDICATORS?

3.1 Establishing the baselines

This report was commissioned by the Hong Kong Arts Development Council (HKADC) in recognition of the fact that the value and impact of arts and culture in the life of a city, a community, a region, can no longer simply be assumed as a 'goodwill gesture'. They have to be demonstrated in a much wider, more complex and strategic context than has been the case traditionally. The impacts and significance of the arts and culture – as part of a continuum and 'ecosystem' of creativity and innovation - are now widely understood to reach far beyond their intrinsic values and touch on matters and policy domains such as social cohesion, economic innovation, regeneration, the creative and knowledge economy, inward investment strategies, tourism and quality of life.

For this wider, more strategic, impact and the significance of culture and the arts to be demonstrated, there is a need for a robust and conceptually coherent evidence base to support policy actions and interventions. For this, in turn, there is a need for both a sound *quantitative* baseline of cultural statistics and data and a sound *qualitative* baseline, which informs how that data is analysed and interpreted in policy-relevant and enabling ways. The aim of this project is to provide both the foundations and some of the building blocks to that end: to provide a framework for arts and cultural indicators in Hong Kong which serve both the immediate stakeholders and constituencies and the wider strategic policy environment.

3.2 The special context of Hong Kong

Even before the UK handed back Hong Kong to China in 1997, the extent of the mainland's economic performance was impressive. In the period 1979 to 1997, the annual growth rate per capita GDP reached 8.3% and China in general (if not Hong Kong in particular) was one of the few countries in East and South East Asia able to maintain a stable economy and rapid economic development following the financial crisis that hit the region in 1997.¹

Sectors of the Hong Kong economy are thriving on the growing links with the mainland – the linkages with the Pearl River Delta are particularly strong and Shenzhen has grown into a booming metropolis of 12 million people. Arguably, however, Hong Kong's more mature cultural sector has experienced some difficulty in aligning activities with its mainland counterparts due to different market realities. With the support of Hong Kong partners, mainland Chinese artists and promoters

¹ Lin Yifu, 1999, 'China's Economic Development: Its Implications for Cultural Industry' in *Towards a New Era of the Cultural Industry (sic)*, Report of the Asia-Europe Conference on Cultural Industries and Cultural Development, Singapore and Beijing, Asia-Europe Foundation and Ministry of Culture, Peoples Republic of China.

have been building strong links in Hong Kong, but there has been far less traffic going the other way (despite some successful events such as Shanghai Hong Kong Culture Week).

Hong Kong has been looking to position itself as a regional cultural hub by promoting its creative industries, and this strategic direction was emphasised by the former Chief Executive, Tung Chee Hwa in his policy address in January 2005. This ambition brings Hong Kong into competition with Shanghai and Singapore, which have similar aspirations. The Hong Kong SAR's moves to facilitate the development of a cluster of world class cultural facilities in West Kowloon is clearly a significant attempt to enhance its regional cultural profile.

This suggests - reinforced by our research and consultation - that Hong Kong is in a special position, given its relationship to the burgeoning creative economy of the Chinese mainland, and its relationship to the global creative economy, to play a major role in bringing the quantitative and qualitative dimensions together and in mobilising them in operational terms to become a true regional 'cultural capital'.²

Hong Kong is not in that position yet, however, and the *quantitative* knowledge base for the role of culture and the arts is better developed – as both statistics and indicators - in other Asia-Pacific regional centres such as Melbourne, Seoul, Singapore and Taiwan. But Hong Kong has also recognised, probably more strategically than some of these other centres, and partly because of its special relationship to the People's Republic of China and the global economy, that culture and creativity are strategic urban and community assets for the new economy of the 21st century and beyond.

3.3 Arts and cultural indicators and the *Hong Kong Creativity Index*

Evidence of this – and an initiative which places this project and report in a quite new and strategic context – is the publication, in November 2004, of the Interim Report of the *Study on Hong Kong Creativity Index*, commissioned by the Home Affairs Bureau from The Centre for Cultural Policy Research at The University of Hong Kong. Along with the announcements and deliberations at the Second Asia Cultural Co-operation Forum (ACCF II), held in Hong Kong in November 2004, the *Creativity Index* provides a new, groundbreaking and innovative context in which to situate 'arts and cultural indicators' and the framework in which we present our findings, analysis and recommendations have been influenced by these developments.

² In a February 2005 World Bank Policy Research Working Paper, Hong Kong has been identified, along with Boston, San Francisco, San Diego, Seattle, Austin, Washington DC., Dublin and Bangalore as one of the cities where policy-induced transitions have been most evident in connecting the development of 'creative clusters' to urban policy and the development of a 'dynamic city'. See Weiping Wu, *Dynamic Cities and Creative Clusters* (<http://econ.worldbank.org>)

The research team was not aware of these impending developments – or, at least, of their convergence - when it started work on this project, but it is fair to say that many of the concepts informing the *Creativity Index* – the importance of structural/institutional, human, social, cultural and creative capital, for example, and the significance of the ‘creative economy’ - already informed our approach and methodology. There is, therefore, a happy convergence of both conceptual background and policy implications, which we are pleased to exploit – and make connections with - in this report.

The *Creativity Index*, commissioned by the ‘parent ministry’ to the Hong Kong Arts Development Council – the Home Affairs Bureau – provides both a strategic and global, forward-looking context in which to situate and position arts and cultural indicators to their best effect for the following reasons:

- It provides a rationale and basis for linking the ‘quantitative baseline’ of statistics and data (on cultural consumption, cultural participation, etc) to the ‘qualitative baseline’, which is made up of calculations relating to human, social, cultural and creative capital. These are not necessarily easily measurable qualities and capacities, but both the *Creativity Index* and the present report indicate ways in which, in terms of both the broader ‘creative economy’ and the narrower, but constituent, domains of culture and the arts, these areas can be approached and quantified for indicator purposes.
- It makes the necessary links to international best practice on integrated cultural indicators in the work of Richard Florida, the *Eurobarometer*, *The World Values Survey*, the UNESCO Institute of Statistics, etc., and makes a persuasive case for their articulation with which we agree.
- It is an exemplary case of ‘joined-up thinking’, which mainstreams the arts and culture into broader public policy and economic development debates in the context of an increasingly globalised economy in which the creative economy of Hong Kong - including its arts and cultural practitioners and stakeholders - will have an increasingly important role to play.

3.4 The International search for evidence

The need for appropriate tools is integral to the process of defining more strategic approaches to policies for the support of culture, for determining and evaluating policy, measuring impacts and responding to demands for greater accountability. This explains the increased interest in cultural and performance indicators and the desire for improved social indicators.

An indicator differs from a statistic, or rather it reveals a story behind a piece of data. Christopher Madden illustrates this well in his paper for the International

Federation of Arts Council and Culture Agencies³. So, for example, a statistic estimating the numbers of people employed in the cultural sector is not an indicator of itself, because it does not tell us whether the level of employment is high, low or about right; it needs further information. Similarly, statistics that compare people employed in culture in one country with that of another is also meaningless if no account is taken of population difference etc. Trend data showing increases or decreases over time are also incomplete unless the changes are compared with the rate of growth or reduction in employment generally in the country. Thus indicators, if they are to be meaningful, must provide a context.

This, in turn, emphasises the need for reliable statistics and benchmarks. These are easier to obtain if the intention is to develop quantitative indicators. Measuring qualitative effects is more problematic. Such effects, as Dick Stanley has pointed out, may be intrinsic, instrumental or functional⁴. Intrinsic effects are the immediate response to experiencing a cultural activity e.g. listening to a piece of music. Instrumental effects are the associated or side effects, e.g. the potential therapeutic impact of art, drama or music on children with learning difficulties or who have behavioural problems. Functional effects are the indirect impacts on the environment, such as the family of the individual who has experienced the cultural activity, if the encounter was one which led to changes of attitudes or values.

The views of Florida, Matarasso and others about the perceived qualitative benefits of culture has generated a lot of interest among policymakers and politicians, but also controversy in the research community, some of whom consider their ideas need to be treated with caution because of the absence of a sufficiently sound theoretical basis for these authors' interpretations. Thus, while the demand internationally for cultural indicators may be greater than ever, it's fair to say the process of delivering them is evolving all the time.

No doubt this is something the authors of the proposed *World Cultures Yearbook* recognise in their quest to map and analyse how the interplay of globalisation processes is transforming relationships between cultural identity, civic society and community, as well as the institutional roles of markets, governments and the non-profit sector in cultural production. Integral to this report, which is intended to build upon and develop the *UNESCO World Culture Report*, will be the construction of a set of indicators to encourage evidence-based research and policy analysis in the cultural field.⁵

So, to answer our initial question, 'Why arts and cultural indicators?'. Because they are important, not just for arts and culture, but also for almost every other asset

³ IFACCA (2004), *Statistical Indicators for Arts Policy: Discussion Paper*, Sydney, pp.18-20

⁴ Stanley, Dick (2004), *IFACCA/ISSEC Research Workshop "Looking for New Connections"*, Montreal, August 24-25, report of proceedings, Ottawa, Initiative to Study the Social Effects of Culture and International Federation of Arts Councils and Cultural Agencies, pp.5-10.

⁵ The *World Cultures Yearbook* is scheduled for publication by Sage Publications at the end of 2006. The *UNESCO World Culture Report* ceased publication in 2000 after two editions.

and resource that will count in the creative, knowledge-based economy of the 21st century.

4 WHAT ARTS AND CULTURAL INDICATORS?

4.1 Data limitations

Hong Kong is not currently well-served by sufficient and robust arts and cultural statistics. It follows that indicators (a translation from descriptive data into directional and purposive measures to inform policy settings) are not abundant either. The *Baseline Study on Hong Kong's Creative Industries*, commissioned by the Central Policy Unit of the HK Special Administrative Region Government from the Centre for Cultural Policy Research at The University of Hong Kong and published in September 2003, notes the limitations on data available for assessing the creative industries as a whole, let alone the smaller 'arts and culture' sub-sectors. This is a common and disabling factor in both the developed and developing world and only a few countries (Australia, Canada, Norway, Finland, France, Sweden and, latterly, the UK) have 'statistical frameworks' which are generally appropriate to the task. We note, for example, the work being done to try to construct a framework of comprehensive indicators for assessing the development of cultural industries in Chinese cities.⁶ The core problem in Hong Kong is the adequacy of the statistical framework, which has been established to capture and analyse data, notwithstanding the UNESCO Framework for Cultural Statistics in 1986.

The Hong Kong Standard Industrial Classification (HSIC) framework is constructed of broad industry groupings, which do not enable the identification of some of the core industries and occupations – artistic and literary creation, performing arts, musicians, etc – with which this project is centrally concerned. Consequently, it is difficult to get an adequate employment count, to identify growth or decline in employment over time, to identify turnover and Gross Value Added (GVA) for the relevant sub-sectors.

Presumably such limitations were recognised by the HKADC, when it collaborated with the Census & Statistics Bureau with a view to:

- 1) Understanding the arts and cultural industries within the Standard Industrial Classification in the 2001 census;
- 2) Ascertaining the number of cultural practitioners in previous census data (eg 1996);
- 3) Identifying unclassified components of the cultural industries.

However, this exercise confirmed the census data was insufficiently detailed to obtain an accurate picture of arts and cultural employment in Hong Kong.

⁶ This is described by Wang Lin, 2002, in 'On the System of Comprehensive Indicators for Assessing the development of Cultural Industries in Large Chinese Cities' in the *Blue Book of China's Culture*, Beijing, Social Sciences Academic Press.

We propose measures to address this issue of the lack of an adequate statistical framework. As a preliminary step we can derive from both consolidated research and the work undertaken for this project, two principal categories of indicators: production indicators and participation and consumption indicators.

4.2 Production indicators for the cultural sector⁷

Based on the census data with the limitations already referred to, HKADC estimated that there were 200,581 practitioners in the arts and cultural industries in 1991 and this grew to 261,420 in 1996, an increase of some 30%. Similarly, the estimated number of practitioners in arts and cultural occupations rose from 338,210 in 1991 to 428,257 in 1996, representing an increase of 27%, with growth more marked in libraries and museums etc.⁸

The bigger picture presented by the *Baseline Study* is also broadly positive, with the following overall figures:

- Turnover in the creative industries in 2001 was \$46.1 billion or 3.8% of GDP compared with 4% in the UK.
- The 2002 share of employment for the creative industries was 5.3% - on a par with the UK at 5%.

The *Baseline Study* notes a decline in the sector's share of GDP in the 1996-2001 period from 4.1% to 3.8%, but also notes significant 'rebounds' in 2000, after a period of adjustment, in the film industry for example.

1996-2001 GDP growth rates are **positive** in the following sub-sectors:

- Software 7.5%
- Media 10.7%
- Entertainment 4.2%
- Press and publishing 2.4%

They are **negative** in the following sub-sectors:

- Architecture - 1.3%
- Advertising - 5.6%
- Film - 5.3% (but with a 71% 'rebound' in 2000)
- Design - 1.8%

⁷ The term 'cultural sector' is used in this report to refer both to the commercial cultural industries and subsidised or public funded activities and venues.

⁸ Hong Kong Arts Development Council, *Statistics on Hong Kong's Arts and Cultural Industries*, produced by the Research Unit of HKADC

While these sub-sectors are not central to the purview of this report they are nonetheless important to the health of the overall creative economy of Hong Kong – the ‘broad ecosystem which nurtures and supports creativity’⁹ - and they are also significant employers of many of the core stakeholders of the HKADC – visual artists, performers, musicians, multimedia artists, etc.

Our surveys show that there is an increasing trend for people to move frequently within and between the public funded cultural sector and the commercial sector as intermittent or ‘portfolio’ workers constituting an ‘ecology of culture’ which is important to the wellbeing of any cultural or creative economy. We will be exploring the implications of this shortly.

4.3 Participation and consumption indicators for the cultural sector

At the other end of the value chain – participation and consumption – there are more differentiated figures on attendances at specific cultural venues and events which indicate some important trends with policy implications including:

- Significant **increases** in number of cultural presentations at Leisure and Cultural Services Department (LCSD) funded and managed venues, but a **net decrease** in attendance rates.
- A corresponding net **decline** in number (8.5% decline) and monetary value (22% decline) of tickets sold through Urbtix between 2001-02 and 2003-04.
- A 77% **increase** in the number of visitors to LCSD run museums and galleries in the 1992-2003 period.
- A **quadrupling** of library materials (books, periodicals, audiovisual items) borrowed between 1992 and 2003.
- A 33% **decline** in the number of recordings sold between 1997 and 2001
- A 35% **decline** in overall box office takings for movies between 1993 and 2002.
- Significant and positive **growth** in the number of overseas arrivals (tourists and others) from 9.3 million in 1993 to 15.5 million in 2003. A 66% increase.

4.4 Issues and indicators for policy from the domestic data

What do these figures tell us? What do they indicate? The picture is uneven and incomplete because of the lack of sufficiently differentiated data, but we can highlight the following features.

⁹ Florida, Richard, 2002, *The Rise of the Creative Class...and how it's transforming work, leisure, community and everyday life*, New York, Basic Books.

- The levels of cultural activity in terms of *creation and production* at public funded venues appear to be significantly increasing after a period of adjustment around 1997.
- At the other end of the value chain, however, the actual *consumption* of public funded cultural productions appears to be declining significantly in terms of both attendance and turnover. When set against the significant growth in overseas arrivals (with the exception of 2003 because of SARS) this would seem to indicate the need for more focus on 'cultural tourism' within the strategy targeting overseas visitors.
- The decline in the number of records sold and in overall box-office taking for movies maybe due to a number of factors: (i) the trends towards more privatised and home-based consumption of cultural products enabled by the internet, as well as the availability of videos and DVDs, etc; (ii) increased international competition and (iii) the quality of the local product. Copyright piracy in the region may also have been a factor, though we note that levels have significantly declined according to the *Creativity Index* study. Such factors may be worth exploring in a separate study as policy settings and responses will need to be adjusted to account for these trends and realities.
- A further important factor that we have identified in Hong Kong – and which we address in more detail in Section 6 - is the startling 72% of survey respondents identified as actual or potential consumers or participants in culture, who state that they do not attend arts and cultural events more often because they are 'too busy'. On international comparisons this is an anomalous figure and has significant implications not only for the arts and cultural sector itself, but also in the broader and more strategic context of quality of life, work-life balance, and a sustainable 'creative economy' in Hong Kong as proposed and measured in the *Creativity Index*. For the public funded cultural sector this indicates the need for both targeted marketing and promotion of cultural product and for audience development and demand stimulation strategies, especially if we take into account that 54% of 'non-attenders' also gave 'too busy' as the reason for their failure to consume or participate in culture in the three months prior to the survey.

A further significant absence in the HK statistical architecture at the consumption end of the value chain is that of any adequately differentiated data on actual cultural expenditure in the form of a regular family or household expenditure survey (normally biennial, sometimes annual), which would provide information on family/household spend in categories such as 'Leisure Goods' and 'Leisure Services' or 'Recreation and Culture', including such categories as admissions to galleries and museums, attendance at theatre, expenditure on books, etc. This is *strategically* important, as in most developed countries this category of expenditure has been shown to be very high. In the UK overall, for example, it has been the

second or third largest category of expenditure for some time now. In some English regions it is the largest category of expenditure ahead of 'Housing' and 'Motoring'. The only comparable framework in Hong Kong is that of the Euromonitor report *Consumer Lifestyles in Hong Kong*¹⁰ which covers relevant areas such as:

- Leisure time
- Media access
- Trends in media consumption
- Communications penetration
- Internet access

The private sector provenance of this report and its market information orientation means that it is very expensive and, therefore, not generally available in the public domain. Moreover, the trends that this report identifies are based on categories and concepts that would not be considered statistically rigorous on international comparisons and include, for example, the claim that 'Leisure spending represents about 5% of overall average consumer spending' in Hong Kong. It depends, of course, on what gets counted as 'leisure' within the framework, but it is clear from this report that what would normally be counted as 'cultural spend' is not within its horizon of visibility. The figure of 5% of consumer spend is anomalous on international comparisons with developed countries (in the UK it is around 15%) and more differentiated analysis is necessary.

Such analysis will be important not only for understanding the 'market' and its trends for cultural product and services in Hong Kong, but also for evaluating the following criteria for 'cultural capital' as identified in the *Creativity Index*:

- Household expenses on designated cultural goods and services as percentage of total household expenses;
- Share of expenses on arts education as percentage of household expenses.

Backed up by relevant survey work – some of which is foreshadowed and modelled in the results and analysis of the survey component of this project – analysis of cultural consumption can also render important and policy-enabling information on cultural capital indicators from the *Creativity Index* such as:

- Value placed on arts and culture to daily life and personal development;
- Value placed on the morality of buying pirated or counterfeit goods;
- Hours of participation (intensity) in cultural activities on each occasion;
- Frequency of cultural consumption.

¹⁰ Euromonitor, 2000, *Consumer Lifestyles in Hong Kong*, Integrated Market Information System, Shanghai, April. (A new version was published in September 2004).

In addition to these data and indicators, and still with the focus on cultural consumption as advocated in this framework, it would also be possible, in principle, to gather data and indicators on the combined or individual *uses* of cultural consumption for the purposes of:

- Community development;
- Individual and community identity;
- Civic and social involvement and volunteering;
- Levels of social interaction and contact.

These categories are all, in principle, commensurable with both the broad directions and the individual data collection categories advocated and identified in the *Hong Kong Creativity Index* and, consequently, this provides an opportunity for a unified architecture and conceptual framework which links that initiative to the framework and provides a strategic context for the findings and recommendations of this report.

4.5 Hong Kong in the context of international comparators

Hong Kong was ranked 23rd out of 177 countries on the 2004 Human Development Index and is in the 'High Human Development' group¹¹. Similar cultural comparisons on an international country by country basis are, however, notoriously difficult and speculative because of the absence of (i) comparable – or any – cultural data in many countries which would allow reliable comparisons to be made, and (ii) an agreed definition of the cultural field.

However, we note from a recent (2005) World Bank Policy Research Paper that, in terms of its capacity as a 'creative city'. Hong Kong is rated highly along with Boston, San Francisco, San Diego, Seattle, Austin, Washington DC, Dublin and Bangalore as one of the cities in which 'policy induced transitions have been most evident'.¹² The report states that Hong Kong 'may showcase the making of a creative city in East Asia'. Among other things, this report notes the following strengths of Hong Kong:

- Robust film and music industries;

¹¹ United Nations Development Programme, 2004, *Human Development Report 2004: Cultural Liberty in Today's Diverse World*, New York. (<http://hdr.undp.org/reports/>)

¹² Weiping, Wu, 2005, *Dynamic Cities and Creative Clusters*, World Bank Policy Research Working Paper 3509, pp. 27-30 (<http://econ.worldbank.org>).

- Advertising, publishing, design, and architecture businesses enjoying a competitive edge over regional competitors;
- Cross-fertilisation of creative ideas between software, film, television and comics industries;
- A world-class telecommunications infrastructure with creative software development, pioneering online services and a strong consumer demand for new digital products;
- The importance of Hong Kong as a source or broker for financing film professionals both in HKSAR and the PRC;
- Publishing and architectural services as the largest creative industries sub-sectors;
- The significant reduction in music and film piracy levels from 25-50% in 2000 to 10-25% in 2001 due to a robust regulatory and legal infrastructure;
- The potential significance of the West Kowloon Cultural Centre as a regional cultural hub for both production and consumption;
- The importance of mechanisms and agencies such as the Trade Development Council (TDC) and the Innovation Technology Fund (ITF) for the development of the creative industries sector as a whole.

The report also notes, though, the weakness of Hong Kong's Research and Development capacity and, rightly or wrongly, investment and the tendency of universities to 'hold themselves aloof' from industry needs and interests.

We can also note at this stage that neither the Trade Development Council, nor the Innovation Technology Fund are particularly significant agencies for the core stakeholders of the HKADC in current circumstances and that their potential for assistance to the creative industries has not yet been fully realised.

On the City Development Index compiled by de Villa and Westfall for the Asia Pacific Region and based on a composite index comprised of calculations on infrastructure, waste, health, education and product (income), Hong Kong is rated second overall after Melbourne and ahead of Seoul. This index refers to cultural indicators defined as attendance at major public events and galleries and museums, but does not rate the 18 cities analysed on this basis because of inadequate and comparable data¹³.

¹³ De Villa, Victoria and Westfall, Matthew S, 2001, *Urban Indicators for Managing Cities: City Data Book*, Mandaluyong City, Philippines, Asian Development Bank

Relevant international comparators for Hong Kong on cultural production, consumption and participation, based on UNESCO 1998 figures (the last complete set) are random and not coherently significant, but include:

- The highest daily circulation of newspapers in the world (786) per 1000 population. This far exceeds the PRC at 36 per thousand; the USA at 201 per thousand; the UK at 317 per thousand, Japan at 577 per thousand, and Norway (the second highest) at 588 per thousand.
- The highest number of translations published (1994-96) and recorded in the Asia Pacific region (5,400) exceeding the Republic of Korea (1,326). (This figure is, of course, largely accounted for by the bi/tri-lingual nature of the SAR and its history)
- The second highest level of cinema attendance in the region (3.3 per person per annum, 1994-98) after Australia (4.3)
- The fourth highest number of radios per thousand population (1997) at 684 after Australia (1391), Republic of Korea (1039) and Japan (956).
- Cultural trade¹⁴ (1997) recorded at US\$33.5 billion. This exceeds that of the PRC at US\$30.4 billion, and the Republic of Korea at US\$23.3 billion: it is roughly half that of Japan at US\$70 billion, and compares with the USA at US\$177 billion and the UK at US\$78 billion. Hong Kong has experienced a seventeen-fold increase in cultural trade between 1980 and 1997 and on the basis of what is, admittedly, a broad definition, this represented 21% of GNP in 1997.

Culture indicators for selected countries are presented in the table on the following page.

¹⁴ This is defined as 'Exports plus imports of books and pamphlets; newspapers, newsprint and periodicals; typewriters and word and data processors; music-related goods; cinema and photography; radio, television and VCRs; visual arts and antiques; and sporting goods'. UNESCO, *World Culture Report 2000. Cultural Diversity, Conflict and Pluralism*, Paris. We note that there are no calculations for performing arts included in this.

**SELECTED CULTURE INDICATORS FOR
SELECTED COUNTRIES FROM UN SOURCES
1994-1998**

	Hong Kong	Singapore	Japan	Republic of Korea	UK	USA	Australia
Daily Newspapers per 1000 popn. (1998)	786	273	577	394	317	201	168
Registered Library users as % of popn. (1994-1997)	30	N/A	20	87	57	N/A	N/A
Radios per 1000 popn. (1997)	684	744	956	1039	1443	2116	1391
TVs per 1000 popn. (1997)	283	388	686	348	408	806	554
Cinema attendances per capita/per annum (1994-1998)	3.3	4.6	1.2	1	2.3	5.4	4.3
Feature films produced 1994-1998	92	7	249	43	87	661	38
Recorded music purchases per capita(US\$) 1998	18.8	15.4	51.8	3.3	49	48.2	33
Cultural trade \$US billions (1997)	33.5	72.3	70.2	23.3	78	177.5	10.4

Source: UNESCO (2000) *World Culture Report: Cultural Diversity, Conflict and Pluralism*, Culture Indicator Tables, Paris

NOTE: A basic inventory of sources of cultural data from domestic sources is at Annex IV.

On this basis, Hong Kong, is doing well compared to larger nation states in the region and elsewhere. But these interesting – and rather sparse – ‘indicators’ of the cultural health and well-being of Hong Kong in a comparative context also say something about the state of play of cultural statistics at an international level. Frankly, there is not much meaning to be derived from international data sets based on market purchase data and other Systems of National Accounts (SNA) data when these are, in the first place, so incomplete and, in the second place, where the definition of what counts as ‘culture’ and, indeed, ‘cultural trade’, varies so much from one country to another.

This is a well-acknowledged problem at international level, only now being addressed partially by the UNESCO Institute of Statistics in Montreal¹⁵. Part of the solution to this problem, as this project indicates, is the development of robust indigenous data collection and management processes for the cultural sector which acknowledges that the international knowledge base and data availability are not of much assistance in this process except in the broadest of terms.

There are, however, some existing baseline frameworks, which should inform the development of a template for data collection and indicator development in Hong Kong. The first of these is the 1986 UNESCO *Framework for Cultural Statistics*.

4.6 The UNESCO Framework for Cultural Statistics and its uses

4.6.1 The Framework

The single largest move to establish a relatively unified framework for the collection and analysis of cultural statistics was the elaboration of the UNESCO Framework for Cultural Statistics in the 1980s. This established 10 categories for data collection as follows:

0. Cultural Heritage
1. Printed Matter and Literature
2. Music
3. Performing Arts
4. Visual Arts
5. Cinema and Photography
6. Broadcasting
7. Socio-cultural Activities
8. Sports and Games

¹⁵ (see <http://www.uis.unesco.org>)

9. Nature and Environment

This is a Framework for Cultural Statistics and not a Framework for Cultural Indicators. This does not mean that specific indicators cannot be reasonably derived and extrapolated intelligently from the data sets, but it does mean that it was not set up to 'indicate', but simply to 'tell'. The work of indication requires a good deal more work at international, national and local levels and will be inflected by prevailing or emergent policy aims and objectives.

4.6.2 *Uses of the Framework for Indicators*

In his *Proposals for a set of cultural indicators* (1993), Leif Gouiedo identifies (and elaborates on) the main objectives of the Framework for Cultural Statistics, which are:

- that it should be an integrated whole, including both the social and economic aspects of cultural phenomena, such as the production, distribution and consumption of, and demand for, cultural goods and services;
- that it should be logical and based on principles which make it possible to link it with related statistical systems such as FSDS [UN Framework for the Integration of Social, Demographic and Related Economic and Other Statistics) and SNA [System of National Accounts];
- that it should serve the needs of planning, controlling and studying matters connected with cultural policies and therefore include all phenomena which are of importance to the field.¹⁶

There have been very useful examples of countries where the Framework for Cultural Statistics (FCS) has been applied in a fairly rigorous and productive way in order, for example, to greatly refine and make more useful and sensitive Standard Industry Classification codes (SICs) and Standard Occupational Classification codes (SOCs), and this provides a much more detailed and policy-enabling statistical picture of activities, strengths and weaknesses in the cultural sector. One such example is Australia.

4.6.3 *The Australian Culture Leisure Classification*

¹⁶ Gouiedo, L., 1993, 'Proposals for a set of cultural indicators', in *Statistical Journal of the United Nations Economic Commission for Europe*, 10, pp. 227-289.

Australia illustrates the use of the UNESCO FCS in the development of the Australian Culture Leisure Classification (ACLC), which defines its objects of analysis in the following terms:

AUSTRALIAN CULTURE LEISURE CLASSIFICATION (ACLC)

Culture and leisure activities are considered to be those undertaken for the purpose of:

- enjoyment, relaxation, diversion or recreation;
- artistic expression (e.g. visual, musical, written, kinaesthetic or dramatic);
- using, practising or developing sporting skills;
- generating, developing, preserving or reflecting cultural or spiritual meaning;
- and facilitating any of the above.

Strictly speaking, however, the ACLC has three principal categories of classification: the Industry Classification, the Product Classification and the Occupation Classification.

In the ACLC **Industry Classification**, all types of business entities are included, such as commercial and subsidised organisations, government agencies, non-profit institutions and associations, individuals undertaking business activities, etc. It has three levels of classification: divisions, groups and classes. Each class contains a definition, a list of primary activities and a list of exclusions. There are four divisions, 22 groups and 75 classes within the Industry Classification.

The ACLC **Product Classification** consists of a list of culture and leisure goods and services (together known as products). These products are the primary outputs of the industries listed in the ACLC Industry Classification; in addition, they are produced by other industries (for example, museum services may be provided by a business unit in the mining industry). The products included in the ACLC Product Classification are grouped into 26 broad groups and 227 classes.¹⁷

The ACLC **Occupation Classification**, which is based on the Australian Standard Classification of Occupations (ASCO), lists occupations which are

¹⁷ Australian Bureau of Statistics. [<http://www.abs.gov.au>]

predominantly 'culture or leisure' in nature. The ACLC Occupation Classification contains 159 occupation classes..

A UK creative industries specialist, Andy Pratt at the London School of Economics, commenting favourably on this Australian model derived from the FCS, suggests that this is the starting point for building bridges between cultural statistics and cultural indicators. We cite his argument at length here:

'First, there must be a long-term effort to improve the quality of comprehensive data sources that already exist, such as the national census and business censuses. The key here is the need to refine classifications of industry and occupation...the simple expansion of the number of cultural industry relevant sub-categories would help enormously....

Second, a list of relevant new data needs to be assembled. In part this can intersect with... more detailed local and regional breakdowns...Equally significant is the collection of data that produces systematic information on business size and structure, on inter-trading relationships, on outputs, the value of intellectual property, as well as on organisation and management. Likewise, information on employment conditions and status, plus training and mobility need to be compiled...

Third, there is the whole field of organisational and institutional information at a variety of scales. This, commonly derided, qualitative information is in practice the lifeblood of any individual or firm...'¹⁸

4.6.4 EUROSTAT and EUROBAROMETER

Eurostat has been prominent in carrying out possibly the most integrated and complex developments in this area with the aim of standardising cultural statistics across the European Union following pressure from the French Government and others. Four main Task Forces were set up in 1995 consisting of statistical and cultural specialists from across the EU to:

¹⁸ Pratt, A, 2001, 'Understanding the Cultural Industries. Is More Less?' in Mercer, C (ed), *Convergence, Creative Industries and Civil Society, Culturelink*, Special Issue, Zagreb, Institute for International Relations, 61-62.

- Classify cultural activities
- Classify cultural occupations
- Analyse cultural funding and expenditure
- Measure individual participation in various fields of culture.

The Classification of Economic Activities in the European Community (NACE) and International Standard Classification for Occupations (ISCO) 88 (COM), categories were modified to produce a new nomenclature to try to quantify employment levels in the cultural sector, although it was recognised that reforms to the statistical systems of all EU nation states would be required for the sake of more accuracy. Various other recommendations, such as the standardisation of sample techniques, questionnaire use across the whole EU, a common EU cultural survey every five years and much closer statistical co-operation were put forward by Eurostat – a number of which are currently being implemented. Drawing on the UNESCO FCS, The Eurostat Leadership Group (The LEG) agreed on a common culture field (for 12 participating nations of the EU) around eight cultural and artistic domains. These are:

1. Cultural Heritage
2. Archives
3. Libraries
4. Books and press
5. Plastic (i.e. visual) Arts
6. Architecture
7. Performing Arts
8. Audio and audiovisual/multimedia.

Even within this seemingly straightforward classification framework, however, the LEG Report notes the enormous difficulties associated with both data collection and with the harmonisation of methods for collection and ongoing analysis. As Michael Skaliotis notes in the foreword to the report of *Cultural Statistics in the EU*:

European cultural statistics do not yet have a "right of citizenship" within social and economic statistics in general, although everyone

agrees on the political relevance and the increasing economic and social importance of cultural activities and behaviours. In fact the number of people employed, the public and private funds involved and the mass participation in cultural activities all imply that relevant statistical information on the sector has to be available¹⁹.

The report does not make any distinction between a statistic and an indicator - a mistake often made at senior policy levels where an immediate translation between the two terms is part of the stock in trade - but it does at least move many EU countries in a welcome direction. At the same time, it has to be acknowledged that progress has been slow and this has revealed certain tensions between statisticians anxious to ensure absolute clarity in the framework and policymakers who want to see some results, even if there remain some imperfections in the data.

A related and important development in this area is the inclusion in the *Eurobarometer Survey*, undertaken by the European Opinion Research Group, of 18 substantive questions relating to cultural participation and consumption and their correlation with 11 demographic variables. While this does not render results on individually held values, it does give some important information on the distribution of various forms of cultural capital (correspondence, for example, between income group, location and propensity to participate in different cultural activities).

The 18 substantive questions (with many more subsidiary questions) in the last survey were:

EUROBAROMETER CULTURAL CONSUMPTION AND PARTICIPATION QUESTIONS

- Q.35 Which of these types of TV programmes do you watch?
- Q.36 Do you watch videos or DVDs?
- Q.37 Do you listen to the radio?
- Q.38 What types of programmes do you prefer to listen to on the radio?
- Q.39 Do you use a computer or PC?
- Q.40 How often do you use a computer at home/outside home for work or study/leisure?

¹⁹ Eurostat, 2000, *Cultural Statistics in the EU: final Report of the LEG*, Eurostat Working Paper, Brussels, European Commission

- Q.41 Do you use the internet/ what usually for (30 options)?
- Q.42 Have you read any books in the last 12 months for work/education/other reasons?
- Q.43 Do you read newspapers/how often?
- Q.44 Do you read magazines/how often?
- Q.45 Do you listen to music/how often?
- Q.46 How do you listen to music/what kind of music?
- Q.47 Which of these (10 listed cultural activities/sites) did you go to in the last 12 months and how often?
- Q.48 What kind of concerts did you go to (13 options)?
- Q.49 Which of these (six listed) artistic activities have you participated in within the last 12 months.
- Q.50 Do you have at home any of the following items (20 listed including TV, camera, stereo, PC, paper/CD encyclopedia, etc)?

It is surprising how little is known about the facts of cultural consumption and participation rendered by surveys of this type and, importantly, how much less is known about the correlations between social class, ethnicity, gender, age and location and these activities.

At the demand/consumption end of the value chain this is a very useful source of statistical knowledge which, because it is enhanced by correlation with demographic variables (i.e. an explanatory framework), is much more likely to render statistics that can be more readily translated to social indicators than statistics on industry and occupation.

We have scanned the quantitative field in this section so far and noted, *en route*, areas where more qualitative and explanatory support is or will be necessary. The core of our argument has been that this sort of quantitative baseline knowledge, itself in need of greater refinement and harmonisation, is necessary but not sufficient for the task of developing indicators which are both integrated and strategic.

4.6.5 *Taiwan Cultural Indicators*

An example of the use of the UNESCO Framework for Cultural Statistics closer to home and also of the integration of economic and social data is the recently developed Taiwan Cultural Indicators framework.²⁰

This framework is careful to define its characteristics in the following terms:

Characteristics of Taiwan Cultural Indicators

- Not descriptive statistics, but directional indicators
- Not an evaluation table, but a framework for thinking
- Different from economic value thinking; rather it constructs indicators on cultural value
- Suitable for Taiwan's local characteristics and at the same time reciprocal to UNESCO cultural statistics.

Equally clear is the evaluative, normative and policy oriented function of the cultural indicators:

Function of Taiwan Cultural Indicators

- To investigate core values in order to observe cultural development
- To assist cultural policy making
- To evaluate the result of policy execution
- To promote public discussion
- To recognise civilians' cultural rights

The core values, framed generally in a value production chain model, and their directions, are identified in the following terms:

Core Values of Taiwan Cultural Indicators and their directions

- *Creativity*: The innovation ability of an artifact; the creative environment stimulated by policy

²⁰ This information is based on a presentation by Taiwan Thinktank (translated by Colin Kwok) at a meeting in Hong Kong in 2004 with the Centre for Cultural Policy Research, University of Hong Kong.

- *Cultural accumulation*: The effort in develop, conserve, research, educate and promote cultural capital, and the accumulation of the in-situ cultural experience.
- *Accessibility*: The distribution of cultural works, the planning and effort to share with the public from different backgrounds
- *Integration*: The respect and interaction among different cultures, minority culture and ecoculture.

Economic Value: Cultural-economical benefits generated by policy

This is a useful framework which:

- uses the UNESCO FCS as its quantitative and definitional baseline for data identification and collection
- constructs its core values along a value production chain model (from creativity to integration/consumption)
- recognises the integrated economic and social dimensions of cultural practice and experience (public discussion, cultural rights, cultural integration and diversity, etc)
- provides an 'input-throughput-output-outcome' framework for indicator development and policy evaluation.

The integration of economic and social impacts in this model brings us now to a point where we can examine social impacts – and their indicators – in a little more detail.

4.7 Social impacts and indicators: social capital and cultural capital

4.7.1 Social Capital: definitions

In a definition offered by the World Bank (which uses the concept extensively in the assessment of development projects), '[s]ocial capital refers to the institutions, relationships and norms that shape the quality and quantity of a society's social interaction. Increasing evidence shows that social cohesion is critical for societies

to prosper economically and for development to be sustainable. Social capital is not just the sum of the institutions which underpin a society - it is the glue that holds them together'.²¹.

'Social capital', argues culture and development specialist Helen Gould, 'is the wealth of the community measured not in economic but in human terms. Its currency is relationships, networks and local partnerships. Each transaction is an investment which, over time, yields trust, reciprocity and sustainable improvements to quality of life'.²²

There are three key points here which are relevant to this project and to the development of integrated arts and cultural indicators

- First, social capital is, in principle, *measurable* through various techniques and tools.
- Secondly, social capital has a 'currency' in relationships, networks, partnerships in which, in principle, it would not be too difficult to identify the 'cultural element'.
- Third, the currency of social capital, appropriately nurtured and managed, yields 'sustainable improvements to quality of life'.

Social capital provides, then, in principle, a measurable entity, a currency and a policy imperative and framework (quality of life) that will provide the (strategically) normative conditions and indicators for its evaluation.

With the assistance of Helen Gould, we can take the argument a little further in the context of culture indicators and the possible forms of their assessment.

'Because the way of life of a community is largely determined by cultural factors, it is not possible' Gould argues, 'to intervene in its development without taking into account cultural beliefs, rituals, traditional power structures, modes of expression, concepts of time, ways of visualising, attitudes to health and nutrition, relationships to the environment and many other cultural factors'.²³

²¹ Gould, H., 2001, 'Cultural Capital and Social Capital' in Matarasso, F (ed), *Recognising Culture: Briefing Papers on Culture and Development*, Stroud, Comedia, 69

²² Gould, *ibid*, 69

²³ Gould, *ibid*, 71

What are the practical implications of this for the purposes of indicator development and assessment?

4.7.2 *Social Capital Theory and Application*

Social capital theory has been developed essentially, but not exclusively, in the Americas, where it functions both as a 'knowledge base' and as a 'tool' for locally and regionally based community assessment. Social capital assessment operates at the level of households, communities and associations and engages issues ranging from house construction and type, through gender relations in the household, to support networks and forms of civic and community engagement.

To give an indication of the operationalisation of this knowledge base in the field of social capital, these are the main and sub-headings of the *Social Capital Assessment Tool* (SCAT) developed by Anirudh Krishna and Elizabeth Schrader for a systematic evaluation by survey, interview and other techniques applied at community level:

SOCIAL CAPITAL ASSESSMENT TOOL: SURVEY CATEGORIES

1. Community characteristics
2. Household characteristics
3. Genogram (family and household composition, etc)
4. *Structural* Social Capital ('work you or members of your household might do in the village/neighborhood') including:
 - Organisational affiliations (membership of community, trade and civic organisations)
 - Networks and mutual support organisations
 - Exclusion
 - Collective action
 - Conflict resolution
5. *Cognitive* social capital including:
 - Solidarity
 - Trust
 - Reciprocity and co-operation²⁴

²⁴ Krishna, A, and Schrader, E, 1999, Social Capital Assessment Tool, Prepared for the Conference on 'Social Capital and Poverty Reduction', Washington DC, 22 – 24 June, World Bank. [<http://poverty.worldbank.org/library/view/8150>]

Like cultural policy, this social policy agenda is also 'strategically normative' in so far as it is concerned with making quality of life better as an integral component of sustainable economic development. As Michael Edwards of the World Bank has put it, 'social capital offers a way of doing good things better, and provides a *unifying interdisciplinary discourse in which to discuss a range of otherwise disparate concerns*'²⁵ (emphasis added). Edwards goes on to stress that 'our understanding of both social capital and civil society in non-western societies is very shallow.'

The orientation of social capital theory, practice and assessment is towards 'quality of life' and suggests some important ways in which the cultural field can be linked to this agenda. As Michael Woolcock, also at The World Bank, has said, 'the virtue of the social capital perspective is that it allows people to take an approach based on assets rather than 'deficits'.'²⁶

There is, as Krishna and Schrader put it, a 'strong argument for developing different empirical correlates in diverse social and cultural contexts... and strong support for devising locally and conceptually relevant measures of social capital'²⁷. This needs to be achieved through *the integration of complementary methodologies*.

The Social Capital Assessment Tool (SCAT), developed by Krishna and Schrader and drawing partly on Putnam's work²⁸ is based on research instruments drawn from 26 studies conducted in 15 countries and with pilot surveys running in Latin America and rural communities in India. The SCAT combines quantitative indicators with qualitative methods including '...participant observation, life histories, in-depth interviews, and focus group research...providing in-depth examination of environmental assets'²⁹. On the matter of reconciling context-sensitivity to the development of a relatively unified methodology, the authors note that '[w]hile the *scale* of social capital may have to be constructed separately for each different context, *instruments* can be devised that will assist in the construction of such a scale among each of these different

²⁵ Edwards, M., 1999, 'Enthusiasts, Tacticians and Sceptics: The World Bank, Civil Society and Social Capital', Washington DC, 9. [<http://poverty.worldbank.org/library/view>],

²⁶ Woolcock, M., 1999, 'Managing Risk, Shocks and Opportunity in Developing Economies: the role of Social Capital'. [<http://poverty.worldbank.org/library/view>]

²⁷ Krishna, A and Schroeder, E., 1999, op cit., 2./

²⁸ For information on Robert Putnam's approach see especially, Putnam, R, Leonardi, R, and Nanetti, R, 1994, *Making Democracy Work? Civic Traditions in Modern Italy*, Princeton, New Jersey, Princeton University Press.

²⁹ Krishna, A and Schroeder, E., 1999, op cit., 9.

contexts³⁰. This is an argument that is also very important for our purposes in 'cultural capital assessment'.

Another example of the use of social capital in survey instruments, is the introduction of a 'social capital module' into the *General Household Survey* administered by the UK Office of National Statistics (ONS). This module was established for the purposes of measuring social capital and social support in the context of evaluating community health. It forms part of a wider national strategy dealing with questions of social exclusion and neighbourhood renewal. It is worth looking at the topics and the questions asked in a little detail to enable us to trace some connection to the field of 'cultural capital'. The topics and question areas are as follows:

SOCIAL CAPITAL MODULE OF THE UK GENERAL HOUSEHOLD SURVEY:
SURVEY CATEGORIES

VIEW OF LOCAL AREA

This topic looks at the physical environment in which people live, the facilities in their area and whether they feel safe in the area. People's feelings about their physical environment can relate to each of the other aspects of social capital.

CIVIC ENGAGEMENT

This looks at people's role in their community, and whether they feel they can influence events within the community. Indicators of civic engagement and trust of civil institutions and processes are central to Putnam's understanding of social capital. It is measuring the amount of self-empowerment and control that people think they have and their involvement with the community.

RECIPROCITY AND LOCAL TRUST

This section looks at how many local people respondents know and trust, and whether people would do favours for them, or vice versa.

³⁰ Krishna, A and Schroeder, E., 1999, op cit., 7.

Trust of the stranger is a central dimension of Putnam's concept of social capital,

SOCIAL NETWORKS

This section looks at how often respondents see or speak to relatives, friends or neighbours and how many close friends or relatives live nearby. Social networks are seen as an important aspect of social capital, as the number and types of exchanges between people within the network, and shared identities that develop, can influence the amount of support an individual has, as well as giving access to other sources of help.

SOCIAL SUPPORT

This section looks at how many people the respondent could turn to if they needed help - ranging from practical to financial to emotional support. The section also asks whom they would turn to for help; the degree of individual support a person has can influence health outcomes and health behaviour.³¹

For those concerned with the strategic potential of cultural policy and cultural indicators, it should not be too difficult to see how this sort of survey instrument, related, in this case, to health and administered by a national statistical office at household level, might accommodate a range of questions relating to culture and human development if we are able to forge a persuasive conceptual link between social capital and cultural capital.

4.7.3 Cultural Capital Assessment

What sorts of questions would need to be posed in a cultural capital assessment along these lines of enquiry? Helen Gould provides some answers to this in the form of broad questions that will enable communities 'to analyse their problems, evolve and rehearse solutions and vocalise their views to opinion-formers and policy-makers'³². The questions are as follows:

WHAT ARE THE COMMUNITY'S CULTURAL RESOURCES AND ASSETS?

- What are its key products, events, organisations, individuals, buildings and special sites, indigenous skills, cuisine and forms of expression (music, dance or visual arts)?
- Who uses or creates cultural resources and how do they benefit the community?
- Which local cultural resource people or organisations help deliver social capital?

³¹ Office for National Statistics (UK): *Assessing people's perceptions of their neighbourhood and community involvement* (Part 1)

³² Gould, op cit, 74.

WHAT CULTURAL VALUES UNDERPIN THAT COMMUNITY AND ITS WAY OF LIFE?

- What are the traditional power structures, hierarchies and decision-making channels?
- How does the community see time, nutrition, spirituality, environment, symbols and images?
- How does the community communicate and what values are communicated?
- How widely are cultural values shared? Are there several sets of values at work?

HOW CAN THE DEVELOPMENT OF SOCIAL CAPITAL WORK WITH CULTURAL VALUES AND RESOURCES?

- What are the cultural values, which benefit or hinder the development of social capital?
- How can cultural processes promote equitable relationships and foster inclusive approaches which enable all sectors of the community to participate and benefit?
- How can culture build confidence, skills, capacities, self-esteem and local pride?
- How can culture promote cross-community dialogue and build new relationships?

HOW CAN CULTURAL CAPITAL AND ITS IMPACT ON THE DEVELOPMENT OF SOCIAL CAPITAL BE EVALUATED?

- How does investment in cultural capital impact on other forms of social capital - economic and social benefits and what are the drawbacks?
- How do attitudes towards the community and other sectors of the community change?

- What additional skills and capacities have been achieved and what impact did these have on community sustainability?

How has cultural capital enhanced relationships, built trust and created new networks?³³

Sharon M Jeannotte's work for the Department of Canadian Heritage indicates some of the ways in which this body of theory can be usefully applied to policy and planning in the cultural field.

Noting, the close connections between social and cultural capital, she points out that 'the volume of social capital possessed by an individual depends on the size of his or her network connections and on the volume of economic and cultural capital possessed by those to whom he or she is connected. This network "exerts a multiplier effect on the capital he possesses in his own right", but it is not a natural given and requires "investment strategies" to establish or reproduce social relationships"³⁴

Cultural capital is not the same as social capital, but it may determine its *quality* and, indeed its *sustainability* in any given context. As an example she cites the work of Comedia and Matarasso, (Use or Ornament? The Social Impact of Participation in the Arts) on the social impact of the arts in the UK:

First, arts participation was found to have a positive effect on social cohesion by bringing people together...encouraging partnerships, promoting intercultural understanding, reducing fear of crime and promoting neighbourhood security...

Second, it helped to empower communities by building organizational skills and capacities, by helping people to gain control over their lives and to become more active citizens and by regenerating neighbourhoods...

Third, active participation in the arts had positive impacts on local image and identity by celebrating local culture and traditions, affirming the pride of marginal groups, encouraging involvement in

³³ Gould, op cit, 74

³⁴ Jeannotte, S, 2002, 'Singing Alone? The Contribution of Cultural Capital to Social Cohesion and Sustainable Communities', Proceedings of the 2nd International Conference on Cultural Policy Research, Wellington, Victoria University, New Zealand, 4

*environmental improvement and transforming negative perceptions of local authorities and agencies*³⁵.

Jeannotte's analysis of the results of the 1998 *Canadian General Social Survey* (GSS) which focused on Selected Cultural Participation and Volunteer Rates in the following table is instructive in this context.

³⁵ Jeannotte, *Ibid*, 6.

SELECTED CULTURAL PARTICIPATION AND VOLUNTEER RATES
Canada - 1998

Activity	Participant Volunteer Rates (%)	Non- participan t volunteer rates (%)
Attended children's performance	61	42
Attended choral music performance	57	43
Attended dance performance	55	43
Attended classical music performance	52	44
Attended theatre performance	51	38
Attended opera	51	45
Visited commercial art gallery	51	46
Visited science museum	51	44
Attended cultural heritage performance	48	32
Attended popular stage performance	48	32
Attended cultural or artistic festival	47	30
Visited historic site	47	27
Used library	46	29
Accessed the internet	45	29
Visited nature park	42	26
Read book for pleasure	36	22
Went to movie theatre	38	26
Read newspaper	43	52

As Jeannotte comments on these findings, 'investments in cultural capital have collective benefits inasmuch as they also encourage individual altruism in the form of community volunteerism... among those who participated in any kind of cultural activity, the volunteerism rate was 34% while among those who did not participate it was only 20%' ³⁶.

The findings 'appear to confirm that there are collective benefits to investments in cultural capital and that some sort of virtuous circle is in play...a very important feedback loop may exist between cultural capital and civil society/social capital that has not hitherto been acknowledged'. ³⁷.

³⁶ Jeannotte, op cit., 9-10

³⁷ Jeannotte, op cit., 10-11.

Another example of this sort of approach is certainly one of the most detailed investigations of the cultural field carried out anywhere in the world. In *Accounting for Tastes: Australian Everyday Cultures*, 1999, Bennett, Emmison and Frow argue that there is a complex 'politics of visibility' in the relations between research and policy that has to be confronted³⁸. This is absolutely central to our concerns and argument here. The authors put the case in the following terms:

*'There is, for example, no means, in the absence of sophisticated cultural statistics, of pursuing cultural diversity or access and equity policies in anything other than a purely gestural fashion. Such policies are precisely about managing ways of life and, as such, they require detailed forms of statistical monitoring, if they are to be pursued with vigour and commitment. It is arguable that the absence of an appropriately detailed and holistic statistical map of...cultural practices and their participants has been a serious impediment to the ability of governments...to pursue cultural diversity and access and equity policies with anything like the kind of 'bite' required to make such policies truly effective.'*³⁹

This brings us to the core of our task and to the crucial mechanism of understanding how, like social capital theory, a more detailed analysis of the cultural field, informed by the concept of cultural capital, might generate assessment tools and new indicators for human development that work below, within, with and sometimes against the received classification systems for cultural policy.

Therefore the understanding and analysis of cultural capital is something of an archaeological task of excavation of the relations between access to and use of cultural resources (including regimes of 'taste' and 'distinction') and the capillary structures of social and economic power. It is this form of 'excavation' that will enable us to both interrogate the cultural field and to trace its connections to the economic, the social, the political, and the personal.

In common with the *Social Capital Assessment Tool* discussed above, the Australian *Accounting for Tastes* project is based on a detailed questionnaire

³⁸ Bennet, T, Emmison, M & Frow, J, 1999, *Accounting for Tastes: Australian Everyday Cultures*, Cambridge University Press

³⁹ Bennet, T., et al. *ibid.*

applied at local level across all States in Australia and weighted on a population basis to nearly 3000 respondents. Here we list the eight question categories:

THE ACCOUNTING FOR TASTES (AUSTRALIA) QUESTION CATEGORIES

- A. YOUR HOUSEHOLD (22 QUESTIONS)
- B. DOMESTIC LEISURE (14 QUESTIONS)
- C. YOUR SOCIAL ACTIVITIES (16 QUESTIONS)
- D. TASTES AND PREFERENCES (24 QUESTIONS)
- E. RECREATIONAL ACTIVITIES (16 QUESTIONS)
- F. FAMILY AND FRIENDS (23 QUESTIONS)
- G. YOUR PERSONAL CHARACTERISTICS (38 QUESTIONS)
- H. SOCIAL AND POLITICAL ATTITUDES (18 STATEMENTS TO WHICH RESPONDENTS WERE INVITED TO RESPOND ON A 'STRONGLY AGREE' TO 'STRONGLY DISAGREE' SCALE).

Responses are correlated against socio-economic status, ethnicity, gender, location, and attitudinal variants, and the results are extraordinarily fertile ground for cultural researchers and policy-makers with profound implications for the understanding of the role of both public and private providers of culture.

This is the context in which the sorts of questions about the relations between social and cultural capital proposed by Helen Gould, the methodological frameworks developed by Krishna and Shrader for the World Bank and the work of the Australian researchers come together to suggest distinctive new directions for cultural indicator research and development, which flows upward from the cultural resource base and begins to enrich, potentially at least, larger scale national and international systems of classification and development of the cultural field. We note the *Creativity Index* is moving firmly in this direction.

The *Social Capital Assessment Tool*, the Social Capital Module of the UK *General Household Survey*, and the *Australian Accounting for Tastes* project

provide some of the new tools that are essential for arriving at 'policy-rich', if not always policy-oriented, research and consultation outcomes. This is, of course, a labour and resource-intensive process and, therefore, expensive. As Ann Bridgwood, former Director of Research at Arts Council England has put it in the context of linking arts and culture to social inclusion agendas, there is a need to measure long-term change (especially attitudinal) but:

'..[l]ongitudinal research is both expensive and characterised by attrition, yet long-term research and evaluation projects are needed if there is to be any hope of measuring long-term change...there is a need for large-scale studies, both to collect evidence from large numbers of people and projects and to develop common frameworks which can be used by...organisations in their own evaluation.⁴⁰

Hence there is a need for a detailed 'exploration of the journey from input to outcome, either through in-depth qualitative work or through statistical analysis of large data sets using techniques such as regression analysis'⁴¹

This is the issue to which we now turn in the context of the catalyst and strategic context provided by the *Hong Kong Creativity Index*.

⁴⁰ Bridgwood, A., 2002, 'Social Inclusion: Policy and Research in the Arts', Proceedings of the 2nd International Conference on Cultural Policy Research, Wellington, Victoria University, New Zealand, 8

⁴¹ Bridgwood, op. cit.

5 INTEGRATED ARTS AND CULTURAL INDICATORS IN HONG KONG: A BRIEF HISTORY

5.1 SusDev 21: Culture and Sustainability

In 1997 the Hong Kong Special Administrative Region, published *SUSDEV 21*, a framework for sustainability in Hong Kong for the 21st century⁴². The framework links the economy, education, health and environment in a series of baselines. Culture figures essentially in the Socio-Economic Baseline, but also, in the form of heritage stock, in the Environmental Baseline.

The key objective stated for culture is framed in terms of the category of ‘Leisure and Cultural Vibrancy’ as follows:

Protect and enhance the vibrancy of Hong Kong’s recreational opportunities, leisure activities, cultural diversity, archaeological, historical and architectural assets.

This report has the virtue of including the broadly defined cultural sector within a framework for sustainability, but notes that, in general, and across all sectors, ‘very few indicators meet the requirements’. The indicators identified for the arts and cultural sector are as follows:

- Number of recorded archaeological sites;
- Number of recorded cultural and historical sites;
- Percentage of population living within districts with a shortfall of required provision of open space;
- Annual ticket sales for major cultural, entertainment and sporting events.

Important as these are it will probably be agreed that, for the purposes of this study and the remit of the HKADC, there is only one – the last – which is partially of relevance. Nonetheless, *SUSDEV 21* has the virtue of placing ‘Leisure and Cultural Vibrancy’ in ways that at least enable the field and its indicators to be thought in that broader and more strategic societal context. These are all, of course, essentially objective and quantitative indicators.

Some insight into perceptual indicators – what people think about the role of arts and culture in relation to quality of life – is provided by the next stage of

⁴² HKSAR, 1997, *Study on Sustainable Development for the 21st Century in Hong Kong* (SUSDEV 21), Hong Kong. (<http://www.info.gov.hk/planning>)

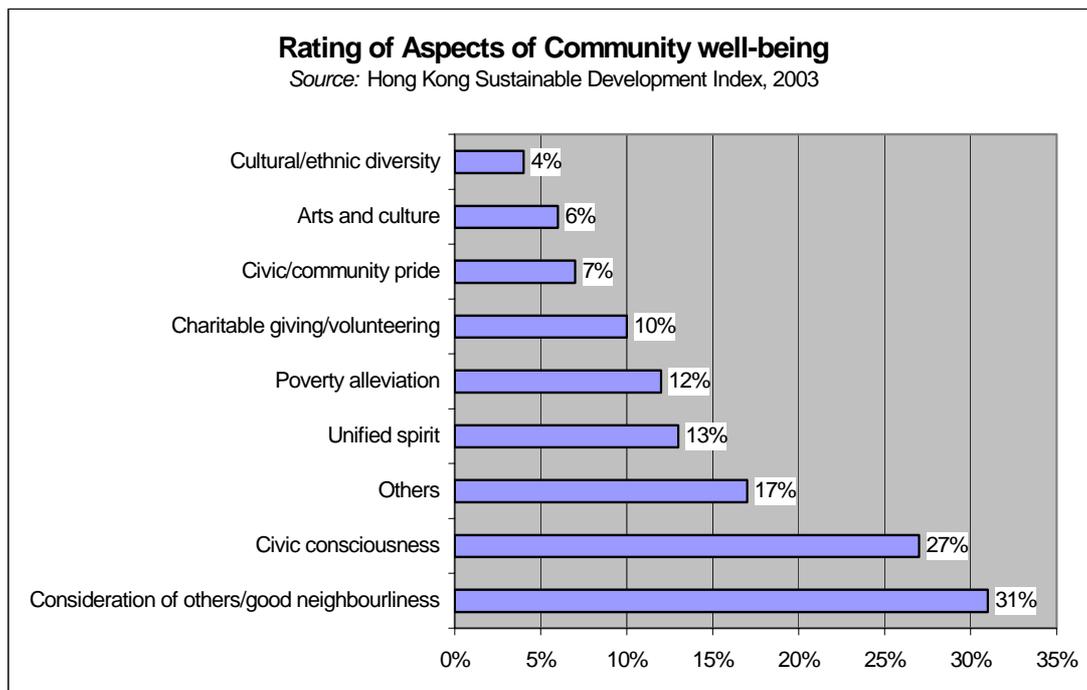
development of integrated arts and cultural indicators in Hong Kong: the *Hong Kong Sustainable Development Index*.

5.2 The Hong Kong Sustainable Development Index

In 2003 the Canadian Chamber of Commerce and the City University of Hong Kong published the *Hong Kong Sustainable Development Index* (HKSDI) which identified, on a survey basis, 10 priority areas that, in order of ranking, are as follows:

- Educational system
- Healthy economy
- Health and hygiene
- Environmental protection
- Caring and ethical employers
- Urban planning
- Community spirit and well-being
- Population policy
- Civil liberties and human rights
- Integration with the mainland.

In only one of these priority areas (Community spirit and well-being) do the arts and culture rate a mention and even then they are rated 8th out of nine categories with 6% level of recognition. Asked 'which aspects of community spirit and well-being would improve the quality of life?', the respondents rating are shown in the following chart



Notwithstanding the low rating of arts and culture in their contribution to quality of life, this is a beginning for the integration of arts and cultural indicators with broader social indicators in Hong Kong, because at least the quality of life connection is made. Results from our own survey show that higher rating will be achieved if the connection – the integration – with other aspects – personal development, social development, community cohesion, identity and image, etc., is made within the community well-being category.

It is also clear from our own research and other Hong Kong based and international work that the connections can also be made with several of the other identified priority areas, including from the list above:

- Educational system (as for example in the benefits provided by arts-rich educational environments)
- Healthy economy (as in the significant growth of the creative industries sector and its connection to the wider creative and knowledge economy)
- Urban planning (as in the integration of cultural facilities and quarters to improve the image and quality of place)
- Civil liberties and human rights (as in recognising cultural rights to expression and identity)

Making the connections with these areas and others – as we advocate in this report – will enable the development of a broader, more strategic and more policy enabling set of integrated indicators.

This process has now gained significant momentum with the appearance of *The Interim Report on a Hong Kong Creativity Index*, which, in our view, represents an example of international best practice in developing integrated social, economic and arts and cultural indicators. It is to this initiative that we now turn.

5.3 Arts and Cultural Indicators in the Context of the *Creativity Index*

The publication of *The Interim Report on a Hong Kong Creativity Index* in November 2004 provides both a strategic context and a commensurable conceptual framework for positioning arts and cultural indicators in Hong Kong. The umbrella framework ‘Measuring Outcomes of Creativity’ proposed by the *Index* includes the following categories of data collection that are directly enabling for, and relevant to, the framework proposed in this report.

- Value added of HK’s creative industries as percentage of GDP;

-
- Number of persons engaged in creative industries as percentage of total employment;
 - Share of goods trade of creative industries relative to total goods trade;
 - Share of services trade of creative industries relative to total services trade;
 - Export capacity of the sector as a whole and of specific sub-sectors (visual arts, performing arts, etc);
 - Productivity growth;
 - Publication and title/ copyright registration data for all cultural forms (books, films, music, etc);
 - Participation rates in identified cultural activities.

As we have indicated above, this sort of data will be crucial to building the evidence and knowledge base for arts and cultural indicators in Hong Kong and to making the connections with the broader strategic issues identified by the *Creativity Index*. It will require adjustments to both the current architecture and systems of data collection currently in place in Hong Kong, which we address below.

Further, the *Creativity Index* identifies four forms of 'capital' – Structural/Institutional Capital, Human Capital, Social Capital, Cultural Capital – which are directly relevant to and commensurable with the approach and methodology for this project and report. The categories of data collection (modified for the purposes of this project) relevant to this report are as follows. The indicators of direct relevance to the HKADC are marked in **bold text**.

5.3.1 *Structural/Institutional Capital*

- Data about HK's protection of intellectual property rights
- Data about access to pirated or counterfeit cultural goods
- Data about freedom of press and publication
- Ratification of international treaties on human and cultural rights

- Internet and PC penetration
- Use of mobile phones
- Public library users, stock and usage
- Cultural and leisure venues and capacity by population
- Radio and TV usage by population

5.3.2 Human capital

- **Education expenditure (on arts/culture) as percentage of GDP**
- **R&D expenditure (on arts/ culture) as percentage of GDP**
- **Percentage of population with educational attainment at tertiary level (in arts, culture, communications, media)**

5.3.3 Social Capital

- **Corporate donations to/sponsorship of arts/cultural activities**
- **Arts/culture related NGOs per capita**
- **Contribution of cultural activities and participation to generalised trust**
- **Contribution of cultural activities and participation to individual trust**
- **Contribution of cultural activities and participation to reciprocity**
- **Contribution of cultural activities and participation to sense of efficacy**
- **Contribution of cultural activities and participation to co-operation**
- **Contribution of cultural activities and participation to acceptance of diversity and inclusiveness**

- **Contribution of cultural activities and participation to values**
- **Contribution of cultural activities and participation to capacity for self-expression**
- **Participation in cultural activities**
- **Cultural participation rates**
- **Membership of cultural societies and organisations**
- **Frequency/intensity of cultural contacts**
- **Time-use for cultural activities**
- **Relationship between cultural participation and civic and volunteer participation**
- **Volunteers per capita and sub-sector.**

5.3.4 Cultural Capital

- **Expenditure on arts and culture as percentage of total public expenditure**
- **Corporate donations to arts and culture**
- **Individual donations to arts and culture**
- **Household expenditure on arts and culture**
- **Value placed on creative activity**
- **Value placed on relationship between arts and culture and personal and community development**
- **Participation rates in cultural activities and venues by sub sector and by demographics.**

Data on some of these categories is provided in the results from the survey work for this project, the results of which follow. This can be built upon by developing a coherent and ongoing template and data capture framework for collection, management and analysis of data, which is both sufficiently differentiated to address the needs and interests of arts and cultural stakeholders and the broader strategic framework of the *Creativity Index*.

Most importantly, however, this provides both the conceptual and strategic framework – and the vectors of connectivity – for the development and consolidation of a coherent structure linking arts and cultural indicators both to the *Creativity Index* and wider strategic objectives.

Although we have seen only the Interim Report, it is already evident that the *Creativity Index* provides a combination of quantitative and qualitative, objective and perceptual, indicators that significantly enhance the knowledge base for cultural policy in Hong Kong and position that policy within the broader strategic framework necessary to insert culture and the arts into the mainstream of public policy.

6 SURVEY RESULTS

6.1 Stakeholders in the cultural value production chain

An integral aspect of our study was to conduct surveys of stakeholders to enable the evaluation of strengths and weaknesses (and appropriate indicators of strength and weaknesses) across the value production chain, from creators and producers, through distribution and promotion to the actual consumers of and participants in culture.

The last study on the latter was that conducted by the University of Hong Kong's Social Science Research Centre for the HKADC in November 2000, when 1,150 citizens, aged between 16 - 64 and randomly chosen, were surveyed⁴³.

Similarly, in this new study, 'consumer and participant' stakeholders were chosen for telephone interview on the basis of random sampling. This was not the case for the creators and producers and promoters and distributors, where a written investigation was conducted through a 'self-administered mail survey'. Questionnaire recipients were derived from HKADC mailing lists of arts practitioners, from the interview list of the *Baseline Study on the Creative Industries*, as well other sources suggested by the team. The study team selected potential respondents as widely as possible. The survey included both those in receipt of public subsidy, as well as others whose living is essentially dependent on the market.

The dataset does contain some limitations: first, we cannot pretend that the sample numbers involved reflect or represent the views of the creative and cultural sector as a whole; secondly, the numbers surveyed in the different cultural disciplines does not correspond exactly to the proportion of individuals engaged in each sector. In particular, creators working in the field of object art, comics, crafts, commercial film and advertising are less well represented in the database used.

Nevertheless, though imperfect, we believe the sample yielded findings that are a reasonable reflection of opinions in a broad range of groups in Hong Kong's creative and cultural sector. Besides, there is as yet no census of creative workers that provides an accurate assessment of the population of artists and creators in Hong Kong. HKADC's own lists relate to recipients of subsidy or

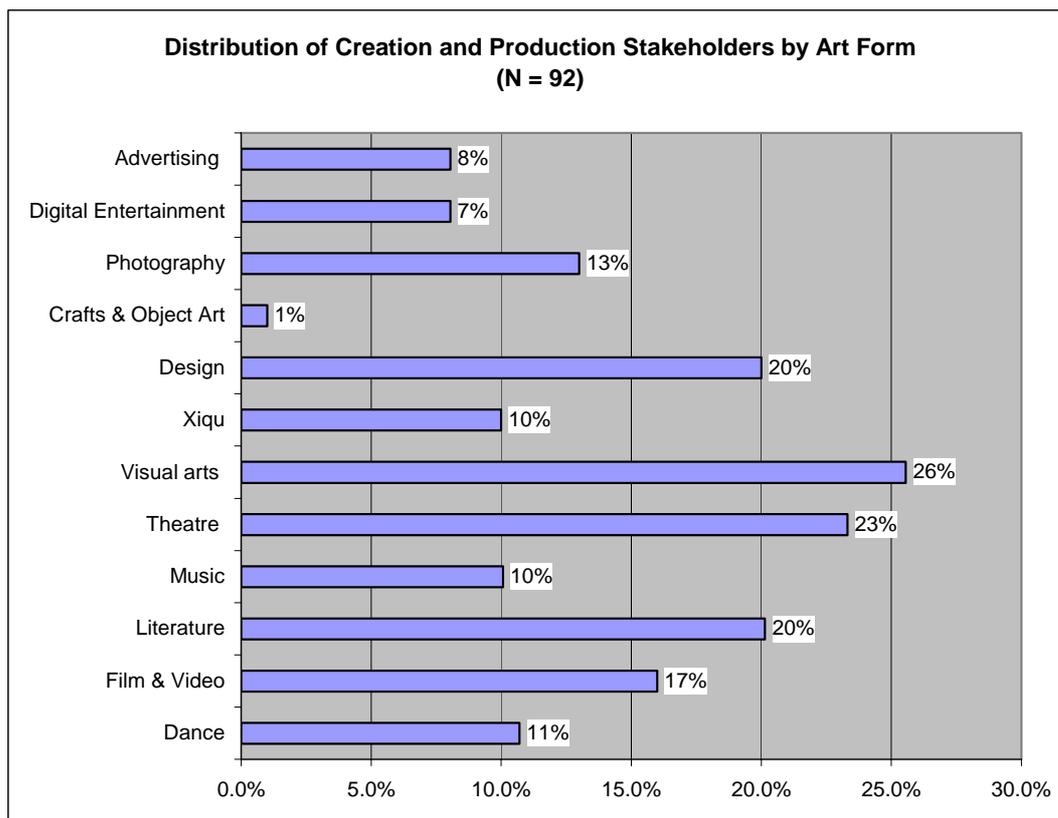
⁴³ *Arts Poll 2000: (The) Public Attitude on Arts*, 2000, conducted by the Social Science Research Centre, University of Hong Kong for the HKADC.

applicants for its grants, while some segments of the creative industries, - e.g. film, digital entertainment or theatrical performance – lack data that provides an accurate assessment of their scope. Constructing a completely ‘representative sample’ of arts and culture and the creative industries in Hong Kong is the task of a different study.

6.2 Creation and production stakeholders

From more than 300 questionnaires issued to creation and production stakeholders – those, that is, who are involved at the first stage of the value chain in actual creative content origination across all art forms – 92 were surveyed for this project. Their distribution by art form is shown in the chart below. In terms of response levels, crafts and object art is under-represented proportionally, while the sectors for photography and literature possibly over-represented. (NB. Respondents were able to identify more than one art form and therefore the totals exceed 100%).

[NB. Figures have been rounded up or down.]



From the survey responses we can note the following policy-relevant features.

Working status: the majority (54%) are multiple job-holders or ‘portfolio workers’ with 42% working as full time artists/creators.

Sources of finance: 38% of respondents are self-financing for all or most of their work and 46 % receive some portion of their income from public sources.

Monthly Income levels: only 21% of respondents earn more than \$50,000 per month. 52% earn between \$1 and \$25,000 per month and 36% earn income from other non arts/culture sources.

Place of work: the majority (51%) work from home, with 34% working from rented premises and 29% working at arts/cultural organisations.

Rating of skill levels in HK: these tend to be clustered in the ‘average’ to ‘very poor’ categories in ‘creative content’ (74%), ‘business management and planning’ (73%), ‘marketing and promotion’ (74%), ‘Information and Communications Technologies (ICTs)’ (66%). Similar patterns of response apply both to availability and appropriateness of training in these areas.

The market and client base: 72% rate as ‘average’ to ‘very important’ local individual/household consumers for their market; 62% local private sector companies; 61% local public sector organisations; 43% PRC organisations and individuals and 53% overseas companies and organisations.

Rating of financial support: availability and appropriateness of financial support from the following sources tends to be in the negative categories of ‘average’ to ‘very poor’.

- Government/public funding: 82%
- Foundations/trusts: 78%
- Private sector/venture capital 77%
- Commercial sponsorship 87%

Availability and costs of infrastructure/premises: availability ratings are predominantly in the 'average' to 'very poor' bands (84%) and cost ratings predominate in the 'expensive' to 'very expensive' bands (60%)

Needs and interests:

- Exchange of ideas with other HK creators 'important' and 'very important': 76%
- Exchange of ideas with overseas creators 'important' and 'very important': 80%
- Adequate premises 'important' / 'very important': 85%
- Intellectual property rights 'important' / 'very important': 79%
- ICTs 'important' / 'very important': 71%
- More commercial sponsorship 'agree' / 'strongly agree' 93%
- More arts/cultural venues 'agree' / 'strongly agree' 81%
- More arts/culture in school curricula 'agree' / 'strongly agree' 96%
- Overseas promotion of HK arts/culture 'agree' / 'strongly agree' 91%
- More government support 'agree' / 'strongly agree' 93%

Use of Information and Communications Technologies: For those artists and creators who considered ICTs as 'important' / 'very important', it is noteworthy that they are using ICTs along the value chain from the moment of creation, albeit less for distribution and point of sale (though this could be coloured by the nature of their work). Here are the percentage ratings:

- Creation and production 66%
- Business and administration 50%
- Promotion and marketing 79%
- Distribution 27%
- Point of sale 37%

Social benefits and impacts: respondents' perceptions of the contributions of their activities to cultural, social and human capital formation and development are consistently high ('agree' / 'strongly agree') in the following areas:

- Improve communication of ideas, information and values 95%
- Improve understanding of different cultures and lifestyles 94%
- Help develop community identity 72%

-
- Help increase well-being and quality of life 80%
 - Help convey history and heritage of HK
72%
 - Help build regional/international profile for HK
82%
 - Help forge creativity, innovation and professionalism
97%

Respondent demographics

The demographics of the respondents by gender, mother tongue, age and education attainment are shown in the tables on the following page. As can be seen, the majority of respondents had high educational levels. (NB. Totals may not amount to 100% because of rounding)

Gender

	%
Male	64
Female	36
Total	100
Number of respondents: 92	

Mother Tongue

	%
Cantonese	89
Putonghua	5
English	3
Others	2
Total	100
Number of respondents: 92	

Age

Age	%
20-24	2
25-34	16
35-44	35
45-54	27
55-64	12
65 or above	8
Total	100
Number of respondents: 92	

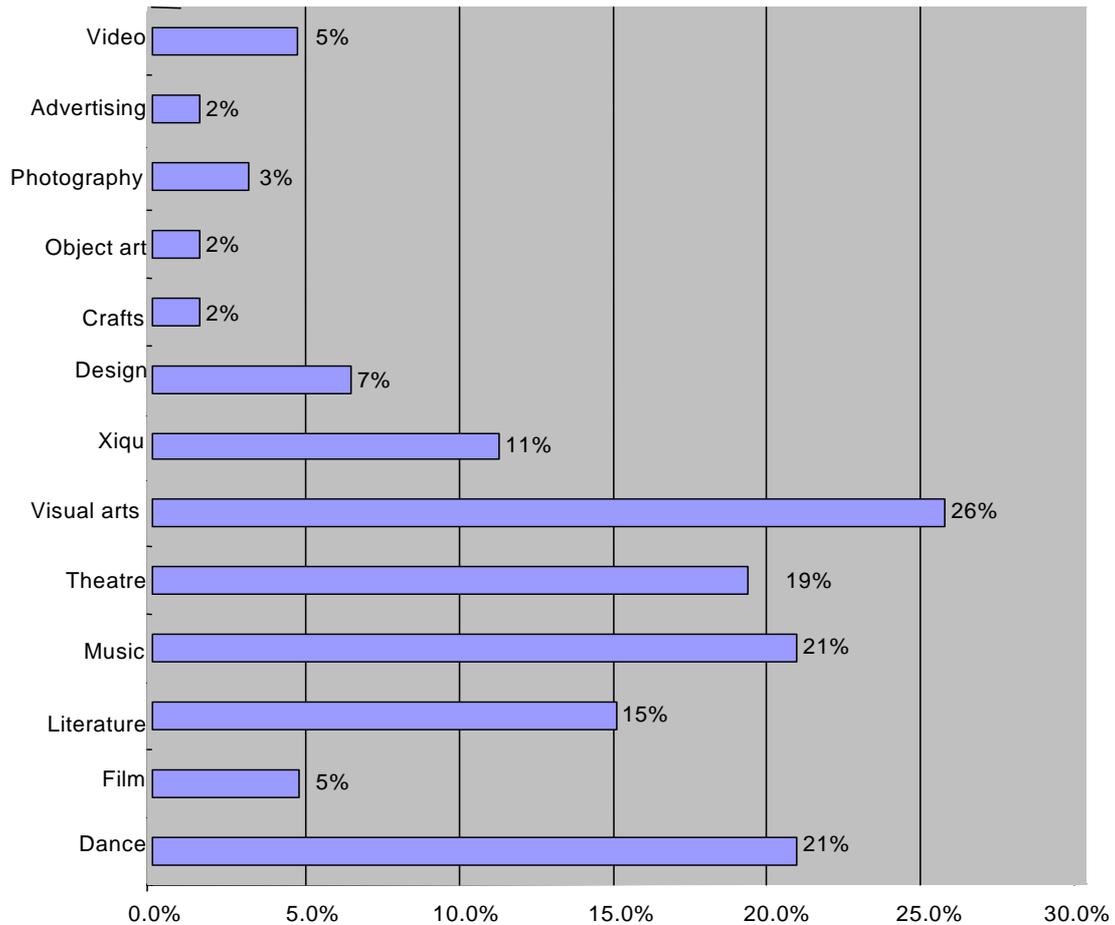
Education Attainment

	%
Primary or below	0
Low to Secondary School (F.1 – F.3)	1
Upper Secondary School (F.4 – F.5)	9
Matriculation (F.6 - F.7)	1
Certificate / Diploma or associate degree	11
Bachelor Degree or equivalent	39
Master or Doctoral degree	39
Total	100
Number of respondents: 92	

6.3 Promotion and distribution stakeholders

62 promotion and distribution stakeholders – those involved in getting cultural product into the marketplace – were surveyed for this project. Their distribution

**Distribution of Promotion and Distribution Stakeholders by Art Form
(N = 62)**



across art forms is shown in the following chart.

[NB. Figures have been rounded up or down.]

From the survey responses, we can note the following policy-relevant features.

Nature of company: 52% private and 40% charitable or registered under Society Ordinance.

Level of total government subsidy/public funding: 15%

Level of partial government funding: 31%

Annual turnover

▪ below \$0.5 m	29%
▪ \$0.5m – 1.0m	24%
▪ \$1.1m – 5.0m	17%
▪ \$5.1m – 10.0m	5%
▪ \$10.1m – 20.0m	9%
▪ above \$20.0 m	14%

Employees

▪ 0	10%
▪ 1-10	48%
▪ 11-50	30%
▪ 50+	12%

Rating of skill levels in HK:

- Creative content skills 'average' to 'excellent'
90%
- Business management, admin and planning 'average' to 'excellent'
82%
- Marketing and promotion skills 'average' to 'excellent'
72%
- ICT skills 'average' to 'excellent'.
79%

However, the same cannot be said of the appropriateness and especially the availability of skills training where the rating on a scale of 'average' to 'very poor' shows:

- | | |
|--|-----|
| ▪ Creative content skills | 78% |
| ▪ Business management, admin and planning skills | 83% |
| ▪ Marketing and promotion skills | 88% |
| ▪ ICT skills. | 75% |

The market and client base:

- | | |
|---|-----|
| ▪ Local individual/household consumers 'average' to 'very important' | 94% |
| ▪ Local private sector companies 'average' to 'very important' | 75% |
| ▪ Local public sector organisations | 70% |
| ▪ PRC companies and organisations 'average' to 'very important' | 41% |
| ▪ Overseas companies and organisations 'average' to 'very important'. | 62% |

Market and client base growth: the figures on market and client base growth are positive:

- | | |
|-------------|-----|
| ▪ Decrease | 20% |
| ▪ Growth | 60% |
| ▪ No change | 20% |

Of those respondents who report an increase in their client base, 55% report growth rates between 11%-30%.

Marketing and promotional spend:

- | | |
|-------------|-----|
| ▪ below 5%` | 33% |
| ▪ 5-10% | 30% |
| ▪ 11-20% | 25% |
| ▪ 21-30% | 7% |
| ▪ above 30% | 5% |

Rating of financial and business support: availability of financial and business support tends to be in the negative categories of 'average' to 'very poor' from the following sources

- | | |
|-----------------------------|-----|
| ▪ Government/public funding | 75% |
|-----------------------------|-----|

-
- Foundations and Trusts
95%
 - Private sector/venture capital 94%
 - Commercial sponsorship
88%
 - Business support
85%

Availability and costs of infrastructure: ‘availability’ ratings (‘average’ to ‘very poor’) tend to be on the low side and expense ratings on the high side as follows;

- Availability (‘average’ to ‘very poor’) 77%
- Cost (‘average’ to ‘very expensive’) 86%⁴⁴

⁴⁴ It should be noted that for all civic centres under the management of the Leisure and Cultural Services Department, non-profit making organizations presenting arts-related activities which are open to the public can apply for rental reduction. For urban venues, the discounted rate is 65% for major/facilities and 50% for minor facilities; for venues in the New Territories, the discounted rate ranges from 50% to 80% for major and minor facilities.

Needs and interests

- ICTs 'important' to 'very important' 60%
- More commercial sponsorship for the arts 'agree' to 'strongly agree' 97%
- More venues for arts and cultural use 'agree' to 'strongly agree' 84%
- More arts/culture in school curricula 'agree' and 'strongly agree' 93%
- Overseas promotion of HK arts/culture 'agree' and 'strongly agree' 87%
- More government support 'agree' and 'strongly agree' 94%

However, 'access to and availability of ICTs' was only rated as 'average' by 60%.

Use of ICTs: as with the Creation and Production stakeholders, of those Promotion and Distribution stakeholders who consider ICT is 'important' / 'very important', there is a good spread of ICT use along the value production chain but, naturally, with a bigger emphasis on promotion as shown in the following categories.

- Creation and Production 57%
- Business and Administration 69%
- Promotion 89%
- Distribution 40%
- Point of sale 43%

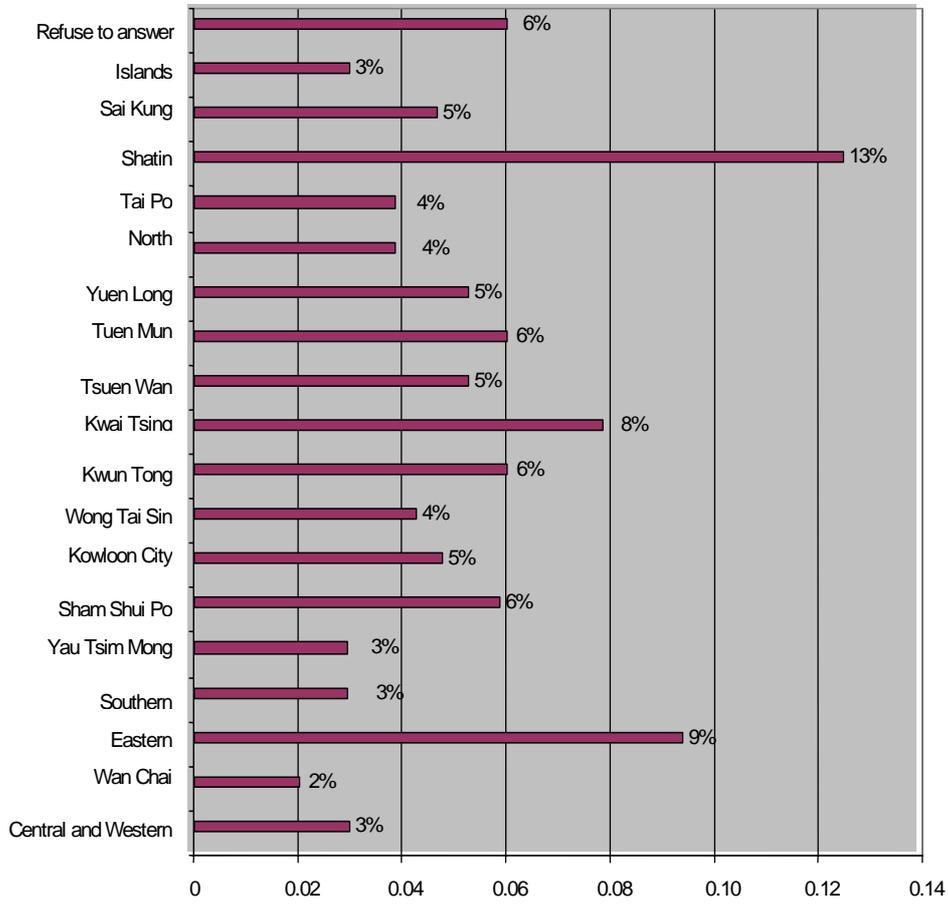
Social benefits and impacts: respondents' perceptions of their activities' contributions to cultural, social and human capital formation and development are consistently high ('agree' / 'strongly agree') in the following areas:

- Improve communication of ideas, information and values 92%
- Improve understanding of different cultures and lifestyles 93%
- Help develop community identity 75%
- Help increase well-being and quality of life 75%
- Help convey history and heritage of HK 67%
- Help build regional/international profile for HK 85%

6.4 Consumption and Participation Stakeholders

Of the 1,800 residential telephone numbers which were randomly selected and called, 829 persons aged 15-74 (one respondent selected from each contacted household) were successfully interviewed. Of these, 604 confirmed that they had consumed or participated at least once in one or more types of cultural activities in the previous three months, and 225 had not consumed any cultural activity from the list provided in the same period. The geographical distribution of the respondents is shown in the following chart.

Geographical Distribution of Consumption and Participation Stakeholders



[NB. Figures have been rounded up or down.]

Respondents were asked about their participation in and attitudes to various arts and cultural forms with the following results.

Participation

- 64% had not been to a public library in the past 3 months
- 94% had not been to an art gallery in the past 3 months
- 84% had not been to a museum in the past 3 months
- 54% had not been to the cinema in the past 3 months
- 96% had not been to a Western classical music concert in the past 3 months
- 97% had not been to a Chinese classical music concert in the past 3 months
- 98% had not been to a jazz performance in the past 3 months
- 89% had not been to a pop/rock concert in the past 3 months
- 98% had not been to classical ballet in the past 3 months
- 98% had not been to a modern dance performance in the past 3 months
- 93% had not been to theatre/musical theatre in the past 3 months
- 95% had not been to a cultural festival in the past 3 months
- 72% had not been to a book/publishing event in the past 3 months
- 87% had not been to a multimedia event in the past 3 months

27% of respondents reported attending none of the above. Among these, over half gave their principal reason for non attendance as being 'too busy to attend' (54%) followed by 'not interested in arts and cultural activities' (22%) and 'not able to sufficiently appreciate arts/culture' (16%). Of course, this is not to suggest that all of these individuals do not consume culture. We simply note that more than one-quarter of those interviewed did not engage over a three-month period in any of the activities from the fairly generous list of options given.

Unless otherwise stated, the following information refers to those respondents who reported that they had consumed/participated at least once in one or more types of the arts and cultural activities in the past three months (and whom we have categorised as consumer respondents). These respondents principally:

- Read Apple (36%) and Oriental newspapers daily (38%)
- Listened to Commercial Radio (39%) and RTHK (34%)
- Watched TVB Jade (83%)
- Watched TV between 1 – 5 hours per week (82%)
- Read books at least once a week (54%) with 21% reading daily
- Had an internet connection at home (89%)
- Used the internet principally for information on events (58%)

- Listened to music for between 1-5 hours per week (49%)

Attitudes

69% of the respondents placed a 'fairly high' to 'high' value on culture and the arts. More than 70% of the respondents 'agreed' / 'strongly agreed' with the following statements regarding culture and the arts:

- They encourage a sense of community
83%
- They help me understand the world and its people 85%
- They are important for my personal development 74%
- They encourage a sense of HK identity
72%
- They are important for the international profile and image of HK 82%

90% of these respondents also 'agreed' or 'strongly agreed' that 'culture and the arts should be supported by public/government funding'.

Of the 604 consumer respondents, 72% gave their principal reason for not attending arts/cultural events more often as being 'too busy to attend'. As mentioned previously, even among those identified as 'non-consumers' of culture the percentage of respondents who gave this justification was high (54%).

Demographics

The demographics for all respondents (including those who had attended at least once in one or more types of the arts and cultural activities in the past three months and those who had attended none) are shown in the following tables. (Totals may not amount to 100% because of rounding)

Gender

	%
Male	47
Female	53
Total:	100
Number of respondents: 829	

Age

	%
15-19	13
20-24	9
25-34	20
35-44	24
45-54	17
55-64	9
65-74	6
Refused to answer	2
Total: Number of respondents: 829	100

Occupation/status

	%
Employers / Managers / Administrators	10
Professionals	16
Associate professionals	8
Clerks	20
Service workers	17
Shop sales workers	4
Skilled agricultural / fishery workers	1
Craft and related workers	7
Plant and machine operator and assemblers	5
Un-skilled workers	8
Others	1
Refused to answer	3
Total: Number of respondents: 497	100

	%
Students	36
Home-makers	36
Retired persons	17
Unemployed persons	10
Others	0
Refused to answer	1

Total: Number of respondents: 322	100
--------------------------------------	-----

Mother language

	%
Cantonese	95
Putonghua	2
English	1
Others	2
Total: Number of respondents: 829	100

Monthly household income

	%
Below HK\$ 9,999	15
HK\$ 10,000-14,999	13
HK\$ 15,000-19,999	12
HK\$ 20,000-24,999	10
HK\$ 25,000-29,999	5
HK\$ 30,000-39,999	8
HK\$ 40,000-59,999	6
HK\$ 60,000 or above	5
Don't know	12
Refused to answer	13
Total:	100
Number of respondents: 829	

Highest educational attainment

	%
Primary or below	14
Lower Secondary (F.1 - F.3)	15
Upper Secondary (F.4 - F.5)	33
Matriculation (F.6 - F.7)	7
Certificate / diploma or associate degree	7
Bachelor Degree or equivalent	17
Master/ Doctoral degree	3.5
Refused to answer	4
Total:	100
Number of respondents: 829	

6.5 Attitudes to culture and the arts and barriers to participation

6.5.1 Attitudes by demographics

Fairly high to high valuations of culture and the arts

Hong Kong residents who participate in arts and cultural activities place a high value on culture and the arts for a range of reasons. Interestingly, within this group, there are relatively few statistically significant variations between the demographic groups by gender, age, occupation, mother language, income category or educational attainment level. There is a 80%-90% 'fairly high' to 'high' valuation level for arts and culture across all these groups. The highest ratings in response to this question come from those in the tertiary education level of attainment group (92%) and those with a monthly household income of HK\$ 40,000 or above (91%). But there is also a high rating from those with a primary level qualification or none (90%).

Culture and the arts encourage a sense of community

There is also significant consensus across all demographic groups that culture and the arts encourage a sense of community. The highest ratings in this group are in the non-Cantonese speaking population (96%), in the 55-74 age group (92%), and in the skilled/unskilled manual labour categories (90%).

Culture and the arts help me to understand the world and its people

On this question there is also a remarkably high level of agreement and consensus across all demographic groups with men and women both on 88% agreement levels. The highest ratings in response to this question are in the 15-19 age group (93%), Managerial and Administrative Occupations (93%), the non-Cantonese speaking population (93%), the HK\$20-30,000 income per month group (91%), and the tertiary educated (91%).

Culture and the arts are important for my personal development

77% of respondents agreed or strongly agreed with this proposition with a slightly higher proportion of women (80%) than that of men (75%). The highest response (85%) was in the HK\$40,000 or above per month income group followed by the skilled/non-skilled labour occupational category (83%) and the 15-19 age group (82%).

Culture and the arts encourage a sense of Hong Kong identity

77% of respondents agreed or strongly agreed with this proposition with the highest rating being in the 55-74 age group (89%) and the 15-19 age group (85%). Those not engaged in employment including students, home-makers and retired/unemployed also gave a high rating of 83%.

Support for government funding of culture and the arts

There is a remarkably high level of agreement with the proposition that culture and the arts should be supported by public/government funding at 93% of respondents overall. In managerial and administrative occupations, the HK\$10-30,000 per month income groups and among the tertiary educated, this level rises to 96%. The lowest level of agreement in response to this question is among those with primary level or no qualifications at 79.5%.

Culture and the arts are for the elite and well-off

When posed in this slightly – and deliberately – provocative way, there were reassuringly high levels of disagreement with the proposition. Overall, 78% disagreed, with the highest levels of disagreement from the HK\$30-40,000 per month income group (90.5%), the tertiary educated (86%), and the non-Cantonese speaking (86%). The lowest level of disagreement with the proposition was from those with primary or no qualification (63%).

Culture and the arts are important for the international profile of Hong Kong.

Overall agreement with this proposition is high at 85% and no demographic groups fall below 80%. The highest ratings here are from the 55-74 age group (90%), those in the less than HK\$10,000 per month group (88%) and those with primary qualifications or none (88%). The lowest level of agreement with this proposition, at 80% is from the HK\$30-40k monthly income category. This is not statistically significant. It is interesting to note that these high ratings reinforce the findings of the *Arts Poll 2000*, conducted by the University of Hong Kong, which found that 75% of respondents agreed that arts and culture activity helps to promote Hong Kong's image and competitiveness.⁴⁵

⁴⁵ *Arts Poll 2000*, op cit

6.5.2 *Barriers to more participation by demographics*

Arts and cultural activities cost too much

In the consumer respondents as a whole there is 84% disagreement with this proposition, but there is a statistically significant variation between men and women with 21% of woman agreeing with the proposition and 11% of men agreeing.

I am too busy to attend arts and cultural events

Perhaps the most remarkable and telling statistic to come from our survey is that, for those defined as consumers of arts and culture, the major barrier to engagement more often is that they are 'too busy'. 72% of the consumer respondents stated this to be the case with the highest rating in the HK\$40k + income per month group (86%), Managerial and Administrative occupations (82%) and the HK\$20-30k income group (81%). There are also statistically significant variations between those in the tertiary educated group (78% too busy) and the primary or no qualification group (50% too busy). It is interesting to note that a lack of time was also cited as one of the main reasons for not attending cultural activities in a public attitudes survey, conducted as part of a study to assess the requirements for cultural facilities in Hong Kong up to 2011.⁴⁶

There are too few arts/cultural facilities in the neighbourhood

The consensus appears to be that Hong Kong is well-served by arts and cultural facilities, with only 6% of the sample population agreeing that this is the case.

Not able to appreciate the arts and culture

Only 15% of the consumer respondents agreed that they were not able to appreciate the arts and culture. Among these, statistically significant variations are among the 55-74 age group (33%), and the primary or no qualification level of educational attainment (29.5%).

Rating of arts and cultural experiences

Rating of arts and cultural experiences is consistently high at around 98-99% for the consumer respondents.

⁴⁶ *Study on the Requirements of Cultural Facilities and the Foundation of New Planning Standards and Guidelines for Cultural Facilities*, conducted in 1998/98 for the HK Government.

6.6 Focus Groups to Verify survey findings

6.6.1 Focus group participants

Two focus groups were arranged in Hong Kong on the 9th April 2005 to seek qualitative reactions to the survey findings and to elicit opinions and possible solutions to some of the problems which the surveys had revealed. The composition of the groups was intentionally diverse in terms of the range of disciplines covered, age and gender, and included artists, critics, managers, academics, a government civil servant, a representative of a foundation and the director of an arts magazine.

The participants:

FIRST GROUP

Ching Siu Mui, Ribble

Runs her own arts administration company and is a theatre critic.

Leung Po Shan

Art critic, performance artist, freelance art administrator, lecturer.

Ellen Pao

Video artist and one of the founders of VIDEOTAGE. Her works were presented in the 49th Venice Biennale 2001.

Lukas Tam

Director and a founder of *Art Map* and *AM Post* magazine.

Tse Ming Chong

Photographer. Past winner, "Bronze Award / Kodak Award, Editorial" of the Institute of Professional Photographers and a Fellowship for Artistic Development from the HKADC.

Luis Yu Kwok Lit

Executive Director of Hong Kong Arts Centre.

SECOND GROUP

Dr. Chan Hing Yan

Head of Music Department, University of Hong Kong, and a composer. His research areas cover both contemporary Western and Chinese music.

Albert Lai

Chairman, The Conservancy Association.

Prof. David Lung

Professor and Head of Department of Architecture, University of Hong Kong; Non-executive Director of the Urban Renewal Authority where he chairs the Planning, Development and Conservation Committee; Chairman of Land & Building Advisory Committee; Chairman of Environment and Conservation Fund Committee and Vice-Chairman of Committee on Museums.

Prof. James Moy

Dean, School of Creative Media, City University. Specialist in pre-Twentieth Century popular culture, former editor of *Theatre Journal* (John Hopkins University Press).

Mervyn Tam

Senior Executive Manager, Philip Charriol Foundation.

Agnes Tang

Assistant Director (Performing Arts), Leisure & Cultural Services Department, Home Affairs Bureau, HKSAR.

The groups were chaired by *Desmond Hui*, Director of the Centre for Cultural Policy Research of the University of Hong Kong.

The researchers wanted the participants to address five key areas:

1. The creative process (e.g. adequacy of training / skills and financial support)
2. Production/reproduction (e.g. cost of work space and the issue of intellectual rights)
3. Marketing/promotion (e.g. adequacy of existing channels / perception of strategic market targets).
4. Dissemination/distribution (e.g. adequacy of existing venues/outlets for distribution).

5. Consumption/audience development (e.g. how much arts/cultural organisations know about their audiences and what can be done about the high level of survey respondents that claim to be “to busy to attend”).

In the event, the principal focus was on arts education and training, on financial support and on audience development. Debates also strayed into policy areas that were outside the scope of this study and for that reason are not reflected here.

6.6.2 *The need to strengthen arts in education*

The focus groups were in absolute agreement on the importance of strengthening arts in the curriculum, reinforcing the strongly held view on this expressed in the surveys by creators, producers, promoters and distributors, as well as public opinion in the HKADC's Arts Poll 2000⁴⁷.

There was a shared sense of disappointment about the quality of arts teaching in schools. "Most teachers are technicians, not artists and lack appreciation of larger values" was the opinion of one participant in the focus groups. It was also felt that the education system was at fault here as it did not encourage sufficient thinking "outside the box" – a common complaint in many countries.

The Leisure & Cultural Services Department had an annual budget of HK12 million for education in the performing arts (e.g. school cultural days and audience building programmes to mobilise schools and students). It is understood the LCSD is trying to do more to increase access to the arts in education through extra-curricular activities, but also recognises this may not be enough. In this connection, it was noted that although head teachers and principals of some schools were in favour of extra curricular cultural activities on Saturdays, there appeared to be reluctance on the part of some school staff to do overtime. Moreover, there were cost implications. This was a problem at a time when there were reductions in education budgets and suggests, perhaps, a lack of 'joined up' government between the Education department, Home Affairs Bureau and LCSD.

Would better value be obtained if, instead of distributing funds directly to arts in education programmes, public funds were given to non-governmental organisations to organise the programming of such initiatives as they might better harness local community support? Perhaps community pressure for action might be more forthcoming if the arts were regarded more widely as a 'serious' career option in Hong Kong?

6.6.3 *Adequacy of financial underpinning*

The lives of artists and creators can be precarious and they often feel undervalued. However, focus group discussions emphasised that artists and arts organisation don't necessarily want to rely on public sector funds – indeed some

⁴⁷ More than 90% of respondents to the research on *Public Attitude on Arts (Arts Poll 2000)*, commissioned from the University of Hong Kong Social Science Research Centre in 2000, supported more cultural and artistic activities in schools.

creators consider such dependence can prejudice their artistic independence. Nevertheless, for many creators in Hong Kong there seems to be no realistic alternatives. Of course, it is not simply an issue of the *amount* of government support for the arts, but the nature of that support. Investment in the infrastructure is important, but so too is support for networks and community building. Moreover, in the view of some focus group participants, insufficient funds were going to younger artists.

Evidence that artists can 'survive' outside the safety net of government support has been demonstrated by the artists studio project at the Ming Pao Industrial Centre and the Fo Tan Industrial Area, in which two Hong Kong artists set up studios in 2001. A survey of residents at Fo Tan, conducted between December 2003 and February 2004, revealed that the majority were novice arts professionals whose financial position was disproportionate to their educational attainment, with many barely able to meet their basic needs to practice their art, especially in relation to space⁴⁸. They engaged in a wide range of other employment to support themselves and their creative activities, and they expected little from Government and the community. Nevertheless, this does raise policy questions about how an environment can be created in Hong Kong that is conducive to the sustainability of creative work without recourse to public funds.

*'Young artists need work, but often have no choice but to have multiple jobs.
There is no safety net.'*

It continues to surprise the authors of this report that the private sector is not more fully engaged than it is in sponsorship of culture, though we realise the former Urban and Regional Councils' strong support of the infrastructure in particular, may have unwittingly left little space for others. Still, there appears to be no shortage of business engagement in support of other public interest areas in Hong Kong, so the relatively low level of private support and sponsorship of the arts may be a consequence of the lack of fiscal incentives. That at least was the view of the focus groups and reinforces the generally negative attitudes to levels of private support evident in the surveys.

⁴⁸ This is described in an essay by Leung Po Shan (Translated. Liem, T), 2003, 'Retreating from the Forefront of Officialization: The Example of Artists in Fo Tan Industrial Area' in *the Hong Kong Visual Arts Yearbook 2003*.

6.6.4 *Other creation and production concerns*

There was a widely held view at the focus groups that it was important to build up the infrastructure for artists who, it was argued, were currently being priced out of the market. The possibility of government incentives to free up land and buildings for artists studios was suggested. There are a number of international models. This highlighted an issue on which members of the focus groups felt quite strongly: namely that society in Hong Kong is dictated by land-driven economics. If it is not possible to resolve this, it will not be possible to get policies for culture right, seemed to be the general feeling. It was argued that this was one of the factors that was driving artists and creators to neighbouring areas in the mainland, where there were more opportunities.

There was desire for cross-border cultural collaboration with the mainland and beyond. However, it was suggested that the Government's immigration policies were an obstacle to engagement with artists and cultural experts from outside Hong Kong, and the level of bureaucracy needed to be reviewed.

'Intellectual property rights' was also considered to be an issue, especially in the music and film sectors. Outside those sectors, artists and creators appeared to be less organised and, as a consequence, often found it difficult to protect their rights themselves. The need for guidance and support from the HKADC or Government was considered important.

'Hong Kong lacks an artistic milieu, the kind of energy that you find in quarters in cities such as New York. There is no community of artists. Hong Kong would benefit from a multicultural arts environment, one that facilitates artists residencies and interaction as this could lead to higher artistic standards. Government needs to support international artists'

6.6.5 *Communications and marketing*

The debate on promotion and marketing mainly centred on the need to enhance media coverage of arts and culture and it was considered the HKADC had a role to encourage more arts related programmes in the broadening schedules and more press coverage.

Focus group members spoke warmly of the magazine *AM post*, but considered that it was essentially read only by the committed. The suggestion was made that perhaps it should reposition itself as a culture/lifestyle magazine to attract a broader audience, and be available on the web (it is understood the latter development is being actively considered).

Although the Tourism Board had improved its promotion of arts and heritage in recent years, there was criticism that it was focussed on those tourists with high spending potential. As a consequence it was difficult for less prestigious arts activities to get promotion.

The research team would have preferred to have received more feedback on the perception of key target markets. However, the focus group discussions revealed the difficulty of opening the market for contemporary art to buyers. Currently, only a small number of artists appear to be selling work to overseas buyers on a regular basis.

6.6.6 Audience development.

Of course, it is not simply an issue of distributing more information about the arts in Hong Kong, but one of how the public can digest it. The need for mere audience development strategies was considered to be crucial.

'Hong Kong museums only seem to have a value on Wednesdays when admission is free. On other days there is a huge falling away in attendance

The “willingness to pay” theory of Australian cultural economist, David Throsby, would seem to apply in the case of museums, which generate good attendances only on days when admission is free.

Previous attempts at audience development in Hong Kong had not necessarily been successful. For example, the University of Hong Kong “Arts for all” scheme, which subsidised attendance at cultural events for its undergraduates, had a low take up and eventually allocated only about HKS 1,000 in subsidies each year. Lessons needed to be learnt.

7 ANALYSIS AND IMPLICATIONS

7.1 Creation and Production Issues

In mainstream industry terms, arts and cultural creators/producers occupy an anomalous position. They are hybrid in their occupational profile, being often multiple jobholders or 'portfolio workers' and hybrid in their funding and financing arrangements, drawing from both public and private sectors.

This is both a weakness and strength. It is a weakness in so far as it means that many have insecure job tenure and relatively low incomes, which places constraints on their capacity to be creative. It is a strength in so far as it provides the conditions for 'cross-fertilisation' and transfer of skills and talents between public and private sectors and supports the 'ecology' of the cultural economy of Hong Kong.

However, this is a workforce which, based on our evidence, requires more recognition in terms of its needs and interests in the form of:

- More systematic attention to skills and training needs.
- More systematic attention to financing and business support.
- More systematic attention to infrastructure needs in the form of, for example, subsidised workspaces and an 'incubator' strategy for start up businesses.
- A co-ordinated domestic and international marketing and promotional strategy.
- Increased formal and informal networking opportunities.
- More systematic attention to ICT training and infrastructure.
- New models and formulae for government support and public funding beyond the current grant/subsidy arrangements.
- Developing synergies with education and training at all levels

It is also clear that creation and production stakeholders have a strong perception of their contribution to the social benefits and impacts of the arts and culture, which can be 'translated' into human, social and cultural capital indicators as

outlined in the *Hong Kong Creativity Index*. We address this issue directly in the next section of this report.

7.2 Promotion and Distribution Issues

Promotion and distribution companies and agencies tend to be more robust in business terms with more employees, higher turnover and longer establishment life. The sector is also 'hybrid' in its funding and finance sources with 31% of those surveyed receiving some level of partial government/public funding. The rating of skill levels in Hong Kong is broadly positive. However, they are more negative about the appropriateness and, especially, availability of training. Other key issues for this sector are:

- Expansion of the market and client base into the mainland and overseas
- Appropriate and flexible financial and business support
- Uses of ICTs
- Overseas marketing and promotion
- Government support
- Links and synergies with education and training institutions
- Infrastructure and venues

In relation to this latter point, we have already noted there exist schemes to enable non-profit making organisations to hire government controlled venues. However, the fact that a high proportion of those surveyed considered premises to be 'expensive' or 'very expensive' to hire suggests that many did not qualify for such assistance and/or they were concerned about the costs of renting infrastructure from the private sector. Of course, this does not rule out the possibility that some non-profit making bodies were of the opinion that public sector premises were costly, notwithstanding the availability of subsidised rates.

As with the Creation and Production Stakeholders, there is also a strong perception among respondents in this sector of their contribution to structural/institutional, human, social and cultural capital as outlined in the *Hong Kong Creativity Index*.

There is significant agreement (i.e. agree/strongly agree) from these stakeholders on their contribution, for example, to:

- 1.0 Helping to improve communication of ideas, information and values (92%)

- 2.0 Helping to improve understanding of different cultures and lifestyles (92%)
- 3.0 Helping to develop a sense of community identity (75%)
- 4.0 Helping to increase community well-being and quality of life (75%)
- 5.0 Helping to convey the history and heritage of Hong Kong (67%)
- 6.0 Helping to build a distinctive regional and international profile for Hong Kong (85%)

7.3 CONSUMPTION AND PARTICIPATION ISSUES

It is in this area that the most significant policy issues arise. This is for the following reasons.

- High valuation rates for arts and culture and their community benefits do not translate into consumption and participation rates because individuals are ‘too busy’, ‘not interested’ or ‘unable to appreciate’.
- There are high home-based cultural consumption rates, but low out of home rates.

When compared to the *Arts Poll 2000* conducted for the ADC by the University of Hong Kong we see strong similarities with the value placed on the arts in that survey and its contribution to such things as city image. That study indicated 30% of citizens had participated at least once in an artistic activity held in publicly administered cultural facilities in the preceding year; and this prompted the HKADC to observe in its *Arts Poll 2000* results summary, that “Local participation rate(s) may not be high, but local attitude on arts is fast catching up with developed countries”.

Four years on from that survey and, in the context of the ratings that respondents gave to the importance of culture and the arts for community cohesion, international profile, etc., in our new study, it is clear that strategies for audience development and demand stimulation for arts and cultural offer are necessary, including more emphasis on arts in education.

What do the figures for Participation and Consumption stakeholders tell us?

- That, in attitudinal terms culture and the arts enjoy a high rating in Hong Kong across all demographics with relatively little statistical variation. A person with primary education only and on a low income is as likely to value culture and the arts as highly as a person with tertiary education and a high income.
- There is a broad consensus across the demographic groups on the actual and tangible contributions that culture and the arts make in community building, personal development, enhancing the image and profile of Hong Kong, recognising cultural diversity and improving quality of life.
- There is a strong consensus in favour of government funding of the arts.

In terms of actual or perceived barriers to participation the following factors stand out:

- A relatively low percentage of Hong Kong residents are prevented from participation in cultural and artistic activities by cost factors, the availability/proximity of arts and cultural venues or the quality of the cultural product or experience.
- The real barrier to participation appears to be people thinking of themselves as 'too busy' to participate. (54% of 'non-participants') or 'too busy to participate more often' (72% of 'participants'). By any international yardstick these are high percentages, so this represents a challenge for policy-making in Hong Kong. Measures to encourage lifestyle changes to facilitate increased participation in arts and cultural activities through, for example, imaginative promotional and marketing strategies targeted at homes and workplaces may be the only realistic solution.

Given the apparent quality of the product in the eyes of respondents, the high valuation placed upon the arts and culture and the proximity of arts and cultural venues, overcoming this 'barrier' should be given priority in the policy and indicator framework following from this report.

8 AN ARCHITECTURE FOR ARTS AND CULTURAL INDICATORS IN HONG KONG

8.1 Conceptual bearings: developing a matrix for 'knowledge management'

8.1.1 *The cultural ecology*

The remit and jurisdiction of the Hong Kong Arts Development Council (HKADC) is commensurable with – but not the same as – the field of creativity addressed in the *Hong Kong Creativity Index*. HKADC is largely responsible for the public funded and subsidised components of the cultural sector and not, directly, the commercial creative industries. But this public funded sector is, at the same time, part of the 'ecology' or 'ecosystem' of the cultural sector as a whole. It is often an 'incubator' of the people and skills who move into - and in and out of - the commercial creative industries, a provider of content and innovation and a talent pool. As the former Chair of the Arts Council of England, Lord Gowrie, once put it:

"The Government is right to concentrate on the creative industries. It must also remember that these constitute an ecology...the subsidised arts are a part of it and they affect all the others".⁴⁹

Canadian theatrical entrepreneur David Mirvish has also emphasised the importance of the subsidised sector for the industry as a whole in the following terms:

I've never had a grant and I'm not looking for a grant...But I'm dependent on what arts grant agencies do. Over the last 30 years I've built an organisation of people who have come out of the non-profit sector, and am now employing 1,345 people.⁵⁰

These people – actors, directors, musicians, set designers, new media specialists, technicians – move in and out of subsidised and commercial sectors frequently. This is the nature of the sector. This is what we mean by its 'ecology' - how the parts connect and sustain each other.

⁴⁹ *Arts Council of England Annual Report*, 1998.

⁵⁰ Cited in *Toronto Arts Council State of the Arts Report*, (<http://old.city.toronto.on.ca/4service/tac/starts/htm>), p. 3

A 1994 Report of the Canadian Government's former Ministry of Culture, Tourism, and Recreation outlined the importance of this ecology:

*...the health of our cultural industries is inextricably linked to the flourishing of the arts...[to] the essential role that the arts sector plays in developing cultural products and in training and supporting the writers, choreographers, composers, dancers, producers, musicians, playwrights, filmmakers, designers, actors, technicians and others who work in [our] cultural industries. During their careers, cultural workers move back and forth between the commercial and non-for-profit sectors. This flow of talent, skills and experience is of inestimable benefit to both.*⁵¹

This is also what Richard Florida calls the 'social structure of creativity':

*...a supportive social milieu that is open to all forms of creativity – artistic and cultural as well as technological and economic. This milieu provides the underlying eco-system or habitat in which the multidimensional forms of creativity take root and flourish. By supporting lifestyle and cultural institutions like a cutting-edge music scene or vibrant artistic community, for instance, it helps to attract and stimulate those who create in business and technology.*⁵²

To define the cultural field as an 'ecology' means being attentive to the diversity and richness of the elements that constitute culture in any given context and, importantly, the *relations between the elements* (and the relative robustness and health of those relations) rather than a rigid separation and demarcation of, for example, the publicly funded and community sectors from the commercial sector.

In many areas of both the developed and the developing worlds the subsidised and community sectors are absolutely crucial to the health of the commercial sector and the latter, in turn, feeds back resources to the former. Film, broadcast television, theatre, publishing and the music industry are all crucially reliant on the creative talent pools generated by the community sector for example. Collecting and heritage institutions are also increasingly reliant on the subsidised, independent and community sectors for inputs of expertise to 'add value' (in

⁵¹ Cited in *Toronto Arts Council State of the Arts Report*, (<http://old.city.toronto.on.ca/4service/tac/starts/htm>) p.15

⁵² Florida, Richard (2002) *The Rise of the Creative Class...and how it's transforming work, leisure, community and everyday life*, New York, Basic Books

much more than the purely commercial sense) to their own work. This is the delicate nature of the cultural ecology, which, like all ecologies, requires an appropriate strategy for research, evaluation, intervention and management.

To this end we propose the use of the model of 'value production chain' or 'culture cycle' analysis in the organisation of a framework for arts and cultural indicators in Hong Kong. This is a model which has been developed in Australia, Canada and the UK to assist in organising cultural data to inform policy and planning. It is the model on which we have based our survey methodology in the previous section in the three groups of Creation and Production Stakeholders (the beginning of the value chain or 'culture cycle'), Promotion and Distribution Stakeholders (the middle of the chain), and Participation and Consumption Stakeholders (the end of the chain)

8.1.2 Value production chain or 'Culture Cycle' Analysis

Value production chain or 'Culture Cycle'⁵³ analysis enables the identification of strengths and weaknesses at every stage of product and service - and value - development from the moment of conception or creation, through the production process, marketing and distribution, to the moment of demand and consumption. It assesses strengths and weaknesses, that is, from the 'supply-side' to 'demand side' and provides a diagnostic framework for policy and intervention as appropriate. It is, in principle, as attentive to the enabling conditions for actual creativity and production in the cultural field (the supply side - including infrastructure, training, funding) as it is to the opportunities for participation and consumption of cultural products and experiences (the demand side). For purposes of evaluation and indication for policy and planning, the value production chain also provides the basis for an analysis of the input-throughput-output-outcome process for performance assessment.

While initially formulated to address mainstream industry concerns this model has been successfully applied, in Australia for example, in the ways indicated below

The objective is to:

- Develop measures for evaluating the impact and potentially distorting effects of intervention in selected sectors of the cultural industry;

⁵³ The concept of the 'culture cycle' is one used in current work by Patrimoine Canadien/Canadian Heritage (PCH) : that country's ministry of culture.

- Address policy and funding imbalances between support for creation/production/performance (historically strong) and support for distribution, marketing, audience development and 'demand stimulation' (historically weak);
- Identify training and developmental needs for cultural sector employees;
- Recognise the importance of movements of knowledge, workers and expertise between community, commercial and subsidised sectors;
- Stress the importance of knowledge of, and training in, intellectual property regimes;
- Address distribution and promotion weaknesses and bottlenecks;
- Encourage knowledge of consumption patterns for cultural products and services;
- Encourage integrated and strategic approaches to strongly emergent sub sectors such as new media.⁵⁴

These are some of the outputs and policy 'pay-offs', which can be attributed to value production chain analysis applied to the cultural ecology. The model has also been applied, in Australia and the UK, to specific sectors such as publicly funded libraries, visual arts and crafts, publishing, history and art museums, performing arts and the specific dynamics of urban cultural economies. The approach is 'neutral' with regard to sector, content and scope and is not purely concerned with either 'products or services' or with commercially oriented value-adding activities. It is equally applicable to non-tangible outcomes and to non-commercial human and developmental values.

In some local area studies, for example, this model has enabled the identification of the crucial - but 'statistically invisible' - networks of social support, reciprocity and trust which distinguish and characterise the innovative milieux necessary for cultural production, exchange and consumption. That is to say, it enables the identification, at micro level, of the sorts of *social and cultural capital inputs* which fall below the horizon of more traditional macro-economic forms of calculation

⁵⁴ See The Australian Commission for the Future Ltd., 1992, *A Framework for Improving Viability in Selected Sectors of the Cultural Industry*, A Report to the Department of the Arts, Sport, the Environment and Territories, Canberra

and assessment working on a more restricted spectrum of 'inputs' and 'outputs' from supply to demand stages.

In short, and of direct relevance to this project, value production chain analysis provides both a co-ordinated and strategic approach to research and a *framework for policy enabling knowledge management* by way of targeted, structured and environment responsive data collection and analysis. It would enable, for example, sustained data, information and knowledge relating to the following:

- Which areas and processes benefit from or are disadvantaged by connection to/engagement with market mechanisms and processes;
- How policy and planning can be improved and/or modified at various stages of the value chain from 'creativity' through to 'consumption';
- How links between agencies in all sectors can be improved and/or modified at various stages of the value chain;
- How links - of knowledge, operational policy, good and bad practice - can be established between the commercial cultural industry, public and community sectors;
- The development of strategic linkages with mainstream industry that can take advantage of the technology, production, marketing and distribution opportunities offered by them;
- Awareness of gaps and weaknesses in education, training and other human resource and infrastructure inputs along the value chain.

Because this model adopts a 'whole of ecology' approach and draws on both quantitative and qualitative data sources, it does not prioritise economic growth and development as the lead factor. As the Council of Europe report, *In from the Margins*, puts it,

'...[t]his emphasis on economic growth ignored the holistic idea of cultural ecology, namely an awareness that the future of any civilised community depends on a recognition of the

*interrelatedness of different actions within a larger environment, whether physical, cognitive or cultural.*⁵⁵

The approach involves a mapping of the ecology of culture that is more attentive to flows, networks and relations than to discreet entities or 'silos' such as art forms, sectors and sub-sectors.

This model of analysis opens doors to more qualitative issues in so far as it enables researchers, through both quantitative and qualitative methods, (collecting available statistical data, interviews and focus groups, etc) to address issues such as:

- the employment, participation and consumption rates of marginalised communities in the cultural ecology;
- the appropriateness of training strategies for both producers and consumers measured against demographic factors;
- the availability and appropriateness of infrastructure for cultural production, consumption and participation measured against demographic and locational criteria;
- intellectual and physical access and participation opportunities and constraints measured against demographic and locational criteria;
- the existence, success or otherwise, of access and participation strategies;
- the identification of the forms and patterns of participation and consumption of culture and the ways in which these forms of appropriation are related to lifestyle, identity, values, community cohesion, etc.

A vital and diverse cultural ecology - assessable in these terms - should be providing the maximum (or optimum) *options* for discretionary cultural participation, for access to cultural capital, human capital, social capital, and structural/institutional capital as identified in the *Creativity Index*.

Value production chain analysis, then, while based on a core economic or 'business system' logic derived from the work of Michael Porter at Harvard

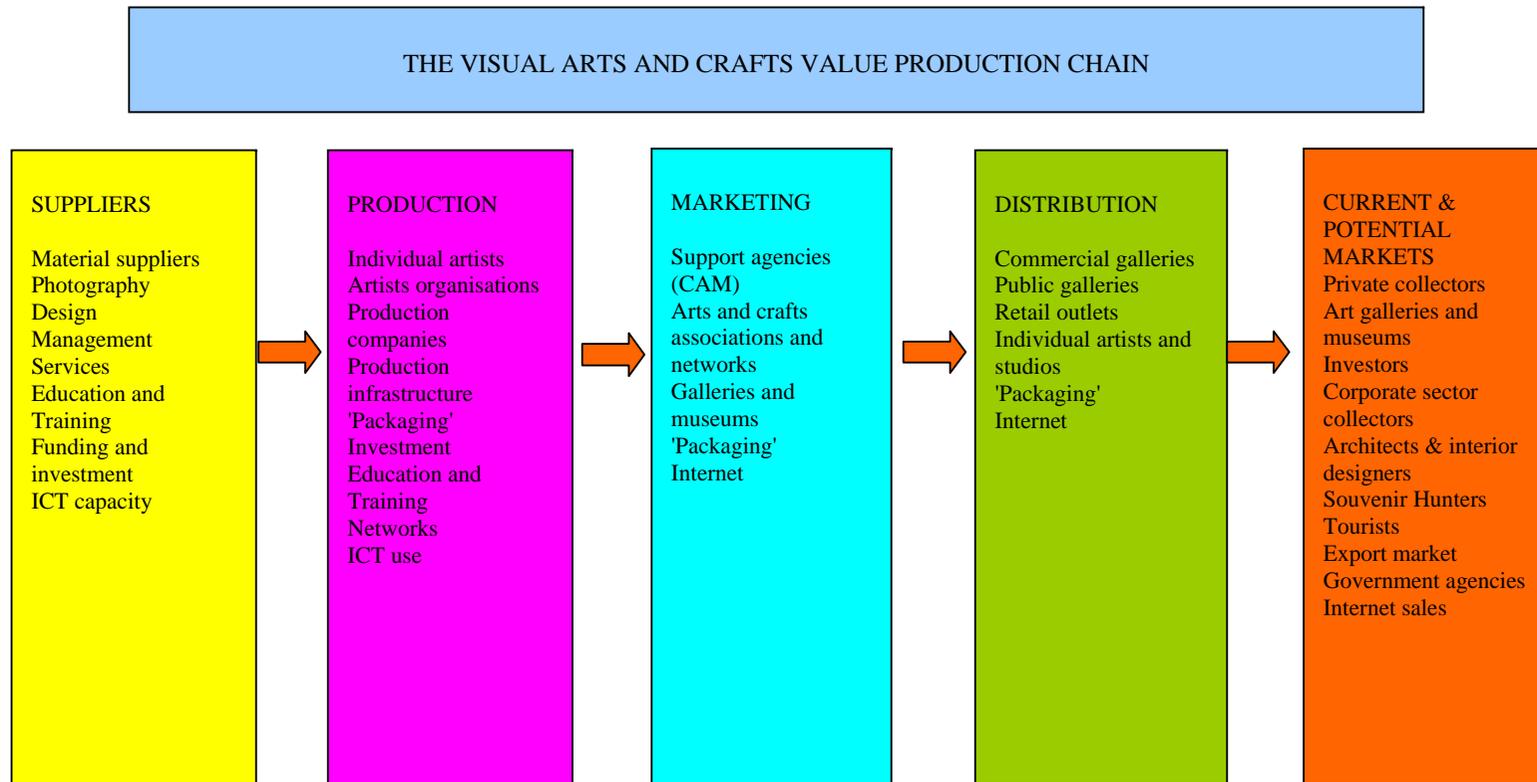
⁵⁵ Council of Europe (1997), *In from the Margins: A contribution to the debate on Culture and Development in Europe*, Strasbourg, p.30

Business School⁵⁶, has the virtue of providing a framework for a public policy 'input-throughput-output-outcomes' analysis and model for the cultural sector where:

- *inputs* would typically be those of funding or investment, training and skills, policy settings and measures, infrastructure, etc: the enabling conditions for cultural life;
- *throughputs* would typically be the processes of creation and production, circulation, promotion, marketing, etc;
- *outputs* would typically be levels and forms of access and participation, consumption, audience/market development, 'satisfaction levels', etc; and,
- *outcomes* would be demonstrable and evidence based economic and social impacts of participation in, and access to, cultural product and experience.

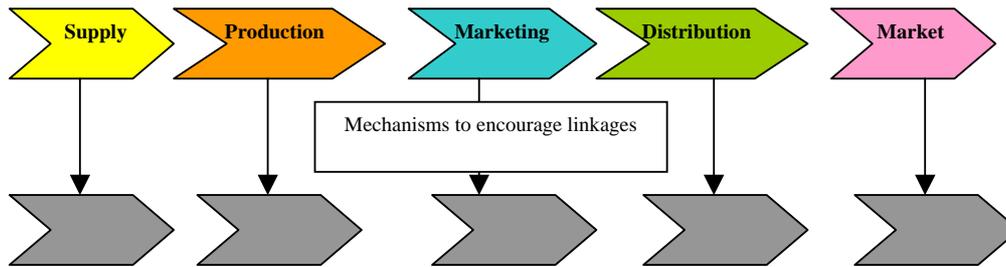
A schematic model of the cultural value production chain for the visual arts sector, with the various functions indicated at each stage of the chain is provided on the next page, followed by a model which indicates the advantages of connections (the 'ecology' between the funded cultural sector and the commercial or mainstream industry sectors).

⁵⁶ See Michael Porter (1990), *The Competitive Advantage of Nations*, London, Macmillan.



Adapted from: Australian Commission for the Future Ltd (1992) A Framework for Improving Viability in Selected Sectors of the Cultural Industry, Canberra, DASET.

CULTURAL INDUSTRY VALUE CHAIN



MAINSTREAM INDUSTRY VALUE CHAIN Advantages

<ul style="list-style-type: none"> • Access to finance and other resources for creation-production 	<ul style="list-style-type: none"> • Access to volume production and reproductions systems including royalties • Application of technologies 	<ul style="list-style-type: none"> • Access to industry marketing capabilities 	<ul style="list-style-type: none"> • Access to industry distribution channels 	<ul style="list-style-type: none"> • Access to existing markets • Synergies for new market development
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8.2 A Practical Example of Value Production Chain Analysis: The UK *DCMS Evidence Toolkit*

A practical example of the application of the value production chain model to the collection and analysis of cultural data and statistics to inform the development of evidence based indicators for policy is provided by a recently developed framework in the UK, known as the *DCMS Evidence Toolkit*. Previously known as the *Regional Cultural Data Framework* and commissioned by the Department for Culture, Media and Sport and the nine English Regional Cultural Consortia⁵⁷, this framework, first published in draft form in 2002, has two key virtues of:

- providing, for the first time, a definition of the cultural sector (including the creative industries and subsidised arts and cultural activities)
- establishing a matrix for both quantitative and qualitative data collection and analysis.

8.2.1 *Definition and Functions of the Cultural Sector*

According to the *DCMS Evidence Toolkit*, the cultural sector – and its functionality through the value production chain - is defined in the following two-part way:

A. Culture has both a ‘material’ and a non-material dimension. The definition of the cultural sectors must focus upon material culture, and we understand this to be the sum of activities and necessary resources (tools, infrastructure and artefacts) involved in the whole ‘cycle’ of creation, making, dissemination, exhibition/reception, archiving/preservation, and education/ understanding relating to cultural products and services.

The notion of the culture cycle can be thought of as analogous to a production chain or network. A production chain is basically the steps or cycle that any product or service goes through to transfer it from an idea through production, distribution, and exchange, to final consumption. At each step or link, a transformation takes place. Like a chain, each link is dependent upon, and often interactive with, the other links in the chain. Thus, the production of goods and services always happens in a context – an idea is nothing without execution, a product or service is nothing without distribution, and distribution is nothing without a site for exchange or an end consumer or user. All the leading international statistical frameworks for the cultural sector embody this same or similar logic.

⁵⁷ The English Regional Cultural Consortia were established in 1999 as regional co-ordinating bodies for the cultural sector.

B. The range of activities defined as ‘cultural’ is fluid and changing. However, at their most inclusive, we recognise the cultural sector to cover the following seven ‘domains’: Visual Art⁵⁸, Performance, Audio-Visual⁵⁹, Books and Press, Sport and Health, Heritage and Tourism.

In addition to the strong linkages that exist between the functions of the culture cycle or production chain within each domain, there are also significant linkages across these seven domains. The interaction between the cultural domains is the factor that makes for a logical ‘cultural’ grouping, as the relationship between the domains is far stronger than the interaction between the same domains and other ‘non-cultural’ activities, such as financial services or the extractive industries.⁶⁰

The resulting matrix for the analysis of the cultural sector, comprising seven ‘domains’ or sub-sectors (the vertical axis of the matrix) and six functions of the value production chain (the horizontal axis) is shown on the following page.

⁵⁸ Includes Architecture, Design and Crafts

⁵⁹ Includes Advertising and Recorded Music

⁶⁰ <http://www.culture.gov.uk/global/research/det/default.htm>

THE UK DCMS EVIDENCE TOOLKIT MATRIX

<i>Production chain</i> →	CREATION	MAKING	DISSEMINATION	EXHIBITION & RECEPTION	ARCHIVING & PRESERVATION	EDUCATION & UNDERSTANDING
<i>Domains/sub-sectors</i> ↓						
VISUAL ART						
PERFORMANCE						
AUDIO-VISUAL						
BOOKS AND PRESS						
HERITAGE						
SPORT						
TOURISM						

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The virtue of this model – however incomplete or including/excluding categories that may not be appropriate to Hong Kong – is that it enables each of the 42 ‘boxes’ of the matrix to be filled with relevant and available data from Standard Industrial Classification (SIC) codes, Standard Occupational Classification (SOC) codes and for key impact indicators (employment, business number growth, turnover and Gross Value Added / Gross Value Added *per capita*, etc) to be calculated for each of the domains or sub-sectors at each stage (where data are available) and to chart trends of growth and decline for the cultural sector as a whole and for individual sub-sectors. This then provides a diagnostic framework enabling the identification of strengths and weaknesses in the production chain – lack of appropriate skills, lack of marketing assistance, lack of market intelligence, etc – to assist in policy analysis and intervention.

Using that as a quantitative baseline it is then possible to build up more qualitative data on, for example, participation rates, satisfaction levels, social impacts, etc., at each stage.

8.3 A Proposed Template for Arts and Cultural Indicators for Hong Kong

Building on this model, and also modifications to it developed at regional level in the UK,⁶¹ we therefore propose a five-stage value production chain model where data and other sources of information are collected in the following categories:

Stage 1: Creation: comprising

- Statistical data from HSIC and ASCO codes and other sources for those professionally involved (employed or otherwise) in cultural creation, broken down, as necessary, by sub-sector.
- Statistical and other data relating to training, funding and investment in cultural creation.
- Information on the existence of policy frameworks and strategies to encourage/facilitate cultural creation.

Stage 2: Production and reproduction: comprising

- Statistical data on production turnover in the cultural sector.

⁶¹ See Culture South West and Colin Mercer (2003) *Joining the Dots: an audit and analysis of existing quantitative and qualitative research data on the cultural sector in the South West of England*, (www.culturesouthwest.org.uk)

- Statistical data from HSIC and ASCO codes and other sources for those professionally involved (employed or otherwise) in cultural production and reproduction, broken down, as necessary, by sub-sector.
- Statistical and qualitative data on availability of infrastructure for cultural production (facilities, infrastructure audits, etc.)
- Statistical and other data on reproduction of original product.
- Information on the existence of policy settings and strategies to address infrastructure and other production support needs.

Stage 3: Promotion and Knowledge: comprising

- Statistical and other data on marketing support, eg. marketing spend as % of total spend.
- Statistical data from HSIC and ASCO codes and other sources for those professionally involved (employed or otherwise) in promotion and dissemination of knowledge in the cultural sector broken down, as necessary, by sub-sector.
- Statistical and qualitative data on research capacity and outputs.
- Statistical and other data on 'export' capacity including tourist purchases, participation, etc
- Information on the existence of policy settings, frameworks, and strategies to address marketing, research and promotional needs.

Stage 4: Dissemination and Circulation: comprising

- Statistical and other data on audience reach and diversity for produced cultural forms.
- Statistical and other data on number of institutions and agencies for distribution and dissemination of cultural product.
- Statistical data from HSIC and ASCO codes and other sources for those professionally involved (employed or otherwise) in dissemination and circulation, broken down, as necessary, by sub-sector.
- Statistical and other data on use of Information and Communications Technologies (ICTs) as a means of dissemination.
- Information on the existence of policy settings and strategies to address dissemination and circulation needs.

Stage 5: Consumption and Usage, comprising;

- Statistical and qualitative data on diversity of cultural forms consumed and modes of consumption and usage.
- Statistical and other data on expenditures on cultural products per capita/family and by demographics.
- Statistical and other data on proportions of domestic and international consumption of cultural product.
- Information on the existence of policy settings and strategies to address consumption and usage issues

This model is set out on the following page in tabular/matrix form.

CREATION	PRODUCTION AND REPRODUCTION	PROMOTION AND KNOWLEDGE	DISSEMINATION AND CIRCULATION	CONSUMPTION AND USAGE
<ul style="list-style-type: none"> • Statistical data from HSIC and ASCO codes and other sources for Those professionally Involved (employed or Otherwise) in cultural Creation broken down, as necessary, by sub-sector. • Data, statistical and other relating to training, funding and investment in cultural creation. • Information on the existence of policy frameworks and strategies to encourage/facilitate cultural creation 	<ul style="list-style-type: none"> • Statistical data on production turnover in the cultural sector • Statistical data from HSIC and ASCO codes and other sources for those professionally involved (employed or otherwise) in cultural production and reproduction, broken down, as necessary, by sub-sector. • Statistical and qualitative data on availability of infrastructure for cultural production (facilities, infrastructure audits, etc.) • Statistical and other data on reproduction of original product. • Information on the existence of policy settings and strategies to address infrastructure and other production support needs. 	<ul style="list-style-type: none"> • Statistical and other data on marketing support, e.g. marketing spend as % of total spend. • Statistical data from HSIC and ASCO codes and other sources for those professionally involved (employed or otherwise) in promotion and knowledge dissemination, broken down, as necessary, by sub-sector. • Statistical and qualitative data on research capacity and outputs. • Statistical and other data on 'export' capacity (national as well as international) including tourism spend and participation. • Information on the existence of policy settings and strategies to address marketing, research and promotional needs 	<ul style="list-style-type: none"> • Statistical and other data on audience reach and diversity for produced cultural forms. • Statistical data from HSIC and ASCO codes and other sources for those professionally involved (employed or otherwise) in dissemination and circulation, broken down, as necessary, by sub-sector. • Statistical and other data on number of institutions and agencies for distribution of cultural product. • Statistical and other data on use of ICTs as a means of dissemination. • Information on the existence of policy settings and strategies to address dissemination and circulation needs. 	<ul style="list-style-type: none"> • Statistical and qualitative data on diversity of cultural forms consumed and modes of consumption and usage. • Statistical and other data on expenditures on cultural products per capita/family and by demographics. • Statistical and other data on proportions of domestic and international consumption of cultural product. • Information on the existence of policy settings and strategies to address consumption and usage issues

8.4 The key indicators

Of course, there is no such thing as a universal or ‘downloadable’ indicator or indicator set. The indicators chosen will be determined by the policy and planning framework established by the relevant agencies – and by a combination of political calculation and available knowledge. Nevertheless, based on the value production chain matrix, we propose in the table that follows, a number of key indicators for arts and cultural development in Hong Kong.

This matrix provides a baseline template for both quantitative and qualitative data and information collection and management – knowledge management – for the Hong Kong cultural sector. This can be overlain as a matrix for evaluation on each identified sub-sector/art form as defined within local policy jurisdictions.

It can also be built on to provide more sophisticated levels of research and knowledge to inform policy settings for the sector. It is sufficiently generic to enable it to be applied to each sub-sector in turn.

CREATION	PRODUCTION AND REPRODUCTION	PROMOTION AND KNOWLEDGE	DISSEMINATION AND CIRCULATION	CONSUMPTION AND USAGE
<p>Key indicators (by whole sector and by sub-sector):</p> <ul style="list-style-type: none"> ▪ Growth/decline in persons employed, number of companies /organisations, and turnover in cultural creation in a given period ▪ Growth/decline in education and training inputs to cultural creation in a given period ▪ Growth/decline in public and private investment in cultural creation in a given period ▪ Emergence of new creative sectors / decline of existing sectors 	<p>Key indicators (by whole sector and by sub-sector):</p> <ul style="list-style-type: none"> ▪ Growth/decline in persons employed, number of companies/organisations, and turnover in cultural production and reproduction in a given period. ▪ Increase/decline in availability of infrastructure for cultural production and reproduction in a given period. ▪ Increase/decline in revenues from reproduction rights in domestic and international markets. 	<p>Key indicators (by whole sector and by sub-sector):</p> <ul style="list-style-type: none"> ▪ Growth/decline in marketing spend of companies and organizations in a given period. ▪ Growth/decline in number of persons employed, number of companies and turnover in marketing, promotional and knowledge-dissemination organizations in a given period. ▪ Growth/decline in private and public sector research capacity and outputs relevant to the cultural sector in a given period. ▪ Growth/decline in international marketing 	<p>Key indicators (by whole sector and by sub-sector):</p> <ul style="list-style-type: none"> ▪ Growth/decline in audience reach and diversity of cultural product. ▪ Growth/decline in numbers employed, number of organizations, and turnover, in dissemination and circulation. ▪ Growth/decline in use of ICTs for dissemination and circulation of cultural product. ▪ Growth/decline in international dissemination and circulation of HK product. 	<p>Key indicators (by whole sector and by sub-sector):</p> <ul style="list-style-type: none"> ▪ Growth/decline in family/household spend on cultural product correlated with demographics. ▪ Growth/decline in new consumers and audiences for cultural product correlated with demographics. ▪ ‘Balance of trade’ in domestic and overseas consumption of HK cultural product (including levels of tourism and inbound tourist spend) ▪ Growth/decline in new overseas markets and consumers for HK cultural product.

		capacity, and outputs of the cultural sector.		
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8.5 Coda: from data to indicators to policy

As the former Director of the Human Development Report Office, Sakiko Fukuda-Parr, has quite rightly pointed out:

*...indicators are tools of policy dialogue and not the same thing as statistical data. They should contain evaluative, not merely descriptive, information. The methodology for developing indicators should start by defining a conceptual framework.*⁶²

This is a useful reminder that there is a work of transformation and ‘value-adding’ to be done up and along the chain, from data to information to knowledge to policy.

A few concluding comments in this context are therefore necessary:

- Indicators need to rest on a robust knowledge base, both quantitative and qualitative, which is constantly refreshed by research, both pure and applied.
- Statistics are not indicators: they only become such when transformed - or when value is added – through a route map of policy.
- Indicators only become ‘tools’ for policy and governance when they are firmly related to or embedded in a policy framework or strategy from which they gain their meaning and currency. There are no universal cultural indicators independent of these specific and operational contexts of governance.
- Building the ‘case for culture’ or, in other words, *mainstreaming* culture as a central public policy issue, will entail subjecting culture – the cultural field – to the same rigorous forms of research, analysis and assessment as any other policy domain. This will entail – to return to the first proposition - developing indicators or suites of indicators which are integrated - and share a plausible common currency - with economic, social, environmental and other policy domains. Knowledge of the cultural field, that is to say, will need to be able to ‘walk and talk’ along with its policy neighbours. The *Hong Kong Creativity Index* and the propositions in the present report provide the basis for this.

Finally, it is worth recalling the advice on indicators provided in the build up to the launch of the Unesco *Framework for Cultural Statistics* in 1986.

- Indicators should be capable of giving the overall characteristics of the cultural development of society as a whole, and of identifying existing disparities (**DESCRIPTION**).

⁶² ‘In Search of Indicators of Culture and Development: Proposal and Progress’, *World Culture Report 2000*, Paris, UNESCO Publishing.

- Indicators should help in the classification of cultural situations by type and indicate comparable features (**COMPARISON**).
- If the signs of cultural development and the causes can be identified and even interrelated, it will be easier to understand the process of development, and then decide which variables can be influenced in order to attain the targets (**EXPLANATION**).
- By using indicators, it is possible, among other things, to foresee tensions that may arise as a result of decisions taken now, and to improve the capacity for overcoming the cultural consequences of social, economic and technological changes. (**FORECASTING**)⁶³

In the context of the *Hong Kong Creativity Index* and the present report, the conditions now exist in Hong Kong for realising these important indicator functions and integrating arts and cultural indicators into a broader strategic framework.

⁶³ Cited in Colin Mercer (2002) *Towards Cultural Citizenship: tools for cultural policy and development*, Hedemora, Gidlunds Forlag, p.92

9 RECOMMENDATIONS

On the basis of the survey and other findings, the analysis and the arguments presented in this report and informed by other relevant developments in Hong Kong and internationally, our recommendations relating to research, consultation and key operational policy issues are as follows.

9.1 Establishment of a Data Capture Framework

It is recommended that the HKADC commence discussions immediately with staff in the Home Affairs Bureau, the authors of the *Hong Kong Creativity Index*, and the Department of Statistics, to establish a unified template and matrix for arts and cultural sector data capture.

This framework should include:

- An agreed definition of the parameters of the arts and cultural sector and its component sub-sectors
- A value production chain or culture cycle architecture as advocated and demonstrated in this report to capture the full range of cultural experience and participation from creation to consumption.
- The identification of relevant Industry and Occupational codes including those identified in the *Baseline Study on Hong Kong's Creative Industries* and on the model developed in the UK *DCMS Evidence Toolkit*.

9.2 Continuing Research and Consultation

It is recommended that a continuing programme of cultural statistics and indicators research be established and agreed, on a stakeholder basis, between relevant government agencies, including the HKADC, the Home Affairs Bureau, the Department of Statistics, industry bodies and Hong Kong universities with the involvement of the relevant research funding agencies and bodies. This research programme should be focussed on:

- The capture, refinement and analysis of relevant Industrial and Occupational codes for the cultural sector as a whole and its component sub-sectors informed by the framework recommended above.
- The priority development of research and data capture on cultural consumption patterns and trends and attitudes to the arts and culture.

- The development of research targeted at qualitative issues relating to social impacts of the arts and culture.
- Quantitative and qualitative research linking cultural statistics and indicators to quality of life, social cohesion, identity, the profile of Hong Kong and cultural rights.
- A rolling programme of sub-sector specific 'snapshots' combining quantitative and qualitative data and indicators.
- Longitudinal research programmes in the quantitative and qualitative impact of arts and culture.
- A bi-annual Report on Cultural Trends in Hong Kong combining quantitative and qualitative data and indicators.
- The establishment of a cultural observatory function to monitor and assess Hong Kong, mainland China and international data and indicators. This could be a partnership arrangement between a government agency and a university. Such an observatory could be given the task of producing the bi-annual report on cultural trends referred to above.

9.3 Operational Policy Recommendations

Beyond data capture and research needs it is also clear from our surveys of the three stakeholder groups that there are both tactical and strategic needs and interests to be addressed in operational policy terms. These are as follows.

9.3.1 Creation and Production Issues and Actions

The creation and production sector, based on our evidence, requires actions to enable more recognition in terms of its needs and interests in the form of:

- More systematic attention to skills and training needs.
- More systematic attention to financing and business support.
- More systematic attention to infrastructure needs in the form of, for example, subsidised workspaces and an 'incubator' strategy for start up businesses.
- A co-ordinated domestic and international marketing and promotional strategy.
- Increased formal and informal networking opportunities.

- More systematic attention to ICT training and infrastructure.
- New models and formulae for government support and public funding beyond the current grant/subsidy arrangements.
- The development of synergies with education and training at all levels

9.3.2 *Promotion and Distribution Issues and Actions*

While, in business terms, the promotion and distribution sector is more robust and commercially oriented than the creation and production sector, it is also clear that actions are necessary to enable:

- Expansion of the market and client base into the mainland and overseas
- Appropriate and flexible financial and business support
- The development of ICT infrastructure and capacity
- Enhanced overseas marketing and promotion opportunities and training
- The development of links and synergies with education and training institutions
- Optimised usage of existing and planned infrastructure and venues for broader dissemination of HK cultural product to domestic and overseas consumers.

9.3.3 *Consumption and Participation Issues and Actions*

It is in with this group of stakeholders that the most significant and strategic policy issues arise and actions to be taken to address these issues should include:

- Increasing out-of-home cultural consumption opportunities by reducing cost and, *especially*, intellectual and access barriers.
- A systematic programme and campaign to develop new domestic and overseas audiences for cultural product and participation.
- Marketing and promotional initiatives for Hong Kong cultural product targeted at the home and workplace.
- The need to strengthen arts in the education curriculum.