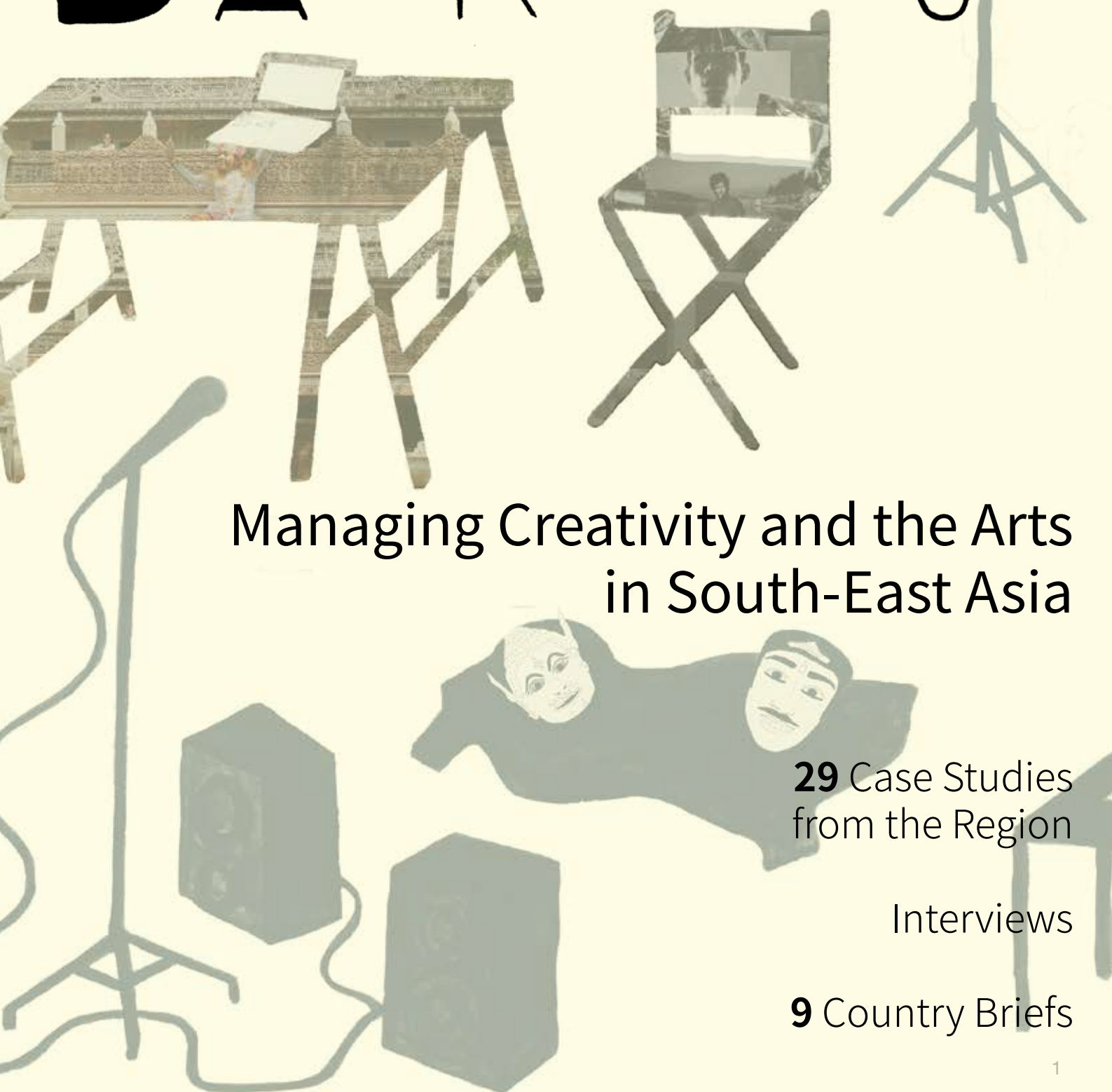




United Nations  
Educational, Scientific and  
Cultural Organization

# BACKSTAGE



## Managing Creativity and the Arts in South-East Asia

**29** Case Studies  
from the Region

Interviews

**9** Country Briefs

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Authors: Sunitha Janamohan; Sari Sasaki; and Audrey Wong Wai Yen  
Contributors: Kai Brennert; Kamonrat Chayamarit; Jefferson Chua; Chanmaly Panyaphone; Sunitha Janamohan; Cecil Mariani; and Tran Thi Thu Thuy  
Copy editor: Ellie Meleisea

Cover illustrations: Sari Sasaki, Aung Kyaw Tun/Inwa School of Performing Arts, Myanmar Deitta.  
Graphic designer: Sari Sasaki  
Typeset: Noto Sans



# Foreword

South-East Asia is a region rich in cultural diversity and dynamic in its creativity. There is great potential for the countries of the region to capitalize on their cultural resources and their dynamic young populations to gear toward the creative economy and fully realize the role of culture in achieving sustainable development.

This publication, *Backstage: Managing Creativity and the Arts in South-East Asia*, draws on the findings of UNESCO's recent study of the creative sector in the nine countries of the South-East Asian region (Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam), which involved a quantitative survey, in-depth interviews and policy analysis.

The publication showcases the policy environments in which the creative sector is operating, points out the similarities and differences across the countries of the region, and concretely identifies areas in which exchanges (sharing and learning from each other) and further development can be engineered to unleash the full potential of the sector.

The publication goes beyond a review of existing policies, however. It also tells the stories of the twenty-nine organizations across the region which are on the front line of moving the sector forward. Most are small and medium-sized organizations that depend largely on external financial support and on the resourcefulness of their founders and leaders. While the organizations may face certain limitations in strategy and capacity, and vary in terms of the challenges that they face in manoeuvring the complex and at times under-developed policy landscape, they share a great ambition to succeed and a full commitment to support their countries' creative sector and to make them vibrant.

When we began the study in 2019, we did not foresee that the world would experience a major shock in 2020. The COVID-19 pandemic has had a severe impact on the creative sector, and the researchers returned to the participating organizations to learn about that impact. Therefore, while the publication focuses largely on the ongoing operational environments of the organizations, additional interviews demonstrate that the challenges that the creative sector faced before the pandemic intensified as a result of this crisis. The responses to the interviews also show that support to the sector is needed now more than ever to revive it in a timely manner.

I thank everyone who was involved in preparing this publication, which reports on one of the first comprehensive studies of the creative sector in South-East Asia. UNESCO will continue to engage with the sector under the framework of the 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions and we look forward to our future collaboration with you.

**Shigeru Aoyagi**

Director

UNESCO Asia and Pacific Regional Bureau for Education

# Acknowledgements

This publication, *Backstage: Managing Creativity and the Arts in South-East Asia*, is a collective effort and benefited from the support of many individuals and institutions during the eighteen months of its making.

To begin with, we are very grateful to the Ministry of Finance of the Republic of Korea for the financial support that made the study and this publication possible.

We are also grateful to those who conducted the study. It was led by Sunitha Janamohan of the LASALLE College of the Arts in Singapore in collaboration with Audrey Wong Wai Yen as co-researcher and Natasha Lau as research assistant. The LASALLE team designed the study framework, based on which national researchers conducted the survey and in-depth interviews in their respective countries, in order to overcome the language barrier. The LASALLE team then carried out a policy review and synthesized a country analysis to generate a regional overview. We acknowledge the contributions of the national researchers (in alphabetical order): Kai Brennert for the studies in Cambodia and Myanmar; Kamonrat Chayamarit in Thailand; Jefferson Chua in the Philippines; Chanmaly Panyaphone in Lao PDR; Sunitha Janamohan in Malaysia and Singapore; Cecil Mariani in Indonesia; and Tran Thuy in Viet Nam.

We thank the representatives of the 332 civil society organizations who participated in our survey. We especially acknowledge the contribution of the twenty-nine organizations who shared with us their in-depth inputs through various rounds of interviews and the provision of video clips. Their insights have enriched our understanding of the operation of the creative sector in South-East Asia, and this knowledge will shape future actions to further promote this important sector.

Drawing on the information collected by the country researchers, Sunitha Janamohan and Audrey Wong co-authored the sections of Background, Country Briefs and Recommendations. Sali Sasaki prepared the organizations' summaries based on the case studies provided by the national researchers, and also conducted and edited additional interviews, prepared the infographic and designed the publication layout. She is also responsible for making the videos featuring the voices of the organizations.

From the UNESCO office in Bangkok, the process was coordinated by Duong Bich Hanh, with support from Kamonrat Chayamarit. Passachol Kawdee, Korapat Praputum and Waraporn Onnom facilitated the collection of additional interviews and video clips and the translation process. We are also grateful for the support from our colleagues in the UNESCO offices in Ha Noi (Pham Thi Thanh Huong), Jakarta (Moe Chiba and Yati Sugianto) and Phnom Penh (Makara Hong and Masanori Nagaoka).

The publication is available in seven South-East Asian languages and we thank the translators who made this happen: Thiri Naw Han (Myanmar), Le Thi Kim Hong (Vietnamese), Chanmaly Panyaphone (Lao), Yulia Fitri Utami (Indonesian), Akara Translation (Khmer) and Sapiens International Cooperation (Malaysian and Thai).

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# Background

The Cultural and Creative Industries (CCI) sector is seen as a driving force for economic growth in many countries in South-East Asia (SEA), but the development of this sector faces challenges in terms of coherent financial strategies and local market conditions. Recognizing these challenges and the lack of consistent data on government initiatives and policy impacts in SEA, as well as the under-researched nature of the financing approaches adopted in various countries, the UNESCO office in Bangkok, under the framework of the UNESCO 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions, commissioned a study to review and analyse the financial context of the CCI sector in SEA, with a focus on the sustainability of civil society CCI organizations.

This publication presents the findings of that study. In particular, it presents the challenges that CCI

organizations in South-East Asia currently face at the policy and operational levels, along with factors that contribute to their success, and provides recommendations towards strengthening the creative sector in South-East Asia. This is supplemented by country briefs and profiles of individual CCI organizations that give greater detail about the specific situations in each of the surveyed countries.

The study was led by a team of lecturers at the LASALLE College of the Arts (Singapore) who worked in collaboration with independent national researchers from countries across the SEA region. Data was obtained from 322<sup>1</sup> organizations via electronically-administered surveys and twenty-nine case studies were compiled from data collected in nine South-East Asian countries (Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam). These offer insights into the realities of CCI organizations operating in this region.

<sup>1</sup> Number adjusted after eliminating duplicates and organizations that did not fit the stipulated criteria.

The study targeted small and medium-sized organizations, including artist collectives and informal groups. The surveyed organizations included private companies (26.1 per cent), informal groups (16.8 per cent), collectives (14.3 per cent), associations (11.5 per cent), foundations (7.8 per cent), public companies (6.8 per cent) and others (e.g. social enterprises, joint stock companies, etc.). These organizations operate across various domains, including performing arts (19.3 per cent), visual arts (19.3 per cent), film and animation (15.8 per cent), literature/publishing (14.9 per cent) and design (5.9 per cent). The largest proportion (22 per cent) of the organizations identified themselves as multidisciplinary. The study did not include individual artists or cultural workers, or government-owned or operated entities. While the CCI organizations that participated in the study are not statistically representative of the CCI organizations of the region, they demonstrate the great diversity within the region's creative sector.

About a third of the organizations surveyed had been in operation for fewer than three years. Of those in operation for more than three years, 37 per cent reported a deficit three years running. Over one quarter (28 per cent) of the companies reported a surplus in three out of three years, 15 per cent reported a surplus in two out of three years and 20 per cent reported a surplus in only one out of three years. These figures indicate a degree of instability in terms of the organizations' sustainability, with a large percentage of organizations operating at a loss in at least one of three years.

The study found that, overall, the factors that inhibit the growth and long-term sustainability of CCI organizations in South-East Asia include: a lack of firm policy direction, lack of recognition or limited perceptions of the value of culture in society, a disconnect between the government and civil society, and a fragmented understanding of the CCI sector and its markets. Furthermore, national definitions of cultural values sometimes limit freedom

of expression and movement, contravening key principles of the 2005 Convention on the Protection and Promotion of the Diversity of Cultural Expressions, including the ‘Principle of respect for human rights and fundamental freedoms’.

The study found that CCI organizations are more likely to succeed if they have access to: government grants, subsidies and incentive schemes; private patronage; and/or funding from international organizations; and when creative and cultural workers exhibit resilience, adaptability and resourcefulness.

In view of the study’s findings, it is recommended that governments: develop enabling strategies, action plans, policies and data collection mechanisms; strengthen local governance and community participation; implement new models of organization; strengthen collaboration across the South-East Asian region and integrate culture into sustainable development frameworks.



# The policy context for the CCI sector in South-East Asia

The study revealed a policy landscape in which most governments, regions and cities favour developing CCI as a means of supporting national economic development. Due to variations between the countries in terms of their economic conditions, histories, political governance, cultural policy planning and implementation mechanisms, the sector has not developed evenly across the region. While there is evidence of dynamic activities in the CCI sector in most countries, the study findings indicate that there are areas for improvement in planning of policy and its implementation, and the findings highlight a need to develop the human resource capacity of government agencies tasked with developing the CCI sector, particularly in less economically advanced countries.

At the conceptual level, in most countries cultural policy development is shaped by a notion of ‘culture’ that defines national identity and unification. Thus, culture is seen to have a national ideological role while serving an economic function to generate income, create jobs and uplift communities. This objective may be embedded within CCI development policies, as seen in countries like Singapore and Thailand, or even form the backbone of national cultural policies, as seen in Malaysia, however, it is seldom made clear exactly how culture and creativity achieve both functions and how this aligns with a market orientation.

At a strategic level, some countries have overarching plans that incorporate the CCI sector. For example, the Philippines’ *Development Plan 2017–2022* incorporates the cultural and creative economy and recognizes creativity as a ‘tool’ for cohesion. Other countries have developed sector-specific development

strategies. For example, Viet Nam has a *National Strategy for the Development of Cultural Industries*. In Malaysia and Thailand, creative economy development strategies have been aligned with digital content and media. However, while strategies exist in many countries of the region, concrete action plans are absent in most cases, with the result that strategies are not always implemented.

At a policy level, Singapore, Indonesia and, to a lesser extent, Thailand, have the most clearly defined policies, linking education, trade, development and strategies executed by distinct agencies. Elsewhere, some sector-specific policies exist, such as policies for strengthening intellectual property protection in Myanmar and tourism policies in Lao PDR and Malaysia. Cambodia has had a national cultural policy since 2014.

Being cross-sectoral by nature, the responsibilities for cultural and creative industries fall

under various ministries/entities, but coordination between them is often lacking. Crafts for example, are often seen as being relevant to art and design and also to tourism, so are covered by more than one agency in some countries.

In some cases, the creative economy, being a relatively new domain for policy, has led to the formation of new agencies, which often report directly to the president's or prime minister's office. For example, Thailand and Indonesia have set up specific government agencies to develop strategies and implement plans for the CCI sector: the Creative Economy Agency and Bekraf, respectively. Other countries, such as Viet Nam, have begun to establish such entities too. However, this raises questions concerning support that is too closely tied to the government agenda of the day and the vulnerability of such agencies to changing regimes and priorities.



# The operational context of the CCI sector in South-East Asia

## Legal status of the CCI sector

The business model that an organization follows has direct implications in terms of incentives and financing opportunities (e.g. tax relief and the ability to apply for government or international grants), but many of the organizations surveyed in this study operate in a grey area. Some are incorporated as private for-profit companies while essentially earning little income and functioning as non-profits; others try to balance entrepreneurship with a social mission.

Around 30 per cent of the surveyed organizations identified as non-formal groups or collectives. Thus, artistic and creative collectives are a significant feature of the CCI landscape in SEA, but in most cases they are not officially

recognized by the system.

With the exception of Singapore, which has a clear framework of support for cultural non-profits, in South-East Asia the context is such that CCI organizations are often not registered as non-profits even if they are not profit-oriented. This is attributed to obstacles to incorporation or a lack of awareness of the benefits, if any, of having a non-profit status in most countries of the region. It can also be linked to the general status of civil society organizations in SEA, which is in need of strengthening. Furthermore, due to the hybrid and evolving nature of the work of CCI organizations, existing corporate registration frameworks do not fully accommodate the diversity of needs.

## Registration processes

Excessively bureaucratic government processes within the corporate regulation/governance frameworks for the sector are key obstacles to the



operations and sustainability of CCI organizations. Registration processes can be complicated and protracted and the need to obtain permissions and permits in most countries adds to the administration burden of CCI organizations. Complicating the situation further is the prevalence of opaque procedures, kickback payments, patronage and favouritism in official bureaus, which negatively impact organizational operations, accountability and transparency.

The operations and sustainability of CCI organizations are also affected by a lack of understanding by government officials of the exact contributions and nature of CCI work, which sometimes results in additional complications in the registration process.

### **Business planning**

Many organizations display a deficiency in strategic business planning skills, and their

market awareness tends to be low. When organizations were asked whether they do business planning, nearly a quarter of the organizations (23 per cent) stated they had no business plan, professing to 'live from day to day', and 7 per cent reported not knowing how to do business planning. While almost half of the respondents reported having a one to three year plan, only about 20 per cent had a three to five year plan and/or a one to ten year plan, and it is not known how effectively these plans are implemented.

### **Funding**

Government funding is inconsistent across the region. Some governments (e.g. Singapore) allocate significant funds towards CCI sector development, while others (e.g. Cambodia, Lao PDR and Myanmar) offer little to no state support for the CCI sector. Even where grants and funds are available, respondents and researchers reported that access to these – including

access to information about them – was often difficult.

International funding is a major form of support to the sector in some countries, particularly in the small and medium-sized economy countries. However, such funding is not always accessible due to specific registration requirements.

While private patronage is a key enabler for many CCI organizations in the region, corporate and individual philanthropic support for culture is still underdeveloped in all the countries surveyed.

### **Precarity of the creative workforce**

Many CCI organizations rely greatly on a part-time or project-based labour pool, and cultural workers often subsidize their organization's activities through either free labour or very low wages (surviving on income derived from other sources).

Another commonly-cited challenge is the difficulty of attracting and retaining skilled personnel as salaries in the CCI sector tend not to be competitive. As the skills required in the creative industries are easily transferable, staff often move out of the sector into related areas such as hospitality and tourism, which offer more stable and higher incomes.

Many organizations reported not having enough staff trained in business and administration skills, corroborating the findings of the UNESCO *Creative Economy Report 2013*, which observed that capacity-building within the creative economy sector was still in an experimental stage in developing regions.

A more intractable challenge however, may be the inadequate value placed on creative labour by society, which affects not only the earning potential of creative workers but the overall market.

## Operational costs

Costs vary greatly from country to country, and operational costs, such as office/studio rental and salaries, are impacted by rising costs of living. This factor was especially highlighted by urban respondents to the survey, in cities such as Jakarta and Phnom Penh.

Throughout most of the region, investments in hard infrastructure and provisions for affordable rents are still required, alongside soft infrastructure investments in terms of skills and training. In low-to-middle income countries, infrastructure is still severely underdeveloped, equipment rental is costly and operating expertise is low.

## Weak domestic markets

The responses to the survey indicated that the domestic markets for cultural and creative goods and services are perceived to be weak. Most organizations depend greatly on expatriate and tourist

purchasing power rather than on local consumers. Even in countries like Singapore, where the appetite for arts and cultural events has grown significantly in recent decades, arts companies reported challenges in attracting ticket-buyers and expanding their audiences.

The art market is in significant competition with the entertainment industry and other lifestyle attractions – a factor that is expected to be exacerbated with the growth of digital content and globalization pressures on the industry. There is also a strong rural-urban divide.

In most of the surveyed countries, CCI organizations were found to be engaging in education, cultural preservation, audience outreach and sector capacity development – services that would normally be facilitated through government policy. These tend to be activities that cannot be scaled up as business propositions and cannot be supported by paying customers.

# Factors for Success

The findings from the survey and the case studies indicate four main factors that can enable some CCI organizations to be more successful and sustainable than others. These factors are listed below. It should be noted, however, that even the most successful organizations still struggle to survive.

## **Government grants, subsidies and incentive schemes**

Compared to the other surveyed countries, Singapore has the most extensive system of government-funded support for CCI organizations. Such support includes grants, incentive schemes and tax exemptions. These are particularly directed at non-profit CCI organizations. The support measures are linked to the existence of systematic and clear corporate regulatory frameworks, which accommodate the operating models of non-profit cultural

and social organizations. In addition, the government facilitates corporate and private donations to CCI organizations, through, for instance, tax benefits. As a result of sustained state support over the past twenty years, the sector has become professionalized and a local audience has emerged for CCI organizations. Also, efforts are being made to promote Singapore's arts and culture internationally.

Government policies that support the CCI sector have had positive results in other countries too, including in Thailand where a policy to promote the craft sector has enhanced the country's global reputation for high quality traditional craft products. In Indonesia, the state agency Bekraf is implementing various schemes and initiatives and is also introducing a system of tax exemption for CCI organizations.

Funding for CCIs remains a challenge, however, in low and medium economy countries,

where other needs tend to be perceived to be more urgent.

### **Private patronage**

The commitment of founders and patrons is essential to the running of many CCI organizations across the region, with these actors often acting as investors, managing-directors and advocates. This role can also include providing business contacts, facilitating special rates for office spaces and corporate and private sponsorship of events.

The founders of CCI organizations often subsidize the operational costs of their organizations by not paying themselves and relying on income earned from other activities so as to be able to pay staff and cover operational costs. In addition, they invest personal capital into the organization. While organizations have been able to survive in this way, long-term sustainability may not be possible as CCI founders and owners may suffer burnout and

financial difficulties.

### **Funding from international organizations**

International organizations and diplomatic agencies, for instance, the British Council, the Goethe Institute and embassies, play a role in supporting CCI organizations by providing funding for vital activities, particularly in countries with less-developed economies.

CCI organizations that are registered as non-governmental organizations (NGOs) are eligible to raise funds from international donors. But in countries where registration processes are complicated, bureaucratic or costly, many small and informal entities are excluded from international networks of support.

### **Resilience, adaptability and resourcefulness of creative and cultural workers**

The study found evidence of entrepreneurial spirit and practice among the surveyed

organizations. Those that are found to be sustaining themselves often do so through a combination of their founders' and members' resourcefulness, resilience and a rootedness in their respective cultural/creative communities and in broader society. The social and cultural capital of founders and key personnel is a significant resource.

In some cases, a community network is built through members of the collective contributing particular skill sets or areas of knowledge to keep the organization running. With 31 per cent of the surveyed organizations classified as collective or informal groups, this model appears to offer specific advantages for survival. Serrum in Indonesia and the Five Arts Centre in Malaysia are examples of this, and also demonstrate a culture of constant learning and adaptation, and the socio-cultural significance of the CCI organizations, which goes beyond market value.





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CAMERAMAN

Joris R.

## EDUCATION

In recent decades, independent organizations in South-East Asia have been initiating their own capacity-building activities to respond to the lack of such programmes in the cultural and creative industries sector. Their activities include vocational education programmes, short-term courses and capacity-building workshops. Such initiatives often depend on grants, sponsorship and international support, but some generate their own income by offering performances, services and technical expertise.



STUDIES

Epic Arts  
Cambodia

The Sound Initiative  
Cambodia

MondiBlanc Film Workshop  
Indonesia

The Association for the Promotion and  
Preservation of Art and Literature  
Lao PDR

Inwa School of Performing Arts  
Myanmar

Centre for Development and Assistance  
of Movie Talents (TPD)  
Viet Nam

# Epic Arts Cambodia

## International NGO (2006)

Epic Arts explores and celebrates the creative potential of diversity by using the arts as a form of expression and empowerment, while bringing people with and without disabilities together. The organization manages an inclusive education programme, a community programme and a social enterprise programme.

It was registered as a charity in the United Kingdom in 2003 and opened the Epic Arts Café in Kampot, Cambodia, in 2006. In 2009, Epic Arts built the first fully-accessible arts centre in South-East Asia.

## Team

Two directors.  
Forty-three staff members.

## Financing structure

One of Epic Arts' most significant income sources is sales at its Epic Arts Café, a social enterprise that was set up to provide job opportunities for people with disabilities. It now is a well-known café and restaurant in Kampot that also hosts a gift shop called Epic Creations. Another important source of income for Epic Arts is the provision of inclusive dance workshops and performances. Income from these activities contributes between 40 per cent and 50 per cent of the organization's annual budget.

Epic Arts has been contracted by development agencies to deliver creative community projects around the themes of hygiene and health. The organization is developing a business plan under which Epic Arts will become a local implementing partner for large, internally-funded development programmes.

Over the years, Epic Arts has struggled to find and retain long-term financial support and also has experienced difficulties in finding qualified staff members. The lack of permanent support from the Cambodian government means that organizations like Epic Arts have to rely on external funding and foreign support to continue to implement their activities.

Epic Arts' independent projects are not always profitable, but the income from the café in addition to donations and grants flow back into supporting Epic Arts' two main programmes: inclusive education and community arts. The heavy dependence on the tourism industry presents a risk for Epic Arts as it does not currently have alternative plans for its long-term sustainability.

The organization pays USD 1,000 per month on rent. Another key expense is the salaries for its forty-three staff members. Cambodia does not have tax exemptions for local non-governmental organizations (NGOs) and therefore taxes are a major burden for the organization.

# Sokny Onn

Country Director



Could you provide an update on the current business situation (including issues related to COVID-19)?

COVID-19 has impacted us greatly. The inclusive education programme and community programme have had to be postponed. For the social enterprise programme, we have lost between 50 per cent and 70 per cent of our income. It is not an easy journey for us, but we will not give up.

What is one word that describes a successful achievement or lesson related to the management of your organization?

Smile. That word is a symbol of our success. When I see a big warm smile from children and people with disabilities, I can see their joy, their appreciation. They feel love and they feel hope in their lives. This is the success of our work, to brighten their lives and bring hope to them. Epic Arts' work is needed more at the moment than ever.

What are your plans/projects moving ahead?

We have a strong commitment to continue what we are doing, to provide jobs and education, and to make sure that children and people with disabilities are protected. We also want to raise awareness, so as to build a better, inclusive society for people with disabilities.



# The Sound Initiative Cambodia

## LLC / Social enterprise (2018)

Established in 2018, The Sound Initiative (TSI) is a vocational training programme for emerging singer-songwriters and music producers. TSI aims to equip young artists with the knowledge and experience necessary to establish themselves as professional musicians and embark on a music industry career in Cambodia. The company also offers a technical training programme for young musicians to improve their employability in the music industry, coinciding with a large demand for trained sound engineers in Cambodia.

As of September 2019, TSI had completed a pilot programme of nine months with fifteen musicians, and had begun a new programme for a second cohort.

## Team

Six staff members: managing director, music director, music assistant, marketing/events officer, finance officer and project officer.

## Financing structure

The Sound Initiative is a social enterprise. It is registered as a limited liability company, however, because Cambodia does not have a social enterprise registration framework.

TSI is currently mainly funded by foreign grants, notably from the British and United States embassies, USAID, PACT and the Hard Rock Heals Foundation. It also receives support from the private sector. In addition, TSI generates income by providing services to the music industry, including audio-recording services and small-scale live event and concert production. The income generated this way is used to finance the organization's vocational education programmes.

Currently, the income generated is insufficient for the company to operate independently. Because it is heavily dependent on grants, TSI will eventually need to develop a stronger business and revenue model in order to sustain its activities.

A key challenge facing the organizations is the low awareness and appreciation for music products among the local audience in Cambodia. Most people do not expect to pay for music content as it can easily be found for free.

In 2019, the organization spent at least USD 550 per month on rent, which includes withholding tax and cleaning fees.

Laura Baker  
Chheng Heang Chive  
Euan Gray



Could you provide some recent updates on the current business situation (including issues related to COVID-19)?

During the lockdown in Cambodia earlier this year, we maintained a sense of community and motivation through video conference calls with our students and team. We also managed to remotely record an album and begin to create music tutorials online. As a music education organization, we have been looking at solutions for distance learning so we can have national reach. We have used this experience to inform how new educational tools can address the digital skills shortage within the creative sector here.

What is one word that describes a successful achievement or lesson related to the management of your organization?

Adaptability. Meaning that, before this difficult situation we had plans to put on a live concert, but we had to scrap them because of the circumstances, so we decided to make it a digital concert instead. This was a lesson for us to understand that no matter what happens in the future, we have to be prepared for any situation.

What are your plans/projects moving ahead?

We are going to keep building our academy both online and offline. At the same time, we will keep building our partnerships and networks locally and internationally so we can keep connecting artists and producers to new clients and potential collaborators. Now that the lockdown has mostly eased, we are also able to build up our business in our new music studio.





# MondiBlanc Film Workshop Indonesia

## Foundation (2016)

MondiBlanc is a registered foundation that operates as a film workshop community which works to build skills in the film and video industries. It provides free access to anyone who wants to study film professionally, encompassing commercial and independent films. While the workshops are free, the candidates are selected based on their professional commitment and existing technical capacity with film software and equipment. Training activities include online and offline editing, production design, production management, visual arrangements, acting and directing, scriptwriting, post-production and cinematography.



## Team

Three founders (filmmakers).  
Six administrators.  
Managers and instructors.



## Financing structure

MondiBlanc generates revenue through commissioned projects via its sponsor Talemaker LLC, which focuses on the development of corporate social responsibility (CSR) projects. In this context, MondiBlanc has produced communication products, including a digital app project for the Rail Link airport train service in Jakarta, Indonesia. Additional income is generated through renting out space for a café business and through an equipment rental service. It has also produced short films that are monetized on YouTube.

By providing such products, services and creative content to external clients, MondiBlanc has been able to carry out its training activities over the four years between 2016 and 2020. MondiBlanc's business structure remains precarious, however, due to a lack of long-term planning, which has led to instability. This instability has generated a high turnover of management personnel as well as to diverging opinions as to the future strategic direction for the organization.

MondiBlanc rents a two-storey shophouse for 60 million Rupiah (approximately 4,000 USD) per year. The organization sub-lets parts of the building to generate additional revenue. The utility costs are covered by the income from the café space. The managers and instructors are paid with revenue generated from the organization's projects. Taxes are proportional to the revenue generated by the company and include property tax, goods and service tax and rental income tax.

# The Association for the Promotion and Preservation of Art and Literature

## Lao PDR

### Civil society organization (2014)

The Association for Promotion and Preservation of Art and Literature (PPAL) is a local civil society organization (CSO) that promotes culture in three disciplines: Literature, Fine Arts and Performing Arts. The PPAL believes that culture is key to sustainable social development and the creation of fresh ideas, stronger relationships, heritage preservation and playful education.

The association works toward cultural development by establishing community libraries, organizing art and literature contests, holding workshops, producing publications and arranging activities at dedicated children's education development centres, including artist meetings, book fairs and poetry festivals. A key challenge has been the low level of local appreciation for this type of art form as well as the governmental procedures concerning the authorization and monitoring of activities (all content must be approved by the Ministry of Culture, Information and Tourism and events must be attended by the Ministry of Education and Sports.)

Created in 2014 under a temporary authorization issued by the Ministry of Home Affairs, the PPAL operated as an informal group for several years before beginning the process to become an association. The organization has since gone through a lengthy review process and full registration has not yet been achieved. The status of 'association' is being sought because the organization's activities are targeted toward local communities and because non-profit status would allow the PPAL to develop

partnerships with various other organizations from diverse backgrounds. Partnerships with some children's educational centres have proven to be successful in the past in terms of artistic training and capacity building.

### Team

Thirty-five members (mainly volunteers).  
Four key active members.  
Fifty teachers from six provincial schools (serving 2,500 children).

### Financing structure

The organization depends entirely on external funding sources and initiates projects only when funding is available. The PPAL therefore operates on a project by project basis, with its main activities being festivals and training, which are implemented with international funding and partnerships. Indeed, partnerships with international organizations have been vital to sustain its operations and activities. The organization receives international funding of between USD 10,000 and USD 50,000 per year. It also receives support from private companies, mostly in the form of in kind contributions and sponsorships of up to USD 500.

Although the PPAL relies on funding support to implement large projects, it generates a modest income (to fund its smaller projects) through book sales and literature classes to private schools.

Venue rental represents a major cost for each project and can be as high as USD 1,800 per day. The rented spaces are usually located inside commercial centres and government buildings. Due to its limited budget, the organization cannot afford to pay wages to its staff members who are mostly volunteers. The expenses incurred to meet government monitoring requirements can vary from one province to another. This type of cost can sometimes be quite hefty.



Nowadays, the traditional forms of performing arts in Myanmar are often overlooked and contemporary artistic practices receive more attention from the general public.



# Inwa School of Performing Arts Myanmar

## Charity (2016)

Founded in 2016, the Inwa School of Performing Arts is based in Mandalay and is partly managed by the Arts Mandalay Foundation, an American charity organization. The Inwa School's mission is to provide training in the traditional performing arts of Myanmar and to preserve ancient cultural heritage. The boarding school provides students with free education in the traditional performing arts as well as free accommodation and board. The organization also operates the Mintha theatre, a public venue where students and faculty members give performances to international visitors.

## Team

Eight staff, including a general manager, a headmaster, three teachers, two performers and one dormitory coordinator.

## Financing structure

The majority of the school's funding comes from United States-based individual donors via the Arts Mandalay Foundation. The school also receives a small amount of funding through engaging in activities such as hosting cultural tours for the donors and other such projects. In 2019, Inwa received a grant from the School of Oriental and African Studies (SOAS) of the University of London for a project involving a travelling performance group, which had the goal of promoting tolerance and inclusiveness.

The Inwa School of Performing Arts generates 10 per cent of its overall budget through income generated by ticket sales for the performances in their in-house Mintha theatre. The performances take place nightly and tourists are the main target group.

The school's management does not foresee any changes in the near future and does not currently have other strategies to generate income aside from through performances. Strategic decisions are made by the Arts Mandalay Foundation in the United States.

In compliance with the 2018 Union Tax Law, which exempts education providers from paying taxes, the Inwa School of Performing Arts (which is registered as a vocational training institution) does not pay taxes.

# Centre for Development and Assistance of Movie Talents (TPD) Viet Nam

## Joint-stock company (2002)

The Centre for Assistance and Development of Movie Talents (TPD) was established in 2002 under the sponsorship of the Viet Nam Cinema Association (VCA), with the dual purpose of supporting young talents in the film industry (via an incubator programme) and developing the skills of the public through media.

Apart from providing training courses (between seventy and eighty classes per year) in filmmaking, professional acting and screenwriting, TPD also runs an annual programme to support the production of feature-length and documentary films, and implements small projects to assist professional and semi-professional filmmakers.

After seventeen years of operations, TPD has managed to build a community of 3000 alumni who have produced between 700 and 800 short films and documentary films on current topics, such as gender-based violence, climate change and LGBT issues.

TPD has made an effort to develop its audience across the country. As a result, the number of people attending screenings is growing. Public events are organized regularly; up to five times per week.

## Team

Founder: Bui Thac Chuyen (film director).  
A team of eight people (full-time and part-time staff).

The organization respects diversity and employs ethnic minorities from mountainous areas of the country. The team members come from different educational backgrounds and are often trained in-house.

## Financing structure

The TPD began as a non-profit organization but changed its status to a joint stock company in 2013 to be able to engage in income-generating activities. It considered becoming a social enterprise but did not see any tangible financial benefits for doing so.

The organization generates income through providing training courses and producing commercial videos, and receives individual and institutional donations.

Between 2002 and 2009, TPD received seed funding from the Ford Foundation. Its initial initiatives included the setting up of the first film library in Viet Nam, organizing training workshops with renowned film directors and managing the 'Ten months - ten films' project, which supported ten young talents from across the country to make short films. Another key international partnership was with the British Council.

TPD's activities that do not generate any income depend on external funding. The organization prioritizes its funding toward films with a social impact and seeks to develop a film community based on a new generation of people in Viet Nam, who understand film aesthetics and can also become film critics.

While receiving strong support from the Viet Nam Cinema Association, the TPD manages itself independently and operates like a non-profit organization, pouring revenues back into the community. While it faces tough challenges, it intends to continue working under the present business model and financial structure.

The centre re-invests a high percentage of its revenues toward not-for-profit community projects. After seventeen years, it has become one of the most successful creative business models in Viet Nam.

## Operating costs

TPD has its own space, provided as in-kind support by the Viet Nam Cinema Association. The space has three classrooms, a film library with public access, a film studio and an office.

Expenses for human resources and utilities: USD 3,000 per month

Business income tax: 20 per cent of profits

VAT: 10 per cent of fees for projects and services.

All public screenings are subject to permits and monitoring. The licensing cost for screening is USD 70 per film.



## ADVOCACY & HUMAN RIGHTS

Arts projects in South-East Asia frequently address human rights concerns, highlighting sensitive topics in creative ways. Artists and creative communities in the region often promote human rights issues, ranging from women's rights and LGBTQ rights, to freedom of speech and disability rights, with funding support from local and national institutions, individuals and international bodies (e.g. cultural agencies, foreign embassies and foundations).

STUDIES

SIRKAM, Women's Creative Circulation  
Indonesia

Myanmar Deitta  
Myanmar

Pineapple Lab  
The Philippines

Mayarith  
Thailand

# SIRKAM

## Women's Creative Circulation Indonesia

### Unregistered collective (2018)

Sirkulasi Kreasi Perempuan (SIRKAM), the Women's Creative Circulation, is a hub space that serves as a forum for women in the fields of art and literature. It is a community group dedicated to empowering creative women and it is a platform to showcase their voices and aspirations as well as to facilitate the development of new ideas and discourses. SIRKAM operates based on the principles of togetherness, equality and collectivism.

Inspired by women in the Indonesian arts and culture and their activism, SIRKAM was founded in September 2018 by Citra Hasan with a mission to empower women through intellectual and artistic works. The organization publishes zines, holds exhibitions and convenes public forums.

### Team

One founder (Citra Hasan).  
One treasurer.  
Fourteen staff members in eight programme divisions.

### Financing structure

SIRKAM received initial funding from a cultural grant called Cipta Media Ekspresi, which supports the engagement of women in the fields of arts and culture, and which is in turn funded by the Ford Foundation, and was established in collaboration with Wikimedia Indonesia. The organization intends to sustain itself after the grant expires through a membership scheme. The organization generates some income by organizing classes and craft workshops and also by selling creative products at exhibitions and markets.

In 2020, in response to the limitations on their activities imposed by the Covid-19 pandemic, SIRKAM launched a crowdfunding campaign to raise money for their rental costs and to keep their organization afloat. SIRKAM is currently not registered as a legal entity due to lack of sufficient funds for the registration process.

Despite limited resources, SIRKAM is gaining traction and local support as it provides a service that is lacking, because there are not many art and cultural events in the city of Medan.

Rent and utilities represent the largest proportion of SIRKAM's expenses, aside from project development and implementation costs. Staff members are not compensated and have other jobs to support themselves. The survival of the organization rests heavily on the dedication and passion of the participating members.



# Citra Hasan

Founder



Could you provide an update on the current business situation (including issues related to COVID-19)?

In this era of the COVID-19 pandemic, everything is falling apart; the horror of COVID-19 has ruined the economic situation. Declining purchasing power and the economic recession have made our business weaker. As a public space, we rely on the crowds, but these are restricted everywhere. The valuable lesson we gained from this is innovation. We keep learning new strategies, brainstorming, and we keep trying new things.

What are your plans/projects moving ahead?

Our plan in the future is that we will be more focused on documenting our thoughts through strategic media such as blogs, podcasts and videos. We will also continue to run our business to achieve independence for us and the community.



# Myanmar Deitta Myanmar

## Non-profit organization / Association (2013)

Myanmar Deitta is a Yangon-based not-for-profit organization (registered as an association) committed to developing tangible resources for documentary photography, filmmaking and multimedia production in Myanmar. It was created in response to a lack of local institutions and support infrastructure in these fields. The organization provides resources and support for photographers and filmmakers working in the journalism, advocacy and social-documentary fields.

Since its inception, Myanmar Deitta has facilitated more than fifty exhibitions of local and international photography as well as film screenings, press conferences, panel discussions, workshops and artist talks. Programmes have covered a broad range of topics, including domestic land rights and resource extraction, religious conflict, wildlife preservation, global statelessness, LGBTQI rights and women's rights.

In 2019, the organization moved into a larger space, comprising a gallery, library and workspace, in downtown Yangon. This space will enable it to host exhibitions, events and educational programmes for various entities, including embassies, non-governmental organizations, educational institutions and organizations in the arts sector.

## Team

One director.

Three core staff members who have multiple roles, including administrative work, training and project management.

## Financing structure

Myanmar Deitta receives project funding from partners and clients working collaboratively on social issues such as women's rights and issues related to the mining industry. At present, programmes about women in photography represent half of the organization's activities and funding, and pay for half of the organization's overhead expenses.

The organization also generates some revenue through sales and services (e.g. photojournalism services and documentary filmmaking services). Myanmar Deitta has plans to grow its educational services and become a photography school with related exhibitions and projects.

Given a lack of government support for the arts and media in Myanmar, a key challenge is to secure sufficient ongoing operational funding.

The organization rents a ground-floor space in downtown Yangon for USD 1,000 per month. Other expenses include electricity and salaries. Licenses and permits have to be requested for exhibitions but they are free.



# Matt Grace

Director of Operations



Could you provide an update on the current business situation (including issues related to COVID-19)?

Our current situation is entirely dependent on the evolution of the COVID-19 pandemic. As restrictions spread throughout Asia in March 2020, we were forced to suspend all of our activities. We are redesigning the curriculum to be taught as an online programme. We are able to develop other projects, which do not involve person-to-person contact (currently running online exhibitions, as well as developing a new publication which will be released once printing is possible), but the primary reason for Myanmar Deitta's existence is to provide physical resources and a community space, so the longer that this situation continues, the more we are having to seriously reconsider our position and long-term plans.

What is one word that describes a successful achievement or lesson related to the management of your organization?

Empowerment. Our most successful initiatives have been those on which we are able to collaborate with and support existing groups, and enable them to develop and expand in their own way. The initiative we are implementing with Thuma Collective has been one such collaboration. By making connections and providing the collective with physical resources, Thuma Collective has been empowered to lead its own projects and develop its own works without financial or logistical restrictions, and it has seen extremely rewarding results.



# Pineapple Lab

## The Philippines

### Private company (2015)

Pineapple Lab is a platform for emerging artists and groups identifying as Lesbian, Gay, Bisexual, Transsexual, Queer, Intersex and/or Asexual (LGBTQIA). Accordingly, the Pineapple Lab caters for underrepresented artists, collectives and communities and showcases their work. Such opportunities are quite rare in the Philippines because these artists and groups lack the social capital required to get showcased by larger exhibits and art spaces.

Pineapple Lab aims to provide a safe space for artists from an underrepresented and sometimes oppressed sector. It also serves as a platform for non-Western forms of art and as a springboard for artists who are just starting their careers.

A multidisciplinary space for exhibitions, performances and stage productions by LGBTQIA emerging artists, Pineapple Lab is located in the cultural centre of Poblacion in Metro Manila, where it is strategically placed to cater to a diverse socio-economic clientele and audience.

### Team

Multiple volunteers and part-time basis staff.  
Five board members.

Nine full-time paid members (programme management, community liaison, admin, graphic design, security and maintenance).

Employees work on a rotational basis depending on schedules and programming.

### Financing structure

Pineapple Lab is the art space of the company formally registered as Fringe Cultural and Creative Industries, Inc. (FCCI), which has operated as a private company since 2018. It has not yet succeeded in registering as a non-profit organization.

Pineapple Lab has an annual budget of between USD 50,000 and USD 100,000 per year. A key source of funding is commissions. The organization has been commissioned by a variety of organizations, including the local city government and cultural agencies, such as the British Council and the Japan Foundation. The organization has also participated in government schemes, which have augmented revenues, but the lengthy reimbursement process linked to such schemes has been a constraint for the participating artists.

Ticket sales from performances and the use of the black box stage, are a primary source of income. Another source of income is the profits from the bar located in the artspace. Pineapple Lab also earns an income from retail and entrepreneurship activities, specifically through partnerships with Hollow Block and Glorious Dias (Filipino vintage clothing labels, including some made with Pineapple fibre, piña jusi; indigenous textiles; poetry books). Pineapple Lab typically takes a 20 per cent commission on artist's sales. For each performance, fees based on a percentage of the overall profits are negotiated with the performers.

The organization reported a deficit in 2018, which is to be expected for a newly-incorporated company. Pineapple Lab is aware that it will need a stronger strategic plan and more sound financial structure in the future. To ensure a stronger demand for this type of art performance, it will be necessary to raise local audience awareness and appreciation of the organization's work.

## Operating costs

Around a half of the organization's running costs are human resources expenses (for nine full-time staff members), while around a third of the costs are for project expenses and the rental of office space. Other costs include utilities, equipment rental, maintenance costs, taxes, marketing, outreach, telecommunications, licenses and miscellaneous costs such as travel expenses. Pineapple Lab pays around USD 1,200 per month to rent its space, which is a relatively competitive price point in a highly-gentrified section of Poblacion.

“To sustain our business, we don't earn from the arts necessarily. We earn from other things. What we need is a more developed strategy because we're so spread out. Sometimes we're so stretched in terms of wanting to be more sustainable. Where, for example, there will only be one person ... dedicated to donations, to sponsorships. Because it's really hard.”

Andrei Pamintuan, Creative Director



# Mayarith Thailand

## Private company (2015)

Mayarith, a children's theatre, was set-up in 2015. It is the first children's theatre in Thailand, and seeks to maximize the potential of creative practices. It is part of an organization called Maya, which began in 1981 and evolved from being an informal group without any funding into a travelling theatre, offering shows at affordable prices.

The Mayarith theatre focuses on building a process for self-empowerment by encouraging children to think differently, express themselves, take action and be confident. Every production encourages interaction between children through performances, spatial arrangements and decision-making. The group devised a strategy around the concept of theatre for awareness-raising and community development (children's groups that include marginalized children who live along the borders or in camps, and disabled children).

Mayarith implements three or four projects per year, with each comprising thirty-two shows or performances. A key goal for Mayarith in the future is to create a national agenda that supports children's empowerment in Thailand in line with the Convention on the Rights of the Child.

## Team

Director: Somsak Kunha.

Volunteers, including: a producer, director/scriptwriter, production designer, performers, make-up artists, lighting designer, sound engineer.

Students and young performers have volunteered along with friends of the organization.

## Financing structure

Income earned by Mayarith comes mainly from ticket sales (USD 65,000 per year), but the organization also receives support from donors and partnerships.

The Mayarith theatre benefits from the long development history of Maya, its parent organization, which initially received funding from the Canadian government to establish a travelling theatre that focuses on performing arts for and with youth, teacher training and instructional media development. Through its activities, the group received more attention from the media, which led to television appearances, public speaking opportunities and commissions for training sessions. Other sources of international funding include support from the Japan Foundation and the Bernard van Leer Foundation, which provided funding for ten years, between 1997 and 2007.

Rajabhat University supported an initiative by the organization to develop a Mobile Training Unit Department. This led to the development of a curriculum focusing on participatory learning and associated teaching materials (e.g. shadow puppets), which in turn led to the training of thousands of educators who were part of the Rajabhat University network across Thailand.

The organization partnered with the Thai Ministry of Education on policy development and the Thai Health Promotion Foundation which have supported as strategic partners and not financial partners.

In the absence of a long-term strategy, Mayarith theatre relies on voluntary contributions, friends and supporting networks, as well as word of mouth. Over the years, the audience base has grown and become more diverse.



The income from ticket sales covers the rent, production costs and electricity. Staff members are paid when there is project funding, otherwise they work on a voluntary basis and most of them also have other jobs. Each of Mayarith's projects (three or four per year) costs between USD 25,000 and USD 40,000. In June 2020, the organization was given a piece of land on Sukhumvit Road, Bangkok, on which to build a theatre. Funds are being raised to build the structure.



The Mayarith theatre focuses on building a process for self-empowerment by encouraging children to think differently, express themselves, take action and be confident.



## CREATIVE EXPERIMENTS

Cross-disciplinary and experimental approaches are gaining momentum in the Asia-Pacific region. Legally, however, the possibilities are limited because social enterprises are not always formally recognized and non-profit status can be difficult to obtain. In such a context, registering as a private company or not registering at all are common choices. While such organizations do not benefit from tax exemptions, in some cases they are able to generate income to finance their operations and activities.



# STUDIES

SAtheCollective  
Singapore

Phare Performing Social Enterprise  
Cambodia

Five Arts Centre  
Malaysia

Prakerti Collective Intelligence  
Indonesia

Serrum Studio  
Indonesia

Heritage Space  
Viet Nam

# SAtheCollective Singapore

## Public company / NPO (2011)

SAtheCollective is a cross-cultural, cross-disciplinary performing arts company that looks at the relationships between humankind, nature and technology in its work and the bridging of different cultures. First formed as SA the musical trio, in 2016 they established SAtheCollective as a multidisciplinary company. They are based in Singapore but also work internationally, and their music comprises a mix of ethnic instruments and electronica, defined by experimentation.

The main activities of the organization are live and recorded performances and an education initiative, 'Little Creatures', which seeks to create quality art experiences for young audiences. It works through commissions and partnerships with institutions such as the National Gallery Singapore and the Artground, a multidisciplinary art centre for young children.

Their board members include the head of the School of Contemporary Music at LASALLE and an associate professor of music education at the National Institute of Education.

## Team

Two co-directors (Natalie Tse and Andy Chia) working full-time for the company.  
Part-time production assistant and designer.  
A pool of artists called 'associate artists'.

## Financing structure

Between 2016 and 2019, SAtheCollective was a recipient of the National Arts Council (NAC) Seed Grant, which was meant to cover half of their operation costs. The organization is also a recipient of the 'Major Company Grant', for the period from 1 April 2019 to 31 March 2022.

The organization also receives funding from various activities. The largest source of income is from clients such as the National Heritage Board and the National Museum. It also occasionally receives funding through its work under the NAC Arts Education Programme (AEP)

Its live shows do not see significant returns. Although the organization's music can be found on music streaming platforms such as Spotify and Bandcamp, income from this is negligible. While it may not yet be turning a profit, it is not making a financial loss through their various activities.

Given the need for funding, a major focus of the organization is on business development and donor cultivation. However, as an independent outfit that lacks the prestige of the big national companies in Singapore such as the Singapore Chinese Orchestra or the Singapore Repertory Theatre, the organization struggles to find patrons. It has been exploring campaigns on giving.sg, a one-stop philanthropic portal managed by Singapore's National Volunteer and Philanthropy Centre (NVPC) and also the possibility of a fund-raising event. In 2019, the organization considered investing more resources to improve its visibility through public relations, branding and marketing, to help it identify the right patrons.

Audience awareness and appreciation for the arts remains a challenge in Singapore. This aspect is tied to the long-term sustainability of their operation but also to the overall local arts environment.

## Operating costs

In 2018, the organization successfully achieved the status of a registered charity and became fully tax-exempt. Their rent is SGD 1,053 per month. This, together with utilities, staff salaries and other expenses, brings their monthly expenses to between SGD 14,000 and SGD 15,000 per month (between USD 10,000 and USD 11,000).

The organization puts on at least one major production a year and these can be large multidisciplinary shows with budgets that can run as high as SGD 80,000 (approximately USD 58,000).

In addition to a company manager, the organization has a part-time production assistant-cum-designer who receives a monthly honorarium and an additional payment for projects, and an in-house studio manager/sound engineer, who receives 'intern pay' as well as additional payment for projects. Due to its limited resources, the organization is unable to pay a competitive wage; the salary it offers is SGD 2,500 per month (approximately USD 1,800), which is considered low by Singapore standards. This low salary requires the staff to supplement their income through engaging in other jobs.



# Andy Chia

Artistic Director



Could you provide an update on the current business situation (including issues related to COVID-19)?

The COVID-19 situation is unprecedented, and the art scene as a whole has taken quite a hit. But I do also feel that it has opened up new opportunities for us to create works a little bit differently, such as digital media and films, for example. And our government has really been supportive of this and has been subsidizing and commissioning works.

What is one word that describes a successful achievement or lesson related to the management of your organization?

Bonds. The bonds of family, the bonds of friendship, the bonds between employer and employee, bonds between artists. I think that's a very important thing that we have seen during this COVID situation.

What are your plans/projects moving ahead?

Moving forward, our plans are to release a dance film with a couple of collaborators for this year's Singapore International Festival of Arts (SIFA) in December 2020, and we will be releasing our upcoming album in 2021. We will also be digitizing some of our works, so do look out for our works on our social media sites and website.

# Phare Performing Social Enterprise Cambodia

## LLC / Social enterprise (2012)

Based in Siem Reap, the Phare Performing Social Enterprise (PPSE) creates employment opportunities for artists in Cambodia, mostly in the performing arts (theatre, circus) sector and to a smaller extent in the graphic design and animation sector. One of PPSE's main activities is to offer career development grants and creation grants for artists to develop new works. The organization's main artistic activities are daily circus performances in Siem Reap. Its artists have also toured overseas.

The main goal of the PPSE is to financially sustain the Phare Ponleu Selpak Association ('The Brightness of the Arts'), an organization based in Battambang that provides young Cambodians from disadvantaged backgrounds with the opportunity to receive arts education. Furthermore, the PPSE aims to revitalize the arts within Cambodia and elevate Cambodia's profile internationally as 'the Kingdom of Culture'.

## Team

Seventy full-time staff.  
Ten part-time staff.  
Forty artists hired on a project basis.  
Several directors (finance, marketing, human resources, operations).

## Financing structure

Cambodia does not have the legal framework required to register as a social enterprise, so the PPSE is registered as a company. It is owned by the Phare Ponleu Selpak Association, and is funded by a loan from the social impact investor Grameen Credit Agricole Microfinance Foundation and by private investors. The PPSE has a share in the Phare Cambodia Landholding company (49 per cent is owned by the PPSE and 51 per cent is owned by private individuals who are friends of the PPSE).

It generates income through ticket sales (75 per cent of income), mainly for a tourist audience, and from retail sales from the Phare boutique (24 per cent of income). It also gives performances and offers graphic design and animation services to generate additional income.

## Operating costs

Like other organizations in Cambodia, PPSE spends a large portion of its budget on taxes and licences, including VAT, service tax, profit tax and signage tax, and an operational license. Due to its limited financial resources, it can only offer low wages and therefore struggles to retain qualified staff members. Thanks to a good relationship with its landlord, the organization benefits from a low rent of only USD 280 per month.



# Huot Dara   Harb Houn

Chief Executive   Director of Operations



Could you provide an update on the current business situation (including issues related to COVID-19)?

The COVID-19 crisis has caused strong hardship at Phare, the Cambodian circus, because of the absence of international tourism. Phare cannot perform overseas either and we had to suspend all performances for many months. We have used this downtime to develop capacity and creativity, and have produced a new performance with all of our energy. In August 2020, we relaunched our shows, to be performed twice a week, and have revamped our programme by adapting it to local audiences. We want to make our venue attractive for locals and have added pre-show entertainment targeting both children and adults. For each show, we comply with the Cambodian government's standard operational procedures to ensure public health and safety.





# Five Arts Centre Malaysia

## Private entity (1984)

Founded in 1984 as a collective, the Five Arts Centre (FAC) is an arts company with five areas of focus: theatre, dance, visual arts, creative writing and a space for exploration and experimentation (for ‘whatever they want to do’).

The FAC is a dynamic collective of Malaysian artists and producers, dedicated to alternative art forms and images in the contemporary arts landscape. It is well-known for cutting-edge performances in theatre, dance, music and theatre, and incorporates aspects of the visual and digital arts. The centre is committed to articulating the complexity of Malaysian culture and identity. It has been instrumental in the growth of a Malaysian identity in the arts, which draws from multiple influences and hybrid histories.

The FAC’s work is driven by members’ interests and by art. The members talk about their work as a very organic process and the impulse, it is emphasized, is always artistic. The FAC runs projects and productions driven by the fourteen members’ interests and there is no fixed number of productions each year.

## Team

Fourteen members.

It is a flat structure, without hierarchy, but has two executive directors.

Full-time staff members receive a monthly salary and project collaborators are paid on a project basis.

## Financing structure

The Five Arts Centre is registered as a private company (Sendirian Berhad), but is operated as a collective.

One of the biggest enablers for the growth and sustainability of the FAC has been the support from Malaysian satellite television and radio operator, Astro. In 1998, the relationship between Astro and the FAC enabled the organization to rent a two-storey terrace shophouse in the neighbourhood of TTDI as a studio and office. The corporate philanthropy funding from Astro, which lasted over twenty years, is now phasing out and the organization has to start thinking about its financial future.

The FAC has worked with multiple donors including government, government-related and private. One government grant the organization benefited from was the Creative Industries Development Fund, in the mentor-mentee, apprenticeship and new writing programme. It has also received support from Cendana, the Creative Economy Development Agency, which became quite substantial in 2020.

Other sources of income include ticket sales from productions, rental of their studio/black box and revenue from sponsorships, though none of them are particularly lucrative. If a significant amount of profit is made, producers are encouraged to reinvest 10 per cent into the company, after making sure that all artists are decently compensated.



## Operating costs

Operational costs are between USD 28,000 and USD 36,000. This amount excludes project costs. Human resources, utilities and rent are the largest expenses. The government imposes licenses and fees, including a USD 2,400 deposit for any event with local performers and a USD 7,300 deposit for a show with international artists.

Production budgets are determined based on consideration of various factors, including available funds. If sufficient funding is not secured, the FACs make a projection of 50 per cent of tickets sales, weighed against the minimum income needed to make an event happen.



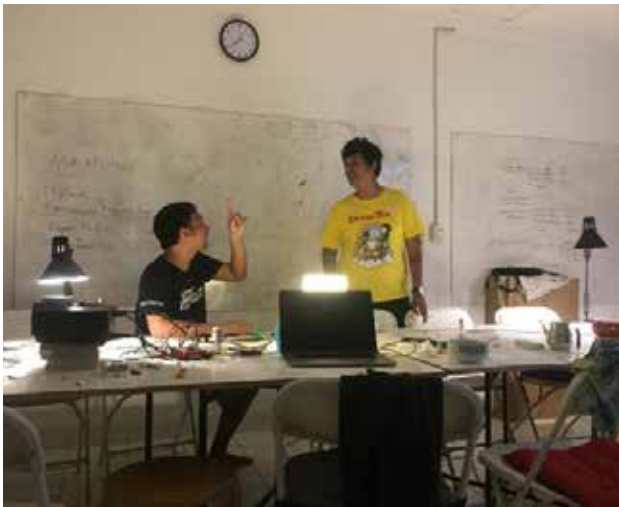
“I don’t even know how FAC survived over these thirty-five years, in this climate with a lack of arts policies... We’ve just managed to do it and exist. We have churned out work against all odds – or maybe because of the odds.”

June Tan, FAC Producer

# Prakerti Collective Intelligence Indonesia

## LLC (2019)

Prakerti Collective Intelligence works to trigger social transformations via intellectual means. It was initiated in 2019 as a research consulting firm that produces reviews of academic journals to support network researchers as well as curatorial projects and research in the arts and culture. Prakerti Collective Intelligence trains 'literati' to produce 'literati products' for researchers, students, writers, artists, organizations and research groups.



## Team

A working group of fifteen (academics, researchers, artists, designers with various backgrounds).

Three full-time staff.

Several part-time staff who earn an income from other jobs.

The organization has adopted a non-hierarchical, collective collegial decision-making system that is akin to cooperative management.

## Financing structure

It was initiated with a personal investment by the founder of about 60 million Indonesian rupiahs (approximately USD 4,300) and does not receive any donations from external bodies.

Prakerti Collective Intelligence registered as a limited liability company in 2020. With this status it is able to apply for commissions from the government and educational institutions. It sustains itself through income generated from offering services and implementing projects developed in collaboration with various individuals and institutions.

Most of the organization's projects rely on a network of clients and acquaintances. As demand for the kind of research services offered by the organization is marginal, greater public awareness of the value of research work in Indonesia is needed.

## Operating costs

Prakerti's annual operating costs are approximately IDR 70 million (excluding worker's salaries, which vary depending on the volume of activities).

Rent constitutes the largest portion of their expenses as it is more than half of their annual budget at IDR 55 million. Other spending is tied to the payment of workers, which varies according to each project or task performed. The organization has a business model with an unconventional compensation scheme. Workers earn a kind of 'currency' called KAP (co-remuneration of contribution for production activities)-based on a labour value chain concept that returns surplus value to all labour democratically. This reflects their model of co-ownership. This system of apprenticeship works across different skills set and the shared responsibility over management roles. The experimental model is still being tested but it is hoping to sustain itself through commissioned works.

# Serrum Studio Indonesia

## LLC (2006)

Serrum defines itself as an 'art handler expert'. It uses an artistic and educational approach to address socio-political and urban issues. Its activities include art projects, exhibitions, workshops, discussions and creative promotional materials using video, murals, graphic, comic and installation art.

The name Serrum is derived from the sound of the English words 'share room', referring to the notion of sharing as space, life and a means to create and produce.

The collective was founded as a limited liability company in 2006 by a group of fine arts students from Jakarta State University and evolved into a dynamic creative enterprise working on commissioned projects and for social change. The organization is investigating new possibilities in the conservation, restoration and preservation of artworks, in collaboration with museums in Indonesia.



## Team

Seven founding members including: a business coordinator, two programme managers, a financial manager, an administrative officer,

a publications manager and an overseas coordination manager.

Two accountants, one office clerk and a driver.

## Financing structure

Serrum draws on several sources of funding, including a grant from the Ford Foundation's Building Institutions and Networks (BUILD) programme and revenue generated from works (e.g. murals, art event handling and large-scale artworks) commissioned by corporate clients, hotels, the government and non-governmental organizations.

With its strong capacity for implementing profit-generating arts activities, Serrum is not dependent on grants and can therefore keep a degree of financial autonomy. Its successful business structure allows the collective to continue working on numerous non-profit initiatives related to educational and social endeavours, including the Gudskul education project.

## Operating costs

Serrum spends around IDR 400 million (approximately USD 28,000) per year. Its operational costs per month are around IDR 25 million. Costs include the operational expenses of the institution, members' health insurance, as well as the salaries of the organization's two accountants, office clerk and driver.

Serrum's board of management, including the chairman, treasurer, secretary and director, are not paid a regular salary. The management team and organization members are paid only by commissioned projects, such as the art handling work and murals. From such projects, the nine members of Serrum receive around IDR 4 million per month. Other costs include training in finance and accounting for members and non-commercial public programmes, including Gudskul.

# Heritage Space Viet Nam

## Social enterprise (2014)

Heritage Space was founded at the end of 2014 by Nguyen Thi Hong Minh, with consultation from artist Tran Trong Vu. The organization's goal is to become a high-quality art hub for creative practitioners and the general public, with a mission to support and promote an interdisciplinary approach to contemporary art in Viet Nam, as well as to facilitate stronger connections between Viet Nam and contemporary art across South-East Asia and the world.

Its major activities include the production of art exhibitions and the facilitation of multidisciplinary activities for creative practitioners from various fields, including music, theatre, architecture, cinematography, photography, performance art and experimental art.

Most activities are free of charge to the public. This is part of the organization's vision to support contemporary art in Viet Nam through audience development.

Since registration as a non-profit is not possible in Viet Nam, Heritage Space initially registered as a private enterprise. But in 2019 it changed its status to become a social enterprise. All of its profits are re-invested into projects with social benefits.

## Team

Team 1: One CEO, one programme manager and one administrator.

Team 2: Part-time staff, including four programme development officers (music performances, film, art talks and art practices), one accountant, one communication officer, one fundraiser and two technicians.

Team 3: Volunteers.

## Financing structure

Heritage Space has been successful in gaining funding from international organizations, including the British Council, Goethe Institute, the Embassy of Denmark, the Japan Foundation and the Korea Foundation. This support has enabled the organization to implement large-scale projects, such as its signature Month of Art Practice, which facilitates art residencies in Hanoi.

While most of the organization's activities are free of charge, Heritage Space does earn some income from ticket sales at small events such as musical performances and training workshops. Three events of this type are organized each month, on average. This income covers performers' fees, utility costs, service costs and human resources.

## Operating costs

Heritage Space pays USD 260 per month for a shared rental space and spends around USD 1,600 monthly, on average, on staff salaries and utility costs. The organization pays taxes, including business income tax and VAT.

Due to limited funding, staff wages are quite low and most employees have other jobs in order to sustain themselves. Despite the low compensation, there is a high level of interest in working for the organization, from people who seek to acquire experience in the arts.

# Nguyen Anh Tuan

Artistic Director



Could you provide an update on the current business situation (including issues related to COVID-19)?

When COVID-19 came to Viet Nam in the beginning of March 2020, we had to close our office and library for nearly two months. Our annual plan suffered, as we had to postpone some important activities: meetings with partners and sponsors, and a fundraising campaign. It was impossible to start our new monthly programmes until September, including the launch of the new format of our library programme, the art history courses, the art tours for experts and students, etc.

In the autumn of 2020, the COVID-19 situation was improving in Hanoi, and we began slowly restarting our annual plan. We're running two big projects. One is 'Month of Arts Practice' (MAP): our annual project aiming to create a platform for artistic exchange between Vietnamese and international artists / curators (this project is an online version in 2020); the other project is the Viet Nam Art Archive: an online archive for contemporary arts in Viet Nam.

What is one word that describes a successful achievement or lesson related to the management of your organization?

Flexible. We think this is an essential survival skill and strategy for an independent art space like ours. 'Flexible' means that the organization is able to change its programmes, structure and team in order to survive and keep to its orientation and mission.





## HERITAGE & ARCHIVES

Heritage preservation and archiving require considerable resources to remain sustainable and relevant for younger generations. From government-funded programmes to self-financed archives and privately sponsored spaces, examples from the region show that the process of safeguarding culture is not necessarily led by governmental bodies but can be initiated by informal groups of passionate individuals.



STUDIES

Film Indonesia  
Indonesia

Khao Niew Theatre Company  
Lao PDR

Siong Leng Musical Association  
Singapore

Penang House of Music  
Malaysia

# Film Indonesia

## Indonesia

### Unregistered entity (2007)

film indonesia (FI) works to compile film industry data and to maintain the Indonesian film industry database. The initiative emphasizes the importance of maintaining a functional database and archives of Indonesian film. The organization began in 2007 through the network of J.B. Kristanto, a senior film journalist who pioneered the idea of an Indonesian film catalogue.

Over time, the organization gained the trust of industry players, who now entrust their data to FI. The group collects data on a weekly basis, door to door, from commercial cinemas and production houses. FI also consolidates data from existing film encyclopedia created by S. M. Ardan, a filmmaker and archivist.

FI also produces editorial data analysis and proposes film data related programmes to the government. It also runs an ongoing film industry forum. FI presents digital data and information about Indonesian films through their website FilmIndonesia.or.id. The database is available both in Indonesian and English.

### Team

One founder and four partners including an IT manager, programme manager, editorial team and a data and administration officer. Volunteers.

### Financing structure

The main challenge for FI is to find long-term funding to properly compensate its members for their efforts and ensure sustainability. FI is hesitant to get involved in a government support scheme because of the unstable nature of public funding. The organization has found various ways to generate income. After collecting data weekly for five years, the organization members realized that the data could be monetized. The organization also generates income by providing data presentations to industry stakeholders. The forum is supported by grants from Bekraf (the national agency for creative economy).

As of 2020, FI was not registered as a legal entity but was considering registration as a civil association in order to access more funding opportunities.

### Operating costs

FI's largest expenses are related to maintaining its database. FI pays a third-party cost for a domain and web server infrastructure. Running the website costs between IDR 18 million and IDR 20 million per year. Another major expense is labour. FI does not pay monthly salaries to its staff and compensates them by evenly sharing any available income. This arrangement is possible because its workers have other jobs to support themselves.

# Khao Niew Theatre Company Lao PDR

## LLC (2008)

The Khao Niew Theatre Company is the only contemporary theatre company in Lao PDR. Created in 2008, the private, family-run company produces theatre performances, creates puppet-based performances and adapts traditional plays. The company also conducts theatre workshops for youth groups around the country in collaboration with development projects and international organizations. Additionally, it manages a retail business that sells handmade puppets to foreign markets.

Khao Niew seeks to preserve unique traditional theatre forms by combining them with contemporary elements and international cultures, while using recycled items, to generate a renewed interest in local culture among the younger generation. A key challenge facing the organization is that the local audience in Lao PDR is used to free events and people are generally reluctant to pay for a show.

It is a limited liability company registered with the Ministry of Industry and Commerce and the Department of Culture, Information and Tourism.



## Team

One founder.  
Two family members carry out tasks related to finance and administration.  
Volunteers.

## Financing structure

Khao Niew's core programmes depend heavily on support and sponsorship from overseas agencies and it implements projects commissioned by international organizations. It generates additional income through the sales of puppets. While it receives some income through ticket sales for performances, this is insufficient to sustain the organization.

## Operating costs

The organization does not have any full-time employees because it operates on a project basis and does not have a regular cash flow (and therefore cannot pay regular salaries). Nevertheless, in the last ten years, Khao Niew has seen a positive evolution in the professional capacity of its staff. Over time, it has become able to manage bigger and more complex productions.

Khao Niew has its own rehearsal space and produces its puppets at the family house, so does not pay rent. The only regular running costs of Khao Niew are water and electricity bills which are under USD 100 per month. All other expenses are related to the projects the organization implements.

Project budgets vary greatly, ranging from USD 500 to USD 50,000. Likewise, project lengths vary enormously, ranging from two weeks and eighteen months. The bulk of the costs of projects are: remuneration of the team, venue rental and lighting and sound equipment.

# Siong Leng Musical Association Singapore

## Society / Charity (1941)

The Siong Leng Musical Association was founded in 1941 as a society. One of the oldest arts organizations in Singapore, it practices Nanyin, the 'music of the south', a UNESCO-recognized ancient Chinese art form from Fujian, China. Siong Leng's mission is to preserve, promote, protect and develop the art form in Singapore and to engage with audiences through performances, education and outreach programmes.

Siong Leng organizes at least one major production a year, sometimes two. Described as a 'multisensory banquet experience', this production takes place between August and October to celebrate the birthday of Lang Jun, a god of music. An event with high production values, until 2019 tickets were usually priced at around SGD 100 (approximately USD 75). The organization subsequently embarked on a new venture with the prices of the tickets ranging from SGD 300 to SGD 10,000. This significant increase in ticket prices was less to do with increasing the organization's income and more to do with a repositioning of its brand. In addition to its annual major production, Siong Leng is commissioned to organize performances around four to five times a year.

The organization does not charge for the lessons it provides to individual students. The free lessons are part of its mission to cultivate a new generation of Nanyin practitioners. It also provides workshops and classes for schools free of charge.

A family organization, in operation for three generations, Siong Leng operates out of a building it owns in the Chinatown heritage district of Singapore. In 1987, their founder and chairperson, the late Teng Mah Seng, was awarded the Cultural Medallion, Singapore's highest honour for an arts and culture practitioner. The current chairperson is the son of the founder. The general manager and the head of programmes are the sons of the executive director.

## Team

Eight full-time staff including: an executive director and arts manager, a general manager and an artistic director.

Three cross-functional teams: administrative, artistic and projects.

## Financing structure

Siong Leng has been a recipient of the National Arts Councils (NAC) Major grant since 2016 and entered its latest three-year cycle in 2019. The association has a tiered membership and donor programme. The scheme seeks to nurture donor relationships and grow a wider network of friends for the future. The association also leases units in its heritage building to generate additional income (SGD 17,000 per month). This income is used to cover operating costs.

## Operating costs

Siong Leng owns its own building and therefore does not have any rental expenses. With its non-profit organization and charity status, it also benefits from tax exemption. All team members are paid but their salaries are lower than average because of the non-profit status and limited resources.

# Lim Ming Yi

Education & Outreach Manager / Artist



Could you provide an update on the current business situation (including issues related to COVID-19)?

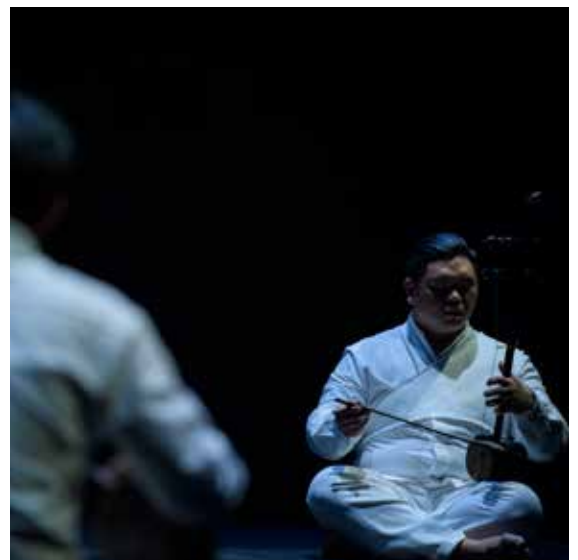
Due to the COVID-19 situation, we have had to postpone or cancel shows in 2020. In order to engage our audience and interact with them, we have been posting some of our past performances and videos on Facebook and YouTube. We have also been lucky to get the support of the government during this difficult time. We've actually received a few grants, which allowed us to make new works such as music videos.

What is one word that describes a successful achievement or lesson related to the management of your organization?

Family. We work in a small organization so when we have meetings or discussions we are very open to everybody's inputs and ideas. We are respectful towards what they think would work or would not work and we accept each other's differences.

What are your plans/projects moving ahead?

For now, we really miss performing live and interacting with our audiences. But this situation has made us take a step back and reflect on how we have been promoting our art form. Technology has been present in our lives but we did not really use it to its fullest potential, so moving forward we will be incorporating technology to better promote our art form.



# Penang House of Music Malaysia

## Project under a private company (2016)

The Penang House of Music (PHM) evolved from a project launched by Paul Augustin and James Lochhead, from their personal archives of popular music. The project that the two men implemented sought to document the diverse culture and music traditions of Penang's local community. This led to exhibitions at the Penang State Museum in 2010 and 2013, and the publication of a well-received book, *Just for the Love of It: Popular Music in Penang, 1930s-1960s*.

Discussions with the Chief Minister of Penang and PBAPP (a state-owned company) subsequently led to the founding of the Penang House of Music in 2016. The PHM has three parts: the gallery, which displays the state's iconic past musicians and musical history; a 100-seater black box performance space to support upcoming artists; and a resource centre, which features a 'treasure trove' of music and serves as a focal point for musicians, scholars, students and others interested in Penang's history.

The current space, with an area of 6,800 square feet, is located on the fourth floor of a high-rise office tower and is costly. Rent takes up a large proportion of the organization's budget and the location of the PHM poses challenges in attracting visitors, so relocation is being considered.

New ways of running the PHM are under consideration, including plans to place the PHM under the oversight of the Penang State Museum Board, in which case PHM staff members would become state employees, and the financial responsibilities would be placed in the hands of the museum board.

## Team

One director.

Three full-time staff, three part-time staff and interns.

## Financing structure

The initial funding was MYR 3 million (approximately USD 721,500) for three years. This included MYR 2 million for the set-up costs and the first year of operations, and MYR 1 million for its operations over the next two years. As of 2020, PHM was being funded by Penang Tourism, Arts, Culture and Heritage (PETACH), which oversees the Penang State Museum. Revenue generated through PHM's ticket and retail sales is insufficient to cover costs.

## Operating costs

The PHM's budget is about a quarter of a million USD per year. This covers rent, overheads, salaries, insurance, maintenance, archive equipment and more. The rent is about MYR 17,000 per month (USD 4,000), a considerable expense. Despite the large amount of funding and support, the organization struggles to cover its costs.



# Paul Augustin

Director



Could you provide an update on the current business situation (including issues related to COVID-19)?

We have had to make changes to the Penang House of Music. For our gallery, we had to create a virtual tour and also conduct tours by appointment only: three times per week, because of the cleaning process, which is the standard operating procedure required by the government. For the 'blackbox', we had to stop all performances and events. But what we did is we have closed-up performances by musicians. And we have been editing a lot of the footage that we have been accumulating over the past three years. Now our focus is more on the resource centre, with documentation and digitization.

What is one word that describes a successful achievement or lesson related to the management of your organization?

Research. Research is so important. We realized that there is not a lot of material or documentation related to music specifically, or to culture, arts and performing arts in Malaysia, and we have taken it upon ourselves to document and digitize all this. Because in order to move forward we have to look back to see what has happened before. We have to recognize the contributions that people have made to arts, music, and culture in Malaysia. It is a very exciting journey for us because we are discovering new things every day; things that we have never seen before or never knew about before.



## PROMOTION & COMMUNICATION

The understanding of arts and culture by diverse audiences is fundamental to the sustainability of artistic practices and the intellectual development of the Asia-Pacific region. Self-financed projects and volunteer networks have played a vital role in promoting and disseminating the arts in South-East Asia. Various models, including both non-profit organizations and commercial entities, have served as support hubs for the arts communities.

In the case of festivals, dedicated leadership and well-coordinated efforts are necessary to ensure international exposure and access to diverse artistic contents. Festivals and events in South-East Asia strongly depend on informal networks and the development of a solid audience base, most often consolidated through private sponsorships and individual support.

STUDIES

Titikmerah Collective  
Malaysia

Anonymous Publishing House  
Myanmar

Penang Island Jazz Festival  
Malaysia

MATCA  
Viet Nam

Arts Equator  
Singapore

Bangkok International Performing Arts Meeting  
Thailand

Vientianale International Film Festival  
Lao PDR

# Titikmerah Collective Malaysia

## Unregistered collective (2014)

Founded in 2014, Titikmerah is a collective of visual artists based in Kuala Lumpur. Titikmerah is also the name given to their art space, which functions as both a gallery and studio.

Titikmerah translates as 'red dot' in English, and refers to the red dots artists want to see at the bottom of their sold canvases. The red dot is also a reference to an emergency button or a recording button, and to something important or indicative of danger.

The founders of the collective are all self-taught artists who consider themselves 'outsider artists', and who have experienced difficulty in the past in securing gallery representation. The collective and their gallery are characterized by the spirit of DIY (do-it-yourself) culture, reflected in the ethos of their collective and in the aesthetics of their practice. As a collective, it is independent, experimental, entrepreneurial, risk-taking and also reflexive in its activities.

Through their projects, the members act as mentors and enablers for their peers and for younger artists. Balancing business and artistic integrity with an eye on the surrounding context, the founders present a lucid worldview that places community and social relationships at the heart of what they do as artists, with a willingness to try new things.

## Team

Eleven members, including three founding members.

## Financing structure

Unregistered and operating as an informal collective, Titikmerah strongly relies on a network of friends. Its main source of income is from the exhibitions it holds. These are solo and group shows, mainly by members of the collective, but the organization also holds open calls and invites other artists to work with it.

The gallery is considered 'non-commercial' in the sense that while it sells works, it does not seek to make a profit from the sales, merely charging enough to cover their running costs. Unlike standard galleries, which have a division of 50-50 or 60-40 between the gallery and the artist, Titikmerah normally takes between 10 per cent and 15 per cent, and only goes as high as between 20 per cent and 30 per cent when the organization works with an external curator. If it is falling short on funds, it might raise its dividend to ensure it has enough funding to keep things running. In the event that the organization is unable to cover its monthly expenses, members of the collective who have financial means donate their personal funds.

The collective is facing an 'adolescent' phase, which requires that the organization is consolidated and develops a clearer business plan in order to attract new investors without losing its initial model based on friendships, flexibility and mutual support.

## Operating costs

The biggest expense for the collective is rent. Titikmerah recently relocated to a suburb of Kuala Lumpur where it benefits from lower rental costs. The collective does not have full-time professional staff and pays interns at hourly rates.

“We look at what can we contribute to each other rather than what can we take. Better to be friends first. It always starts with friendship. Relationships are important to us.”

Ajim Juxta, Co-founder



# Anonymous Publishing House Myanmar

## Private entity (2004)

Registered in 2004, this publishing house releases books and a bi-monthly magazine that covers culture and literature (i.e. poems, book reviews) and also touches on issues of development, sustainability, inclusiveness and human rights. The magazine caters to a niche audience that local mainstream media publications do not reach. While the magazine represents the heart of the company, books generate the actual income stream.

## Team

Two directors.

Three full-time staff including a designer, a proof-reader and an administrative assistant.

Three part-time editors.

The publishing house is increasingly threatened by the growth of digital content, which is more easily accessible.

## Financing structure

The publishing house was established by a respected senior publicist and is run by two people, one of whom holds financial responsibility and was originally a writer. Both directors inject their own money into the company to support the production of the magazine.

While the magazine is not doing well financially due to its small circulation, it is considered to be one of the leading magazines in literature and culture in the country. It is published at a loss of around USD 1,000 per issue, which is covered by the financial contributions from the two directors, who have other jobs, such as teaching.

The publishing house does not have a business plan and is increasingly threatened by the growth of digital content, which is more easily accessible. As long as the directors are able to subsidize the publishing of the magazine, they intend to continue in the current way. They are aware that it is not a sustainable practice and have thought about applying for grants or operating in a more entrepreneurial way.

## Operating costs

The cost of printing the magazines can be up to USD 2,000 per bi-monthly issue. Another major cost is staff salaries. Salaries are not covered by the income generated by the sale of publications and must be paid by the money injected by the two directors. The organization does not pay rent for its office but pays USD 450 per month for storage of books and magazines.



# Penang Island Jazz Festival Malaysia

## Private entity (2004)

The Penang Island Jazz Festival (PIJF) was launched in 2004. The festival is owned and operated by the events company the Capricorn Connection, which belongs to festival co-founder and director, Paul Augustin. The festival has a hybrid nature, positioned between a commercial business and a non-profit organization. It is one of Malaysia's longest-running music festivals and is the longest-running jazz festival in the country.

The Capricorn Connection is an events and venue management and consultancy company founded by Paul Augustin and Chin Choo Yeun in 1996. From their experience in managing a stadium they had amassed a network of clients, suppliers and artists, and started managing festivals. At the time, the only way to survive in the business was either to run a public relations and advertising company or to manage your own events. In 1996, they first raised the idea of a jazz festival, having conducted market research into its feasibility. However, it was only in 2004 that their idea finally came to fruition.

## Team

Two founders, including the festival director. One full-time staff member and several part-time collaborators and volunteers.

## Financing structure

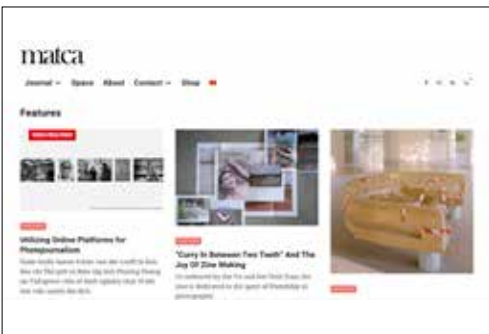
Since the beginning, the festival has been run like a project and almost completely relies on volunteer labour. Neither Paul nor Chin earn a fixed salary from their events work. Thus, their company operates in some ways like a social enterprise; it reinvests money back into the company, only retaining what the staff need to survive.

The festival receives funding from private sponsors and investors, such as Mercedes Benz, which has sponsored the festival in the past, and the PBAPP, which has invested in the festival (getting a return of 30 per cent on any profits made). Additionally, the festival has received funding from the Penang state government, the federal government and the Malaysia Convention and Exhibition Bureau.

## Operating costs

The cost of running the festival varies from year to year, but the average total budget is between USD 120,000 and USD 140,000. The major costs include artist fees, accommodation, logistics, transport, production (stage, sound and technical crews), marketing, permits and licenses.





Matca seeks to connect and strengthen the ties between photography and contemporary expressions, especially by presenting photography as a distinctive art form that goes beyond journalistic and commercial approaches.

# Matca

## Viet Nam

### Unregistered collective (2016)

Matca is a bilingual website that serves as a platform for self-initiated photography projects and ideas, which often struggle to find markets and audiences. The group primarily seeks to develop new ties between photography and local audiences. It also works to develop educational activities and experimental projects.

It was founded in 2016 by photojournalist Linh Pham, in collaboration with two photographer friends, Mai Nguyen Anh and Dat Vu. In 2017, the team was joined by Ha Dao, who was initially the site's editor and later became the programme coordinator.

The website gradually became a leading publication on photography, with a focus on practices and histories, often from a critical perspective. Over the years, it has gained about 20,000 followers on its social media sites. Building on this success, Matca expanded its activities to portfolio review, photo editing, art tours, residencies and exhibition, among other things, and in April 2019, the group launched its own physical space in Hanoi.

Matca works on a project basis. In its first three years of operations, it built strong partnerships with regional platforms such as World Press Photo, Angkor Photo Festival and OBJECTIVES - Centre for Photography and Film.

### Team

Two key personnel.

One international project coordinator, who also carries out communication, administrative and logistical tasks.

Several external consultants, such as art writers and logistics assistants.

### Financing structure

In 2018, the group obtained funding from several donors, including a one-year grant from the Cultural Development and Exchange Fund (CDEF) of the Embassy of Denmark in Viet Nam.

The new physical space offers the group new opportunities to generate revenue through renting out exhibition spaces. Rates vary from between USD 500 and USD 1000 per project. Matca also jointly runs a café and a studio. The sale of photographic works also offers a source of regular income. The largest source of revenue is from providing commercial photo and video services. Matca has begun experimenting with the production of photography books and merchandise.

Matca aims to become an independent gallery. The team enjoys operating on a small scale within a niche market, however, and without the pressure of growing big. In focusing on small projects and finding the suitable grants to finance their activities, the organization is slowly gaining momentum.

### Operating costs

Human resources and utilities cost around USD 700 per month. The founder's property is used as the workspace and he also oversees financial management of Matca.

# Arts Equator Singapore

## Public company / Non-profit organization (2016)

Devoted to the arts and cultures of South-East Asia, ArtsEquator.com is a website that focuses on the region's creative practices, including performances, literature, visual culture, fashion, film and more, and features original articles, videos and podcasts. Arts Equator aims to convey how people, place, policy, money, theory, history, politics and religion, intersect with arts and culture in the countries that make up the region of South-East Asia.

In addition to creating website content production, Arts Equator organizes capacity-building workshops, talks and training programmes in Singapore and other countries of the region. It also collaborates with private art schools to post content produced by students for free. In addition, it produces 'previews', which are promotional content, articles and posts that are produced upon request. They are usually produced for a fee, but some are provided free of charge if the editors feel that the content is beneficial for the readers and the artists do not have sufficient funds to pay for the items.

## Team

Two full-time contract staff: the co-founder and editor.

One part-time assistant who works two days per week.

Two volunteer advisors (consulted twice a year or when there is a specific need).

## Financing structure

The organization is registered as a public company but is in the process of applying for status as a charity. The co-founders, Kathy Rowland and Jenny Daneels, invested a significant amount of capital to start the company. Arts Equator was also a recipient of the National Arts Council's Seed Grant. The grant provides funding for up to three years. Another source of funding is project management fees. A small percentage of funding (between 7 per cent and 9 per cent) comes from advertorials. However, with the continuously changing landscape of digital media and the growing space taken by social media, the number of companies willing to pay for advertising is very limited.

Arts Equator has a five-year plan and a ten-year plan that describe their aspirations for the company but it does not have specific plans for gaining the required funding. It has been exploring options such as fundraising campaigns, endowments and crowd-funding.

## Operating costs

The organization rents a corner of a co-working space that is subsidized by the government, and therefore pays a relatively low rent (for Singapore) of approximately USD 430 per month. The organization's largest expenses are salaries and human resources. The organization's average monthly overheads are between SGD 11,000 and SGD 18,000, and when it implements projects those costs can be as high as SGD 25,000. The annual operating costs for the second year of operation (2017-2018) were about SGD 172,000 (approximately USD 124,000).

A significant challenge for the organization has been to maintain a steady cash flow. The revenue generated does not always come in when needed, which results in the two founders making financial advances to the company and then being paid back once the money comes in.

# Nabila Said

Editor



Could you provide an update on the current business situation (including issues related to COVID-19)?

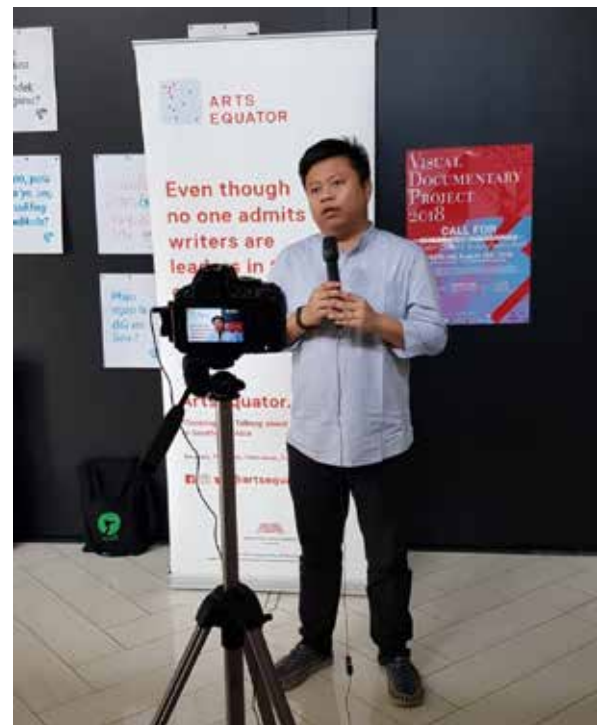
At Arts Equator, we kind of had to pivot and reflect on the fact that there are no shows to review and to see how we can cover the arts in a different way. From the organization's perspective, it is about raising money. So we have been trying to raise money from the public to support independent arts media in the region.

What is one word that describes a successful achievement or lesson related to the management of your organization?

Conviction. It's about thinking what drives us, what keeps us going, what is the reason why we need to exist; that is the kind of message that we need to put forth to our public and our supporters. That conviction to cover the arts and to be a free voice for the artists and the arts is really important to us and it drives us forward.

What are your future plans/projects moving ahead?

Moving forward, we really want to go back to the connections within the region and see what we can do together. Secondly, it's about working with institutions on different projects that can help to support the arts, promote the arts in different ways on different projects. Lastly, it's about going back to our website and creating content that is relevant for the readers of tomorrow.





# Bangkok International Performing Arts Meeting (BIPAM) Thailand

## Unregistered collective (2004)

The Bangkok International Performing Arts Meeting (BIPAM) was established in 2004 with the objective of becoming South-East Asia's performing arts 'launch pad', showcasing the region's creative talents, and a space for the exchange of knowledge and experience so as to strengthen the performing arts community in the region.

Every year, BIPAM organizes a performing arts festival, an event that includes panel discussions and a forum. Each event seeks to continue crafting a more complete and comprehensive perspective of the theatre scene in the region. Improvisation has been part of the management approach.

## Team

One artistic director.

Four artistic committee members, including two writer-translators / language and writing teachers, one co-artistic director and founder of B-floor theatre, and one project coordinator.

## Financing structure

BIPAM relies on project grants, including from Thai government agencies, e.g. the Thailand Convention and Exhibition Bureau (TCEB), the Bangkok Metropolitan Administration (BMA) and the Alliance of Performing Arts in Higher Education of Thailand (PATH), and from foreign cultural agencies such as the

Goethe Institute, Institut Français and the Japan Foundation.

BIPAM has built upon strong partnerships, which provide in-kind support. Partners include the International Association of Theatre Critics (IATC), the Ministerium für Kultur Wissenschaft des Landes Nordrhein-Westfalen, Kulturstadt Frankfurt am Main, ARTWAVE Taiwan, Festival/Tokyo, the Seang Arun Art and Culture Center, Media Vision, the Thai Theatre Foundation, the Bangkok Theatre Festival (BTF), the Unfolding Kafka Festival and SATARANA.

BIPAM and B-Floor (a theatre group) earn income through tickets sales and commissions/royalty fees for performances. This income is used to cover operational expenses. The directors and managers only receive compensation after all costs have been covered. Royalty fees are charged by the number of shows and calculated by the numbers of performers. There is no fixed or standard rate. Rates can be negotiated, but in most case the artists are requested to make concessions.

Despite financial struggles, BIPAM has been able to sustain itself for a long period of time because of the dedication and passion of its members, who support themselves through other full-time jobs. BIPAM has no financial strategy or plans regarding how to ensure its long-term financial sustainability.

## Operating costs

Given that affordable rental spaces are scarce, BIPAM operates out of the house of a supporter. Members of the collective mostly work voluntarily without a salary and rely on other jobs to sustain themselves.



As the number of theatres remains limited in Thailand, BIPAM would like to see a better integration of performing arts in everyday life and make shows more accessible in both urban and rural areas.



# Vientianale International Film Festival Lao PDR

## Unregistered entity (2009)

The Vientianale International Film Festival is one of only two film festivals in Lao PDR. The event is organized each year in Vientiane and presents Lao and international films to the local audience. The festival also conducts capacity-building workshops for young Lao filmmakers and organizes mobile film screenings called 'Vientianale on the Road' for audiences in remote areas so as to disseminate the work of young Lao filmmakers. In addition, it runs basic filmmaking workshops for rural youth.

The Vientianale provides an opportunity to share the impressions and insights of Lao filmmakers on their society from their perspective. Its activities enable the organization to promote its distinctive approach to film and to foster the development of the Lao film industry with a distinctive voice.

## Team

Two directors: Athixay Boundaoheuang and Helene Ouvrard.

A large number of volunteers are involved in the festival production phases.

## Financing structure

The Vientianale is funded through international support and private sponsorship, notably by large beverage companies. The national government does not offer any support for this type of cultural organization. The festival events are free and therefore do not generate any income. While this is a financial burden, providing free entry is essential to keeping the festival accessible to all. Income is earned through merchandise that is sold during the events. The festival is currently reviewing its financial situation and operational strategy to seek alternative sources of funding.

The initiative is not registered as a legal entity. However, it has signed a Memorandum of Understanding with the Ministry of Information, Culture and Tourism, and is recognized as a 'project' with an annual renewal.

## Operating costs

The festival does not have an office space and the staff operate via the internet, social media, phone calls and meetings (whenever necessary). It relies heavily on volunteering to minimize costs. As an informal group mainly composed of volunteers, it is not required to pay taxes. Equipment and venue rental costs are high.

The festival must go through a censorship review process every year (a government requirement) and must bear all the costs related to this process. The process has become more flexible over the years and a wider range of films are now approved. Rural areas are logistically more challenging and the requirements for each location affect production costs. They include accommodation, DSA and fees, which can vary from one province to another.

“We put all our effort in organizing the festival and mobile film screening with our limited budget. We hope that one day the government will take action and financially support cultural organizations, especially regarding venue and equipment rental costs.”

Helene Ouvrard, Co-director



## ENTREPRENEURSHIP

Creative businesses from the private sector have managed to stay financially independent, generating enough income to carry out their activities, sometimes even making a profit. In some contexts, the generated income may be re-invested into social endeavours to benefit the local community, and it can also be used to promote South-East Asian artists overseas or for the development of creative capacity and professional skills.

STUDIES

Shma & Shma SoEN  
Thailand

La Lanta Fine Art  
Thailand



# Shma & Shma SoEN Thailand

## Private company / Social enterprise (2007)

Shma is one of the leading landscape architecture companies in Thailand. Founded by Namchai Saensupha, Prapan Napawongdee and Yosapon Boonsom, its mission is to build earth-friendly architecture through a balanced and sustainable approach, guided by three themes: ecological, social and conservation. The company only works on projects that are related to environmental and social issues.

In 2014, the company opened a division called Shma SoEN (society and environment) with two more partners, Kirin Tanglerpanya and Joy Kongchoksamai, and ten staff members. This division operates as a social enterprise tackling social causes and responding to environmental challenges. Although Shma SoEn operates as a social enterprise, it is registered as a business because when it was launched there was no legal structure for social enterprises in Thailand.

## Team

Three founders.

Administrative unit of five staff members.

Sixty staff members across various units: A strategic unit of three people, an administrative unit of five people (one administrative officer, three finance officers, one human resources officer), a research unit of three people, a graphic design unit of two people, a public relations unit of two people, a landscape architecture unit of forty-two people and ten horticulturists/botanists. The companies hire specialized experts, including irrigation experts and water plant botanists.

## Financing structure

Shma was established with the three founders' personal assets and is registered as a business company with tax obligation. The landscape architecture company is a professional company with specific legal regulations in Thailand.

Income is generated through professional commissions and projects. The clients are 70% from the private sector and 30% from the government sector. Stable revenue is generated from commercial projects with the private sector. In parallel, Shma SoEN works with governmental bodies to carry out non-profit projects to benefit society more particularly by improving public spaces.

With its first investment of around USD 30,000, the company has managed to generate revenue from commercial projects. In the following five years, the company generated around USD 1 million annually through both domestic projects and international projects from Singapore and China. In its 10th year, the company's income reached around USD 3 million per year.

Shma shares its revenues with Shma SoEN in order to carry out initiatives that benefit the public. The companies are also fundraising for WePark (a non-project organization which provides a platform for development projects to turn public empty spaces into green spaces in a sustainable way) and City Crackers (a non-profit platform which gathers discussions, generating knowledge and providing information on city design, environment, lifestyle, and collective solutions.)



## Operating costs

It is registered as a business company and therefore has tax obligations. The costs, including taxes, are around 80 per cent of total income, so the annual profit is around 20 per cent. All staff members receive a salary and with social benefits. Shma rents a workspace that also houses Shma SoEN, the non-profit arm of the collective. Computer software and hardware are some of the company's most important expenses.



## Namchai Saensupha Prapan Napanongdee Yossapon Boonsom

Co-directors



Could you provide an update on the current business situation (including issues related to COVID-19)?

COVID-19 has definitely affected our business, but the fact that we have diversified our services and we implement various types of projects, in various locations, has helped us to manage this difficult time. On the bright side, COVID-19 has also shifted the focus of society to the concept of well-being, which has prompted developers and the government to be innovative in how we create our society and how we can be more environmentally sustainable. Landscape architecture has a big role to play in that.

What is one word that describes a successful achievement or lesson related to the management of your organization?

Agility. We have been reviewing and adapting our company's goals and direction to address emerging challenges, through participatory processes with everyone in the company, so we are able to move and adapt very quickly, while maintaining our passion in the process.

What are your plans/projects moving ahead?

Our services need to be more relevant to the changing world, which means that our creativity needs to extend to other areas besides physical design and physical space. It has to involve research, process, policy and even communication. This means that our company needs to transform into a platform to embrace multidisciplinary collaborations to make sure that what we do is about creating a better society, an inclusive one.

# La Lanta Fine Art Thailand

## Private company (2003)

La Lanta Fine Art is an art gallery with a focus on contemporary art in Asia. The gallery seeks to give more exposure to Thai and South-East Asian contemporary art by participating in international events in Asia, Europe and the United States, and simultaneously introducing international artworks in Thailand. Its approach is that of a commercial art gallery, putting business activities at the forefront and importing and exporting artworks. It currently represents 20 artists.

La Lanta Fine Art's exhibition space, established in 2006, was one of the first contemporary art galleries in Bangkok. After its inception, the gallery investigated the art market situation in Thailand and realized that Thai artists had very limited exposure. In response, the gallery quickly refocused its strategy, working to raise the visibility of Thai contemporary art at international fairs and to expand the demand for such art. The gallery participates in nine art fairs per year, including prestigious art fairs for art collectors as well as the more affordable art fairs. Over the years, the gallery has gained a presence in the art scenes of Basel, New York, London, Miami, Hong Kong, Singapore, Jakarta, Malaysia, and the Philippines.

## Team

Founder: Ms Sukontip Praphanap.  
One paid staff member: gallery assistant manager.

## Financing structure

La Lanta Fine Art was registered as a company in 2003 and was established with funding from its founder, who specializes in the business of importing licensed art prints from European and United States art publishers.

As a commercial gallery, La Lanta Fine Art has never received public funding. Its main revenue comes from sales at art fairs. As of 2020, the revenue generated by its sales covered the operational costs of the gallery space in Bangkok but was insufficient to expand the business further.

La Lanta Fine Art does not have a long-term business strategy and the activities are carried out on a year-to-year basis. It remains, however, a rare example of an art gallery that manages to generate a profit and stay afloat without depending on external grants or financial support.

## Operating costs

The cost of attending art fairs is between USD 100,000 and 150,000 annually. A large proportion of this is spent on the transportation of artworks and associated taxes.

The operational costs of running the gallery include the salaries of two staff members, including the owner, as well as rent, water and electricity. These costs amount to around USD 50,000 per year. The company's cash flow fluctuates depending on the outcomes of the art fairs.

# Sukontip Prahanpap

Founder



Could you provide some recent updates on the current business situation?

I would like to mention the groundwork that we did before the global crisis. We did three things: we started to cultivate relationships with local collectors, we tried to discover high quality artists and represent them, and we invested resources in digital platforms. All of these three elements helped us to perform well during the global pandemic.

What is one word that describes a successful achievement or lesson related to the management of your organization?

Resilience. We have been operating our business for fourteen years and this has come with lots of challenges in many different areas. For us to be able to adapt, and also work smart, helped us not just to survive but also to be successful.

What are your plans/projects moving ahead?

We will create a new art space that taps into the experimental side of art creation; it will serve not only artists wishing to explore new ideas but also assist curators to develop art programmes that engage the public on social issues.



# Business Planning



23%

go day by day  
without a plan

48%

have a  
1 - 3 year plan

## Surplus / Deficit



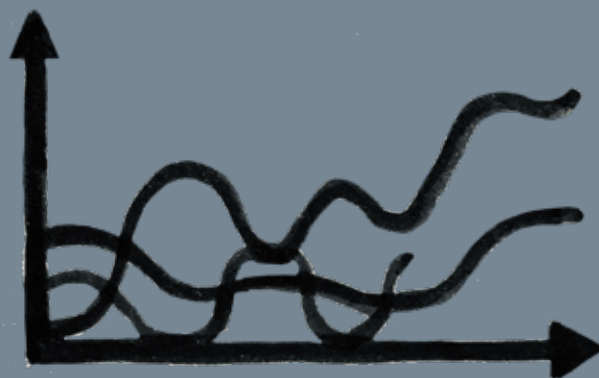
28%

had a deficit  
in the last  
3 years

37%

had a surplus  
in the last  
3 years

## Annual Operating Budget



42%

have less than  
USD 10K per year

18%

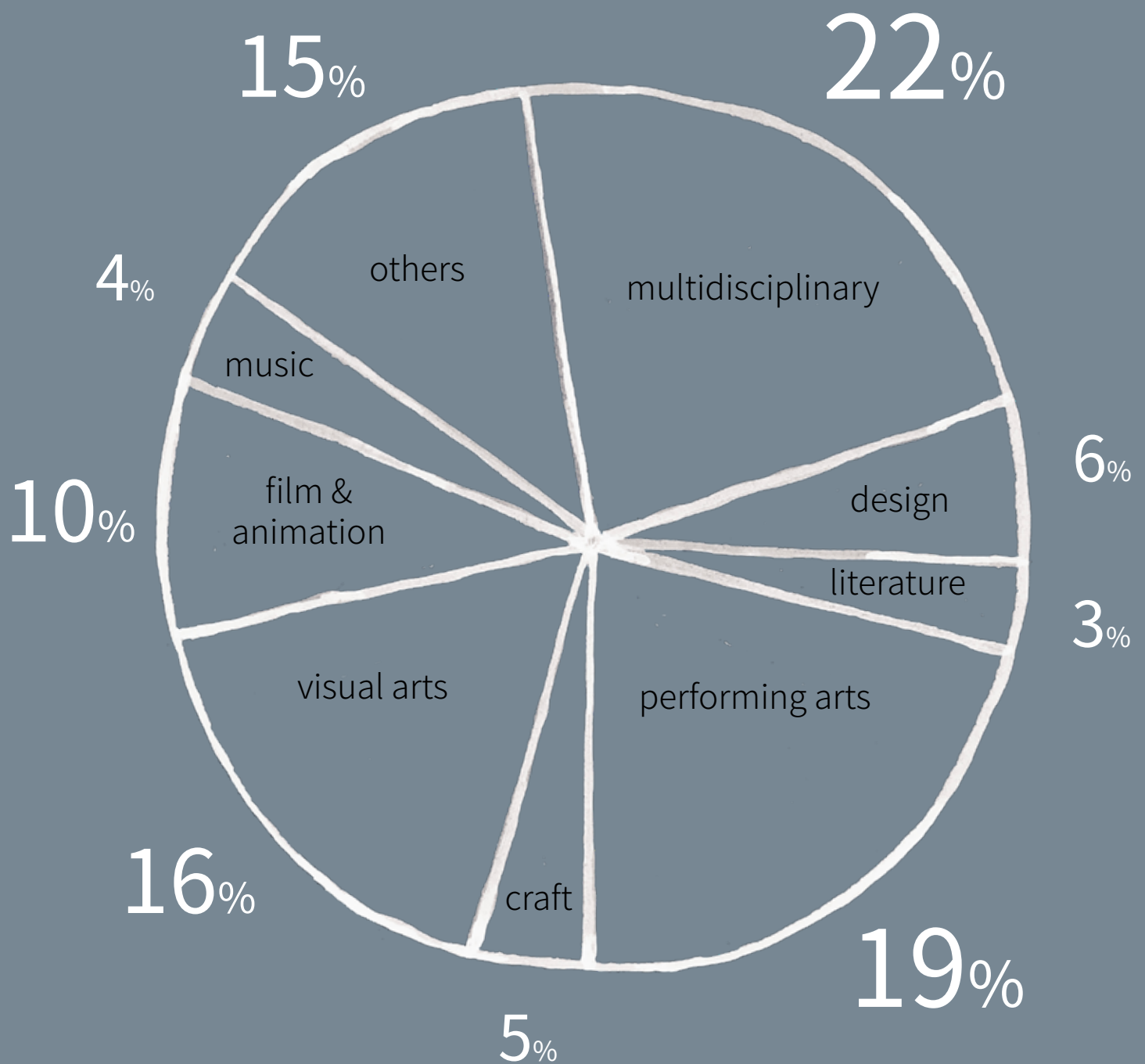
have more than  
USD 100K per year



# CCI numbers in the region

\*collected through 2019 surveys involving 321 CCI organizations in South-East Asia

## Creative Sectors



# Facts & Numbers

\* based on the 29 case studies featured in this publication

46%

of organizations are  
private entities



2%

are not  
registered



53%

operate as a social  
enterprise model  
or address social issues  
within their projects

80%

generate their  
own income  
through sales  
and/or services

20%

operate without  
funding support



49%

51%

international funding  
is slightly higher than  
domestic support



44%

work with volunteers  
or people with other jobs  
to save on HR expenses  
that they cannot afford



20%

increase their  
revenue by renting  
out their space(s) to  
other businesses

90%

have to comply with  
some form of  
government  
requirements such as  
licensing or monitoring.

# Cambodia

## Country Brief

## The financial context of CCI organizations

### Introduction

Cambodia has several strong actors in the field of CCI, many of which were initially foreign non-governmental organizations (NGOs) that transitioned into locally-registered organizations. While the tax burden on CCI organizations is high and rising rents are becoming a challenge, in 2018 the majority of CCI organizations generated a surplus after two years of deficits. While Cambodia has some legislation that is favourable to the CCI sector, it is rarely enforced to its fullest potential; instead, informal practices in public administration stifle progress of the sector. Other major factors in the predominantly entrepreneurial CCI sector that need to be addressed are a lack of willingness among the public to pay for cultural goods and services, and weak internal capacity to identify and manage in-come from diverse sources

### Organizations in the CCI sector

Of the twenty-two organizations surveyed, six were registered as for-profit private companies and one as a for-profit art gallery that self-identified as a 'self-financed business that supports the arts, environment and education'. The remaining organizations comprised six collectives, five that were registered as associations; two charities/foundations; one informal group; and one organization operating in Cambodia but registered in the United Kingdom as a public company. Almost half of the organizations described themselves as multidisciplinary, while the other half described their activities as specialized in one of the following: visual arts, music, performing arts, film, literature and handicrafts, in that order.

### Operating costs

Unsurprisingly, human resources and project costs are among the largest areas of organizational expenditure. Rental costs are a worryingly high expense item for many organizations, an issue that is particularly relevant for organizations in the capital, Phnom Penh, where rapid urbanization and foreign investment have resulted in a construction and real estate boom, leading to skyrocketing rents. Other significant expenses are marketing and travel. License fees and taxes are universal burdens that affect NGOs and for-profit businesses alike, accounting for up to 20 per cent of expenses in both.

The surveyed Cambodian CCI organizations come in all sizes and are distributed somewhat equally. Over half (59 per cent) have an annual operating budget of USD 100,000 or less. About a quarter of all respondents operate on less than USD 10,000 annually, but all of these organizations were founded within the past three to five years.

Interestingly, the cultural and creative industries have seen a major increase in profitability in recent years. While in 2016 only 21 per cent of the organizations reported a surplus, the situation was significantly different in 2018, with 56 per cent of the organizations ending the year with a positive balance.

### Funding opportunities and financing structures

**Grants and other funding:** In the absence of support from the Cambodian government, several of the respondents reported that they rely on funding from foreign governments. This comes

as no surprise considering Cambodia's recent history of conflict and the international funding that has entered the country over recent decades in the form of humanitarian aid, development cooperation assistance, conflict transformation and trade promotion.

**Income:** Most CCI organizations have a mix of income sources, with ten of the twenty-two surveyed organizations showing some diversity in their sources of income.

The vast majority (82 per cent) of the organizations benefit from private support in some way or another. Most organizations rely on corporate sponsorship, with three organizations attributing the bulk of their income to corporate sponsorship and two from corporate donations. About 20 per cent of the surveyed CCI organizations reported being heavily dependent on corporate sponsorship.

Around two-thirds (69 per cent) of the self-proclaimed non-profit organizations and those not formally registered receive individual donations, but only in a few cases do these donations constitute one of the main income streams. A small number of organizations are highly dependent on grants. Only four organizations receive no private money, whether from corporate or individual donations, relying instead on sales of artwork and/or services.

Only two organizations reported receiving the bulk of their funding from the Cambodian government, with one of them, a private organization reporting the second main source of income being corporate sponsorships, at a ratio of 6:4. These two organizations were the least diversified and entrepreneurial of all of the CCI organizations, reporting no other sources of income. All except the two receiving government funding support themselves through private donations, sponsorships and sales.

At least six organizations receive money from foreign government funds. The organization that

lists itself as a public company, and is most likely an internationally-registered non-profit operating in Cambodia, derives between 20 per cent and 30 per cent of its income from investment funds.

Sales of services and goods (artwork, products and merchandise) are among the largest income generators for CCI organizations. This indicates that many organizations employ an entrepreneurial approach, so as to generate at least some revenue through their activities.

Ticket sales and individual donations are important yet secondary, while license fees, royalties and investments are the least important contributors to organizational funding. Around a third of the surveyed organizations (seven of the twenty-two organizations) earn a significant proportion of their income (70 per cent and upwards) from the sale of tickets or artwork, and these organizations tend to be performing arts organizations and art galleries.

One organization operates a hybrid business model with a profit-generating enterprise selling arts related services which are directed to a foundation. One association receives a small portion of funds from membership dues. About a third of the organizations surveyed also appear to derive some income from rental properties. Organizations are thus supporting themselves by various means, with some diversity in income sources. But many respondents voiced concerns over an over-reliance on grants, individual donations and corporate sponsorship.



# Challenges

- **An unsupportive tax regime:** High tax was one of the most often quoted hurdles for financial sustainability, with no tax breaks for NGOs and no provision for social enterprises in Cambodian law as of 2018.
- **Lack of government support** in the form of funding and/or technical support.
- Difficult and tiresome registration processes.
- A lack of rigorous enforcing of intellectual property and copyright legislation.
- **Inadequate knowledge of professional fundraising:** Many of the smaller organizations suffer from a lack of capacity and a lack of knowledge in how to pursue long-term funding.
- **Weak markets:** Many respondents mentioned there are too few local people, organizations and businesses that value cultural and creative products and services sufficiently to pay for them. This was relevant to both the business to consumer (b2c) and the business to business (b2b) sectors.





# Indonesia

## Country Brief

### Introduction

In 2016 the Creative and Cultural Industries (CCI) sector contributed IDR 922.59 trillion (approximately USD 60 million), to Indonesia's GDP, representing 7.44 per cent of the total. According to a forecast by Indonesia's creative economy agency, Badan Ekonomi Kreatif (Bekraf), the CCI sector was expected to contribute IDR 1,200 trillion to Indonesia's GDP in 2020. Bekraf also anticipated that in 2020 sixteen of Indonesia's CCI sub-sectors would employ 17 million people, and that Indonesia's CCI sector would contribute up to USD 21.5 million of Indonesia's foreign exchange.

The sub-sectors of the CCI sector are managed by various ministries, with some overlap. For example, the creative services and 'creative sector as innovation hotbed' are handled by the ministries of trade and industry as well as by the labour ministry, while arts and culture are handled by the Ministry of Education and Culture. In addition to this, foreign aid and funding for civil society organizations, including arts and culture organizations, are regulated by the Ministry of Home Affairs and the State Secretariat. However, most CCI actors reported difficulty in funding access from the governments. The CCI sector is managed by workers in a precarious situation, who juggle jobs and challenges with little space and energy to focus on funding and self-development.

### Organizations of the CCI sector

Of the 118 CCI organizations surveyed in Indonesia, over half (58 per cent) were unregistered. Of the registered CCI organizations, 11.8 per cent were limited liability companies while the rest were registered as collectives, non-profit associations or cooperatives. A small percentage was 'informal groups'. Private CCI organizations with any type of formal registration structure can receive government funding, but they need to register as a commercial for-profit entity in order to carry out business activities that can augment their income. The formally-registered organizational status therefore does not reflect the reality of management practice of CCI organizations, which is often more informal, collective, consensus and kinship-based.





# The financial context of CCI organizations

## Operating costs

Just over half of the respondents reported an annual operating budget for the previous financial year of less than USD 10,000, while 13 per cent had an operating budget of between USD 10,000 and USD 25,000. A large number of respondents reported more deficits than profits over a three-year period.

The main costs tend to be administrative (salaries and rent), followed by marketing and outreach and project costs or the cost of producing/presenting their core activity. Many organizations operate on a project basis, with staff receiving remuneration only when there is project work (and funding). Overall, the findings of the survey indicate that the workers/initiators are subsidizing the cost of their creative initiatives with personal income made from other jobs and gigs.



# Funding opportunities and financing structures

**Grants and other funding:** Around two thirds (64 per cent) of the organizations rely on private donations, with twelve organizations reporting this as their largest source of funding. One multidisciplinary non-profit organization received 90 per cent of its funding from corporate donations. Over a third (35 per cent) of the surveyed organizations receive corporate sponsorships, with four reporting this to be the largest source of income.

Financing in the form of bank loans and investment instruments are available for small and medium businesses in all industries in Indonesia, including the CCI. New government policies allow artworks to be used as collateral for bank loans, and tax exemptions are now offered to private companies who fund arts and culture, including research. However, despite encouraging state policies, there is a delay in the implementation of programmes; therefore, the benefits of new policy directives have yet to be felt by most CCI actors. Moreover, the majority (73.7 per cent) do not receive government grants. Of the 31 organizations that receive government funding, three reported it as the bulk of their income (over 70 per cent), with one, a non-profit organization, reporting being almost 100 per cent government funded. The organizations that receive the most government funding are among the least diversified and entrepreneurial, reporting little to no other sources of income. Thirteen organizations receive money from foreign government funds.

**Income:** The majority of the surveyed organizations reported supporting themselves through private donations, corporate sponsorships and sales. Only sixteen organizations do not engage in any form of sales, and they show variation in sector and registration status, being collectives, associations and unregistered groups. Almost two thirds (64 per cent) of the respondents were service-oriented, with some reporting more than half their income

from services and four reporting between 90 per cent and 100 per cent of their income from services. About a fifth of the organizations receive income through rental of their space, with five reporting this income as making up over 20 per cent of their total income. A small number (six) of the organizations receive modest contributions from membership dues. Most CCI organizations rely heavily on social capital, a network of voluntary initiators and people as infrastructure. Their survival is often dependent on the energies of this network of people united under a shared cause.

## Challenges

- **Precarity of CCI labour:** CCI workers tend to be exhausted from the balancing act of making ends meet while engaging in the arts; they need to work 'day jobs' to earn a living, since their artistic and collective cultural endeavours do not provide sufficient income.
- **Lack of skills in management:** Ideas and initiatives are abundant but can be stifled by day-to-day needs. Workers often do not have the resources required to develop the necessary skills to manage their organizations, to finance them or to thrive.
- **Bureaucracy and registration costs:** Registering as a legal entity and engaging with the government incur a high operating and administrative cost, and require energy and expenses, burdening the operation of many organizations and initiatives.
- **Insufficient understanding by policy-makers of the nature of local CCI:** There remains a gap between long-term policy and what the organizations experience, and bottlenecks in terms of access to support.
- **Unsupportive markets:** The pricing of many CCI products and services is low and not commensurate with the cost of the labour to produce it, and CCI products struggle in an open market.
- **Perception that arts and cultural works are non-profit:** A major issue for the CCI industry is that its products and services are often perceived as something donated or that belongs to society; thus, there is a tendency for CCI workers to be taken for granted and not be paid well for their labour.





# Lao PDR

## Country Brief

### Introduction

Lao PDR is a landlocked mountainous country with a population of 6.9 million, mainly reliant on the agriculture industry, with 60 per cent living in rural areas (in 2016). Agriculture plays an important role in the country's economy, and development policies are focused on agriculture, education and sectors that do not include art and culture.

The Lao PDR government does not have a specific policy or strategy for the CCI sector and does not provide financial support such as grants or tax exemptions. The Ministry of Information, Culture and Tourism (MoICT) follows four policies in art and culture that are focused on regulation of media and traditional culture, viewed through the lens of national cultural identity and values. The MoICT oversees artistic and cultural units, including the national and provincial libraries, cultural centres, museums and artistic troupes, and these organizations receive support for their venue rental costs and human resources costs, but lack budgets for activities and maintenance.

Since 2005, various laws have been established that impact the creative and cultural industries, such as support for small and medium-sized enterprises (2011) and protection of intellectual property (2011, amended in 2017), and in recent years there has been increasing focus on tourism promotion. There is an encouraging emergence of young artists and cultural actors in the CCI sector, but they face significant challenges, including global market competition and diminishing interest among Lao youth for local cultural products and expressions.

### Organizations of the CCI sector

The survey respondents represented a diverse range of CCI practice, including film and animation, film festivals, theatre, music, dance, visual arts and fashion. CCI organizations in Lao PDR generally have the option of registering as either a private, for-profit company or a non-profit association. Alternatively, they can operate as an informal group. Of the twenty-one organizations surveyed, nine were private companies, falling under the category of SMEs, while three organizations were registered as associations and one as a charity. Six were informal groups.

Associations fall under the supervision of either the Ministry of Home Affairs or the ministry relevant to the nature of the association's activities. Registration can take a long time, resulting in organizations operating with temporary authorization for some time, which limits the scope of their activities and their sustainability efforts. Informal groups tend to operate like non-profits, with relatively more freedom than formal groups and fewer administrative requirements, but have no access to official funding from international organizations and corporations.



# The financial context of CCI organizations

## Operating costs

Most organizations operate with small budgets. Approximately two thirds of the respondents reported an annual budget of less than US\$25,000, with the rest operating under US\$10,000. Almost all (90 per cent) of the respondents have fewer than five full-time permanent staff and most get by with only part-time staff and/or volunteers.

Human resources, venue and equipment rental and project-related costs constitute the main expenses. Rental costs can include rental of a sound studio for a recording, renting a specific venue to organize a festival or hold a public performance, and equipment rental, such as lighting and sound systems. As CCI is still developing in Lao PDR, there are few good quality options in the country and organizations have limited scope for negotiation with suppliers.

Six of the respondents reported being in operation for fewer than three years. Of the organizations in operation for three or more years, only three reported a surplus over three years, while seven organizations reported losses three years in a row. Five reported a surplus in two of the previous three years.

## Funding opportunities and financing structures

**Grants and other funding:** None of the surveyed locally-owned CCI organizations receive financial support from the government but some provide goods and services to the government, and five receive funding from international NGOs and embassies, mainly for community-oriented projects. For three of these organizations, this funding forms the bulk of their income. The only organization that reported receiving government funding is also the only public company, and it is an internationally-registered non-profit operating in Lao PDR.

Most organizations (65 per cent) receive private support, but private funding tends to be in low amounts, with most organizations listing individual and corporate donations as only between 1 per cent and 10 per cent of their income. Only two organizations reported such donations as making up to 20 per cent of their income. Most of the time, in-kind contributions are more frequent than financial support and this tends to come from relatives and friends. Only two of the surveyed organizations receive up to half their income from corporate sponsorships.



**Income:** At least a third of the twenty-one organizations surveyed show some diversity in their sources of income and some evidence of entrepreneurship. The expatriate community in Lao PDR represents the sole market for the performing arts and fine arts, and this sub-sector is very small in scale. The handicrafts sub-sector earns income from both the local market and tourists.

Sales are the most significant form of generating income, with most (80 per cent) organizations engaged in sales. Four of the organizations reported sales are their main source of income – with two earning income from sales of merchandise and two from sales of artwork.

Eight organizations receive income from rentals, with two organizations reporting this as providing between 30 per cent and 50 per cent of their total income. Somewhat surprisingly for a lower-income country with still developing infrastructure for CCI, three organizations reported fees from royalties and licensing as sources of income.

## Challenges

- **Small domestic market and low demand:** The small size of the population, with low wages and general lack of interest in paying for art and culture limits the market for cultural goods and services.
- **Lack of government support:** Financial support from the government to the CCI sector is very limited. The government provides non-financial support in various forms, including assisting with awareness raising, the diffusion of information to facilitate networking and business opportunities, and encouraging public-private partnerships for long-term project work and greater sustainability.
- **Unfavourable incorporation environment:** The current status of CCI organizations does not allow them to benefit from the country's tax exemption framework and other business benefits and incentives.
- **Low levels of private philanthropy:** Private giving is underdeveloped in Lao PDR and cultural workers tend to lack the knowledge and skills required to fundraise.
- **Lack of administrative skills:** Organizational staff are often underpaid and under-resourced, and tend to lack project management skills and knowledge of intellectual property and legal frameworks, which adds to their vulnerability in dealing with third parties.
- **Rising costs of doing business:** This is a particularly serious issue in the capital city, which has high rents.
- **Weak networks:** This limits opportunities for support between the members of the community of practice.





# Malaysia

## Country Brief

### Introduction

Malaysia is an emerging economy with a large middle class. The country has several culturally vibrant cities, including Kuala Lumpur, George Town, and Ipoh.

Except for the 2009 Creative Industries Policy (Dasar Industri Kreatif Negara, DIKN), which remains largely aspirational, the creative industries have not been embraced by the government as a significant area for economic development. Art and culture are essentially seen as a way to achieve a tourism agenda or, more recently, to engage in urban regeneration and city branding efforts.

There is in general a lack of clear responsibilities and coordination among the sector's stakeholders, including the Department of Culture and Art (Jabatan Kebudayaan dan Keseniaan, JKKN) under the Ministry of Tourism, Arts and Culture, which assumes the overall responsibility for the arts and cultural sub-sectors, and other agencies such as the National Film Development Corporation (FINAS) and the Malaysia Digital Economy Corporation (MDEC). Allocated budgets to the sector are inconsistent. The study found that most small-scale CCI organizations do not have the full knowledge of the government support they are entitled to. The bulk of their income (such as from individual giving and product/services sales) is spent on running projects and programmes. Most of them do not hire full-time professional staff, likely due to limited resources.

Market development is also an ongoing challenge with many practitioners of the opinion that there needs to be greater recognition of the value of the artistic and creative process on the side of the public as well as government funders.

### Organizations of the CCI sector

The survey received responses from thirty organizations in Malaysia, almost half of which self-identified as multidisciplinary and almost a quarter of which reported being engaged in the performing arts. Other key sub-sectors included the visual arts and the literary arts. One organization identified as being in the art education field.

Almost a third (30 per cent) are registered as private companies, 20 per cent are registered as societies or associations and 10 per cent are informal, unregistered groups. Only one respondent reported being part of a limited liability public company. A large number identified as collectives.



# Financial context of the CCI organizations

## Operating costs

CCI organizations tend to run on small budgets, with half of them having a budget of less than RM3,500 per month (approximately USD 865). The main costs reported by the surveyed organizations were administrative (salaries and rent), followed by marketing and outreach and project costs, which are the cost of producing and presenting their core activity. Rent makes up as much as 50 per cent of running costs. Many organizations reported that they operate on a project basis, with staff receiving remuneration only when there is project funding.

Only four of the thirty surveyed organizations reported having a surplus in the previous three years, and half of the respondents reported a loss in the previous three years. Thus, although organizations are managing to stay in operation, they often are in difficulty and have financial deficits.

## Funding opportunities and financing structures

**Grants and other funding:** Thirteen out of thirty organizations (43 per cent) receive some government funding although it is not clear whether these are grants that organizations apply for or whether they are providing services to a government client, and three derive the bulk of their income from government. Interestingly, all three organizations are from Penang and all three have either an education or community component in their work, suggesting a possible niche in terms of regional government interest.

Cendana, an organization set up directly under the Prime Minister's office in 2017, provides some intermediary support to CCI organizations in the form of grants and research for policy development. State agencies such as FINAS (film) and MDEC (multimedia) provide sector-specific grants and incentives. There is no Arts Council or equivalent and the exact nature of support provided by the Department of Culture under the Ministry of Culture, Arts and Tourism is unclear.



# Challenges

Half of the organizations benefit from corporate support in some way or another, with four organizations attributing the bulk of their income to corporate sponsorship or philanthropy.

**Income:** Organizations support themselves by a variety of means, with some diversity in income sources, ranging from government funding/grants and corporate sponsorship/philanthropy to crowdfunding. The most commonly-reported sources of income were individual donations (nineteen organizations) and sales of tickets, artwork, merchandise and services (seventeen organizations). Most of the organizations engage in some form of sales (tickets, artwork, merchandise, services), and nine derive at least half of their income from these, with two (a performing arts company and a private museum) attributing more than 70 per cent of their income to ticket sales. Almost two thirds (63 per cent) listed individual giving as a significant source of money, with four deriving the bulk of their funds this way. One organization listed crowdfunding or crowdsourcing as a source of income but at no more than 10 per cent of their total revenue. A second organization mentioned a crowdfunding platform as a 'passive' source of income but did not state how much they derive from this. Both organizations are informal collectives.

- **Ambiguity of government support:** Where available, funding tends to go towards projects and not to organizations themselves, and for many the criteria for selection are unclear. There is also a significant level of uncertainty on the status of tax exemption. Furthermore, ministerial support for culture tends to be subordinate to their support for tourism and there are low levels of understanding and interest in the CCI sector at the ministry level.
- **Precarity of CCI labour:** Although CCI organizations in Malaysia are operating and producing work at an international level of professionalism and are displaying a high degree of resourcefulness in finding ways to finance their work, they are often living hand to mouth and need to supplement their income through work in other sectors. The CCI sector relies largely on unpaid labour, and those who are paid receive low wages. Related to this are issues associated with the underdeveloped philanthropic culture in Malaysia.
- **Audience development is weak:** Low consumption of arts and CCI goods and services, and low willingness to pay has an adverse impact on the sustainability of CCI organizations.
- **Challenges to freedom of expression and assembly:** The bureaucratic system of permit applications and censorship of content leads to groups either circumventing official processes, which hampers their ability to grow and become more self-sustaining, or using already strained resources to comply with tedious administrative requirements.
- **Lack of arts management and business skills:** Around half the organizations surveyed do not undertake business planning due to lack of skills in this area and some organizations lack skilled managers.





# Myanmar

## Country Brief

### Introduction

The financial situation of the CCI sector in Myanmar is characterized by a lack of access to funding, lack of funding diversity and limited internal capacity for financial planning and business administration. The financing context in Myanmar is very dependent on international donors and is restricted by bureaucratic hurdles to formally register NGOs and receive tax exemption status. Many organizations operate hand to mouth and are subject to unpredictable project funding changes and consumer whims. This situation is currently not addressed by the government as there is practically no regulatory framework for CCIs in Myanmar other than the censorship and licensing regulations.

### Organizations of the CCI sector

Of the eighteen CCI organizations that responded to the survey, three were registered as for-profit private companies, three as non-profit associations and one as a social enterprise (though the actual legal status of the organization is unclear). Four were informal groups and two were collectives. The remaining five organizations include an international NGO, an unregistered business, a sole proprietorship and an organization in the midst of changing its status from a private company to a non-profit organization.

The CCI sub-sectors represented among the survey respondents included visual arts, film, performing arts, craft, music and advisory services for the use of culture to achieve social impact and conflict transformation. The respondents thus represent a good cross-section of the types of organizations in operation in the CCI sector in Myanmar, without any one category being dominant.



# The financial context of CCI organizations

## Operating costs

Organizations in the CCI sector in Myanmar tend to be very small entities, with only 18 per cent reporting an annual operations budget of more than USD 100,000. Half of the organizations operate on less than USD 25,000 per year. The small size of the organizations is reflected in staff size with the organizations having five staff members on average, not all of whom are necessarily paid, however.

Human resources and projects make up the majority of operation expenses. Rent is the third-largest cost for most organizations, followed by utilities, maintenance and telecommunications. Only a third of the organizations reported spending money on marketing and outreach activities, with organizations reporting that their strained budgets mean that they are unable to accommodate such expenses. About half of the organizations make use of the legal provisions for tax exemption, but they reported that this process is difficult and some respondents were unaware of their tax status.

Most (78 per cent) of the surveyed organizations are fairly new, as they have been in operation for fewer than three years. Of the rest, one reported a surplus each year over the three previous years, one reported a surplus in two out of three years and two reported a deficit in two out of three years.

# Funding opportunities and financing structures

**Grants and other funding:** Government funding for CCI organizations is almost non-existent in Myanmar. Any funding seems to go through unofficial channels cultivated through patronage and favouritism. At least five organizations receive support from foreign government funds and for three of these this money forms the bulk of their income.

Donations from corporations and foundations are a major income source for two thirds of the CCIs. For more than half of these, this income accounts for 40 per cent or more of their annual income. Four organizations receive an income from corporate sponsorships, but these are relatively small amounts.

Over two thirds (69 per cent) of the non-profits and the organizations that are not formally registered receive donations from individuals, but only in a few cases do these donations constitute one of their main income streams.

**Income:** Most organizations have a mix of sources of income. Most (72 per cent) of the organizations derive income from private sources, with at least six reporting this as at the highest contributor of income, mainly through corporate donations, and four also list individual giving as a source. Sales of services and goods (both artwork/productions and merchandise) are among the largest income generators, indicating that many organizations employ an entrepreneurial approach to maintain their activities. However, many respondents noted that the market for their products and services is small and sales are not easy. Ticket sales, rental income, royalties and license fees are only significant sources of income for a few actors. Three organizations receive income from rents and two reported receiving income from fees from royalties and licensing.

# Challenges

- **Small pool of institutional donors:** While some CCI organizations receive support from international donors, for most of the organizations gaining access to such funding and achieving long-term financial security are major challenges. Many organizations operate hand to mouth and find it hard to attract donors. The funding preferences of the few institutional donors operating in Myanmar tend to be for projects rather than operating expenses.
- **Formal registration is required for funding support:** While Myanmar's law allows organizations to operate informally, such groups are ineligible for most forms of institutional funding support.
- **Onerous process of registering as an NGO and applying for tax-free status:** This bureaucratic process is especially difficult for small organizations and collectives that have grown out of individual artists' personal initiatives. Such organizations therefore tend to be predominantly self-financed, with weak organizational capacity.
- **Weak market:** The market for creative products is very small and very few people are willing to pay for arts and culture or have the means to do so.
- **High rents and tax:** The financial burden is further strained by the high cost of rent and taxes for those who pay them.
- **Volatile political environment:** The volatility of the political environment and favouritism of certain groups negatively impacts the sustainability of CCI organizations.
- **Lack of legal and regulatory policy frameworks for the CCI sector:** Uncertainty and lack of clarity can hinder CCI organizations.
- **Weak organizational capacity:** Staff at CCI organizations often lack training in business administration, financial planning, resource mobilization, fundraising, strategic communication and outreach.



# The Philippines

## Country Brief

### Introduction

The Philippines is home to a variety of cultural resources owing to its geographical and ethnic diversity and the deep and complex history of colonization, intercultural exchange and negotiation. Efforts since 2008 to classify and map the CCI environment include gathering baseline data on the CCI sector to create a map of the industry, institutionalizing grant systems and tax benefits to incentivize the formation of cultural groups and products, and greater coordination between government agencies to create a general strategic roadmap and a solid policy framework to facilitate the operations of the CCI sector. Despite these positive developments, challenges remain, especially in the financial context of CCI sector. There remains a lack of awareness among the surveyed CCI organizations regarding accessible government support, a lack of cohesion between existing policies for CCI support, a lack of access to information about these policies and associated programmes, and a bureaucratic process that complicates the disbursement of grants. As a result, most CCI organizations rely on individual donations and corporate sponsorships to ensure their continued operations and function. The challenges that CCI organizations face are also impacted by cultural assumptions regarding the value of creative goods and services.

### Organizations of the CCI sector

Of the twenty-one organizations surveyed, six were registered as for-profit private companies, three were charitable trusts and foundations, one was an association, five were informal groups and two were collectives. Two of the organizations reported being in the process of becoming registered, one was registered as an NGO and one described itself as a 'government-registered community-based heritage volunteer organization'. The status of CCI organizations has an impact on how they operate and on their financial situation because Philippine law distinguishes between for-profit and non-profit organizations. The survey responses indicate that the majority of the surveyed organizations were performing arts or multidisciplinary organizations, with the remainder being in the visual arts, craft, film, design and literature sub-sectors.



# The financial context of CCI organizations

## Operating costs

The two largest expenses of CCI organizations are human resources and project costs, followed by marketing. Utilities and rent are not major expenses because rental spaces are usually obtained via connections (and therefore at discounted rates) and utility costs are generally manageable. Other expenditures, including equipment rental and outreach tend to be specific to each sub-sector and are also discounted due to the connections that CCI organizations have. The dependence of CCI organizations on networks highlights the frequently overlooked but important aspect of their work: the maintenance of social capital. This social capital ensures that these connections flourish, which in turn ensures that these CCI organizations are able to remain in operation..

## Funding opportunities and financing structures

**Grants and other funding:** There are numerous government-based grant opportunities covering traditional arts and performing arts, and in recent years these have been extended to cover film and new media. These grant schemes include seed capital for initiatives and travel grants to enable participation in international symposia and exhibitions. Such grants are overly-bureaucratic, however, and in some cases involve reimbursement schemes that put a financial strain on CCI organizations. Because of this, CCI organizations tend to seek grants from foundations abroad, which more often than not have streamlined procedures and involve immediate disbursement. Although ten organizations report receiving government funding, these are mostly in small proportions, and only one lists it as a major source of income (up to 50 per cent) while two list it as about one third of their income. Around three quarters (76 per cent) of the organizations are receiving some form of private support, but for most these are in relatively small proportions (20 per cent to 40 per cent) whether corporate funding, corporate donations or individual donations.

**Income:** CCI organizations in the Philippines support themselves through a range of means, including sales of merchandise, fees for performances, design services and rental of spaces for other groups to use. Almost half the surveyed organizations (ten out of twenty-one) showed some diversity in their sources of income and some evidence of entrepreneurship. However, while diversity of sources is positive, four organizations reported only small proportions of income across most of the options offered, suggesting a more opportunistic than strategic approach to income generation. The survival of the organizations, in terms of staying afloat despite



their small margins from earned income, depends significantly on their resourcefulness and their connections, which ensure low operating costs. Sales appears to be the most significant form of revenue, with only one unregistered organization not engaging in sales of any kind. For 57 per cent of the organizations, sales form the bulk of their income. Six organizations reported income from rentals and fees from royalties and licensing.

## Challenges

- **Difficulties in accessing government support:** While the government provides several grant opportunities, these are often not advertised or information about them is not disseminated well because of technological challenges, and they involve complicated bureaucratic procedures.
- **CCI labour is undervalued:** The development of the creative industry is limited because labour in this industry is undervalued. Workers often participate on a pro-bono basis, and creative work is usually seen as merely a hobby.
- **Inadequate baseline data for policy formation:** Lack of data hinders the ability to address the issues faced by CCI organizations. Although there are plans to draft a holistic country framework for the CCI sector and to collect data, it is necessary to ensure that micro and small CCI organizations are covered by this process.



# Singapore

## Country Brief

### Introduction

Singapore has made significant investments in the development of artistic and CCI infrastructure since the 1990s. According to the Cultural Statistics Report 2019 published by the Ministry of Culture, Community and Youth (MCCY), the budget allocation for arts and heritage in 2017 was SGD 438.13 million (approximately USD 314.5 million).

Policies to develop the arts and the creative sector have been in place for over twenty years. The government conducts periodic reviews of the national arts and culture policies and prepares five-year strategic plans. The development of the CCI sector is highly planned with ministries and agencies (statutory boards) tasked with the implementation of policies and plans. The development of the arts and culture is the responsibility of the National Arts Council (NAC), while heritage is managed by the National Heritage Board (NHB); both fall under the purview of the MCCY. Policy development is overseen by the Design Singapore Council, which in 2018 was placed under the Economic Development Board as part of a strategy to increase the business potential of design companies. The local film industry is supported by the Singapore Film Commission, under the Infocomm Media Development Authority (IMDA).

With world-class facilities and integrated policies, Singaporean practitioners enjoy significant financial and infrastructure support from the government and also benefit from employment opportunities via projects and commissions for the government agencies. CCI organizations are able to take advantage of grant provisions and other forms of support offered by the government through the various agencies.

The arts sector is heavily dependent on government support and private funding sources are under-developed. A key issue is that the supply of arts and culture products and services exceed demand due to a small market for the creations of local practitioners.

### Organizations of the CCI sector

Of the thirty-four organizations that responded to the survey, twenty-two are non-profits and twelve are for-profits. As is typical of the landscape in Singapore, the majority (eighteen) of the non-profits are registered as public companies. Three are societies and one is listed as a charitable trust. Of the non-profits, fourteen have charity status. Almost all (eleven) of the for-profit organizations are private companies, and one is a partnership.

Nine of the organizations are engaged in the performing arts and nine are multidisciplinary. The remaining sub-sectors represented include music, visual arts, literature, film and animation, design and craft, with one identifying specifically as traditional arts and one as an arts-based community development company.





# Financial context of CCI organizations

## Operating costs

For most of the surveyed organizations, the largest expense is human resources. Surprisingly, rent was found to be a relatively small expense, possibly due to subsidized studio and office rentals for arts organizations under the NAC's Arts Housing scheme.

Project costs or the cost of producing/presenting their core activity is a large expense for almost every organization surveyed. Many of the surveyed organizations engage in marketing and outreach but that is a relatively small proportion of their budgets. A small number of respondents listed touring and travel as a significant expense.

Taking into consideration the high cost of living and labour in Singapore, operating budgets are considerable, with twenty-one of the thirty-four surveyed organizations reporting budgets of USD 100,000 or more. Five organizations reported a budget of under USD 10,000, but all were organizations with unsalaried members.

Fewer than half of the organizations seem to be financially stable, with only seven reporting a surplus in the past three years and eight reporting

a surplus in two out of the three years. At the other end of the spectrum, six reported a deficit three years running.

## Funding opportunities and financing structures

**Grants and other funding:** The Singapore government has an extensive system of support in terms of grants, incentive schemes, tax exemption and benefits. These are linked to corporate regulatory frameworks, as well as to charity registration rules and Institution of Public Character (IPC) status, which are mechanisms for monitoring and governance. In addition to giving funds directly to organizations, the government also facilitates corporate and private giving. One such facilitation mechanism is the government's annual recognition of corporations and individuals that donate to the arts as 'patrons of the arts'.

Twenty-five out of the thirty-four surveyed organizations (73.5 per cent) receive government grants and for fifteen of them it is their largest source of funds. Most of these are non-profits, but there are also five private companies that report receiving funding from the government, most likely in the form of fees from government agencies as clients.





Over half (53 per cent) also receive money from private sources. Of these, all benefit from private donations, fourteen receive corporate donations or sponsorships, ten receive donations from local philanthropic organizations or foundations, and three list international foundations as a source.

**Income:** Organizations support themselves through various means, with some diversity in income sources. These include, in order of the most frequently cited and proportion of income received: government funding, corporate sponsorship and philanthropy, individual donations and sales. A few organizations also reported receiving income from royalties and license fees.

Eighteen organizations derive income from ticket sales and for four of these it is their biggest revenue source. One organization lists the bulk of their income from the sales of artwork and merchandise, and this organization also happens to be a for-profit company that listed 'retailer' as one of the things they do as a company. A third of the organizations derive most of their income from sales overall and of these eight are private companies and therefore more dependent on commercial means of generating income. Two organizations earn income from performance fees and commissions, three from education-related work and running workshops, and one listed 'interest-free loan from family'.

## Challenges

- **Limited domestic market:** The country's small size affects supply and demand, where creative capacities have outgrown demand.
- **High cost of doing business:** Particularly for more commercially-oriented organizations and for-profit companies, daily operating costs and expenses to maintain market competitiveness were all major concerns.
- **Donor cultivation:** A lack of understanding or demand by donors, low levels of awareness or appreciation, and greater interest in sectors such as health and education. In a small country, this is especially challenging for smaller organizations that compete for attention in a small pool against larger, well-established 'prestige' or national organizations.
- **Audience development:** While government efforts have had an impact in terms of infrastructure development and funding, greater education and audience-building efforts are needed to stimulate interest in consumption of CCI goods and services.



# Thailand

## Country Brief

### Introduction

Thailand has seen the emergence of small and medium-sized enterprises (SMEs), start-ups and social enterprises over the past five years, and has seen increasing attention by the government on developing a creative economy strategy and improving the export of Thai creative goods. In 2018, the government founded the Creative Economy Agency under the Prime's Minister Office with the mission: 'to promote the creative economy as a driving force for a balanced and sustainable economy'. This agency acts as the focal point for inter-ministerial collaboration and public-private partnerships in support of the CCI sector. In recent years the government has also promoted creative economy networks, leading to the rise of industry associations, federations, regional cooperation clusters and local cooperation clusters. While not new, the social enterprise model has only recently been properly legalized, with the passing of a law in 2019. The law is expected to lead to a more sustainable and transparent financial and operating mechanism for CCI organizations.

### Organizations of the CCI sector

Of the thirty-two surveyed CCI organizations, fourteen were registered as for-profit private companies, one was registered as a charitable trust and one was registered as a social enterprise. The others were mostly unregistered collectives and informal groups.

In Thailand, for-profit companies can register as either an ordinary or limited liability partnership or as a private company, while non-profits can register as foundations or associations. Few CCI organizations register as foundations, however, due to the high cost of such registration.



# Financial environment of CCI organizations

## Operating costs

By far the largest expense reported by the surveyed CCI organizations was human resources, followed by the costs of rent, utilities and project costs. Most pay taxes and licensing fees, and engage in some form of marketing, but these costs are low.

Almost half of the surveyed organizations had been in operation for fewer than three years. Of those in operation for three or more years, six reported having a surplus in the previous three consecutive years and six reported a deficit over the previous three years.

## Funding opportunities and financing structures

**Grants and other funding:** Currently, the Ministry of Culture makes available several annual funds and grants to contemporary artists, both individuals and organizations, especially in the crafts and film sub-sectors, but this funding is administered inconsistently and without a long-term strategy on developing the CCI sector as a whole. Thus, it tends to be perceived as static and inflexible, and as a 'one-off' form of support.

In February 2019, Thailand passed a new law on social enterprises aimed at facilitating the creation of more socially-oriented businesses and this may have positive impacts on the CCI sector. Changes are anticipated for CCI frameworks and strategies in Thailand as the government revises its economic development plans and twenty-year national strategy.

Ten of the surveyed organizations reported receiving some form of government funding, with two listing it as the largest portion of their funding (as high as 90 per cent) while for the rest government funding represents less than 30 per cent of their total income.

Fewer than half of the surveyed organizations listed private or corporate donations and corporate sponsorship as a source of funding. For those who did list this as a source of funding most listed it as making up between 10 per cent and 20 per cent of their total funding. Three reported that it represented between 70 per cent and 100 per cent of their funding. Two of the surveyed organizations listed their founder's personal contributions as their largest source of funding.

**Income:** Sales are an important source of income for 80 per cent of the respondents, and for ten organizations it is their largest source of funds. Two organizations, both informal unregistered groups identifying as hubs, reported that they derive the bulk of their income from rental of spaces. One



organization, a commercial private gallery, listed investments in stocks as a source of funds. While only five organizations showed diversity in their sources of income, most of them appear to be relatively successful in their ventures as they earn significant income from their specific activities.

## Challenges

- **Inconsistent strategies and policy coordination:** Policies related to CCI are not coordinated and there is no clear strategy for a consultation mechanism. The Ministry of Culture and the Creative Economy Agency are working towards setting up intersectoral collaboration for the CCI in order to map out all the related ministries and line agencies responsibilities and existing policies.
- **No clear definition and no data on the CCI's contribution to the economy:** The definition of 'cultural and creative industries' is understood differently in different ministries and there is no reliable cultural statistics and data to assess the contribution that the CCI sector makes to national GDP.





# Viet Nam

## Country Brief

### Introduction

In Viet Nam, the idea of developing policies and strategies for cultural and creative industries is relatively new. In 2016, the government approved a national strategy for the development of cultural industries, which focuses on five sectors: film, performing arts, cultural tourism, advertising and fine arts, and photography and exhibitions. The Ministry of Culture, Sports and Tourism is responsible for the implementation of the strategy at both the provincial and national levels. The strategy is being implemented across the country, with priority given to three centres for cultural industries Ha Noi, Ho Chi Minh City and Da Nang.

### Organizations of the CCI sector

The survey responses indicate that in Viet Nam most CCI organizations are registered as commercial enterprises. Of the twenty-eight organizations surveyed, 60 per cent were for-profit organizations, with eleven registered as private companies and a smaller number registered as joint-stock companies, 'family' or 'household' businesses, five as informal groups, two as collectives and one as a social enterprise. Registration as a non-profit organization is complicated and registering as a social enterprise is viewed as having no tangible benefits. Regardless of their structure or registration status, many organizations see themselves as non-profit organizations because that category best reflects their vision, mission and actual work.

With regard to their main activities, most respondents described themselves as being in the visual arts and design sub-sectors, and the rest were in the performing arts, film, animation and arts education sub-sectors.



# The financial context of CCI organizations

## Operating costs

Most CCI organizations in Viet Nam operate with modest annual budgets. The majority of the surveyed institutions reported an annual operating budget under USD 100,000, with a substantial number of the respondents (24 per cent) operating on less than USD 10,000 per annum.

Costs associated with human resources, including salaries and benefits, account for the largest portion of most organizations' operating expenses, followed by office and studio rental. Most of the surveyed CCI organizations in Viet Nam function with a small number of people, however, with only a quarter of those surveyed employing more than ten people. The cost of running projects is also substantial, making up almost half their overall costs. Some organizations cited marketing and outreach as significant costs.

## Funding opportunities and financing structures

**Grants and other funding:** The responses to the survey indicate that there are funding opportunities for the CCI sector, but most are small and short-term. While some government funding is available, grants from non-governmental sources are preferred. Seven of the respondents reported receiving some form of government funding, though it is not clear whether this was grants that organizations applied for or whether the organizations provide services to a government client. Almost half (47 per cent) of the respondents receive private donations and a third of the organizations receive funding through corporate sponsorships. For one organization, corporate sponsorship is their largest source of income. Only one organization reported funding from foreign donors as a source of income.

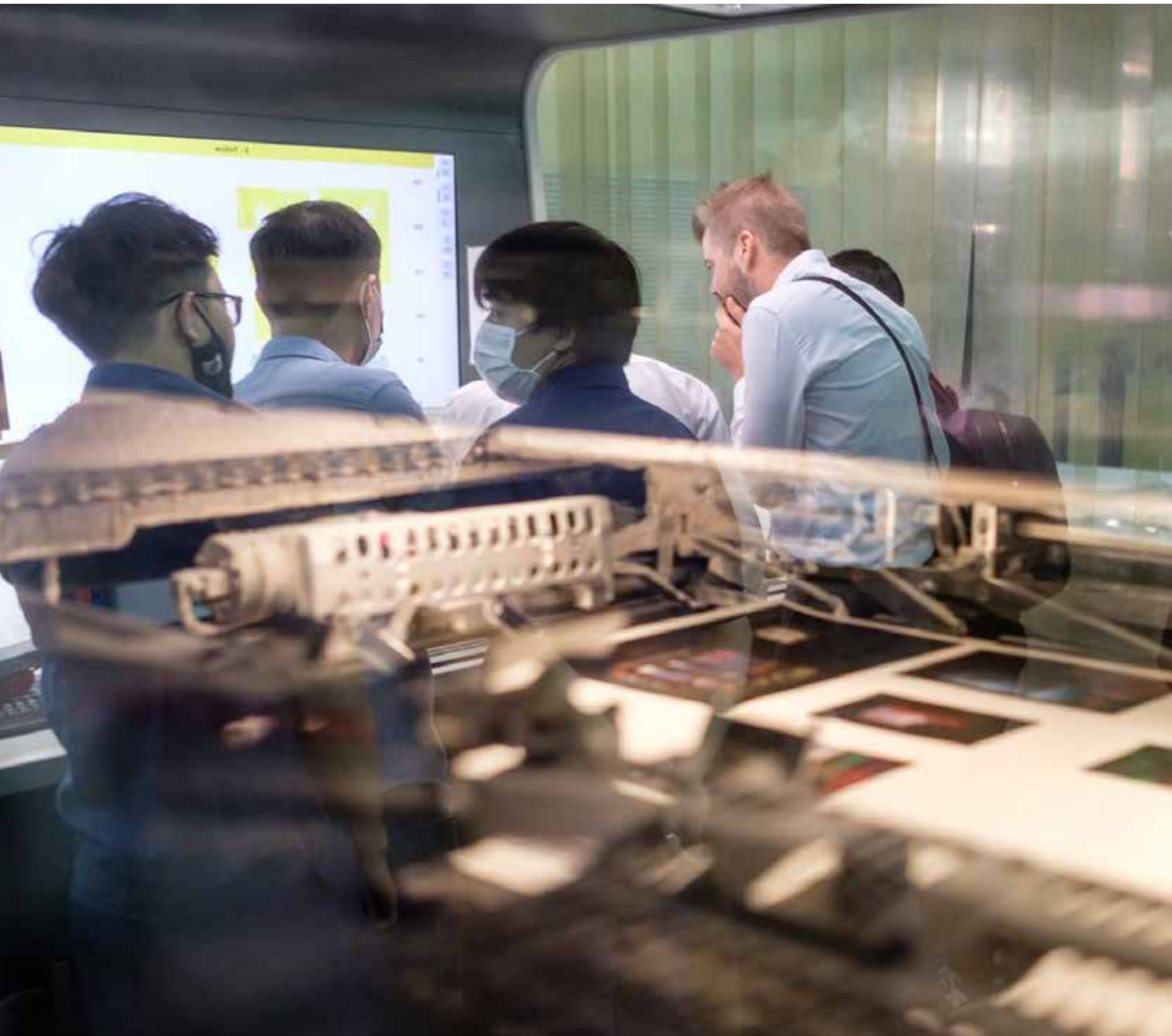


**Income:** Of the twenty-eight organizations surveyed, only four show some diversity in their sources of income. Diversifying income sources remains a challenge, especially in the context of high uncertainty in securing financial resources and managing human resources. Almost two thirds (60 per cent) of the surveyed organizations generate income through sales. For eight of the organizations in the performing arts and visual arts sub-sector, sales of tickets or artworks are their primary sources of income. Nine organizations reported sales of merchandise and services as primary sources of income.

## Challenges

- **Unsustainable business models:** Sustainability could be improved through the diversification of income sources, which could be achieved through expanding the organizations' range of products and services and achieving a balance between cultural/social purposes and financial profits.
- **Lack of skilled human resources:** Hiring people with the appropriate skills, combined with passion and resilience in the face of uncertainty is a challenge.
- **Lack of funding:** Funding tends to be limited and short-term.
- **Lack of incentives and benefits:** Organizations in the CCI sector do not have access to benefits in areas such as taxation, concessions on land rental fees and access to credit. This is related to ambiguities in the legal status of CCI organizations.
- **Market and audiences:** Audiences/consumers are limited; a domestic market that would be willing to pay for CCI products and services is still being developed.







# Recommendations

In view of the goals of the 2005 convention and the need for multiple pathways, as identified by the *UNESCO Creative Economy Report 2013*, the study of the financial context of the CCI sector in SEA identified fundamental issues that need to be addressed in tandem with, or even before, financial development strategies for CCI. The following five recommendations are aimed at addressing those issues.

# Develop enabling strategies, action plans, policies and data collection mechanisms

It is important that governments recognize that a more holistic and integrated, cross-ministerial approach to strategy planning is needed in order to achieve healthy growth of the CCI sector in SEA.

This process can begin with detailed mapping of the roles and strategies of existing government players. New agencies set up for the administration of CCI development and support will need to take into account the overall coordination mechanism.

There is also an urgent need for more robust and representative baseline data that is sector-specific and that takes into account production and distribution chain linkages.

As well as provision of funding, policy development and/or strengthening is needed in the following areas:

- i. Audience development aligned with arts education, and skills development of artists and creative/culture workers;
- ii. Provision of hard infrastructure – upgrading of national institutions, subsidized rent for CCI businesses, enabling access to facilities and equipment – combined with soft infrastructure of a skilled and knowledgeable workforce as administrators, including those working in government cultural departments;
- iii. Ease of doing business and regulatory frameworks;
- iv. Sector-specific market analysis to understand production and distribution chains.

## Strengthen local governance and community participation

Responsibility for CCI development needs to be enacted at all levels, from the municipal level through the state/province/district level to the national level. Situating policy-making and enactment at the municipal level and decentralizing government administration can be one way to alleviate the pressures at the federal/state level, while also allowing for greater access by people to their lawmakers.

There is a need for increased advocacy for the facilitation of dialogue between government officials, civil society organizations and CCI practitioners and groups. Even in countries like the Philippines where there are already mechanisms for communication between the state and civil society organizations, there are obstacles in terms of access, efficiency and transparency.

## Implement new models of organization

This study found that many CCI organizations are operating in a hybrid manner, either registered as for-profit but with a non-profit ideology, purpose and practice; or as for-profit with strong social purpose. While some appear to be surviving adequately with such ambiguity, this situation has led to uncertainties about taxation and frustrations in identifying and accessing appropriate income streams. Recognizing that if a clear operational model is not defined and supported by the system, an organization will inevitably encounter new challenges as it grows. In alignment with global trends of revising organizational structures in recognition of the changing needs in both the business and philanthropic sectors, it is recommended that governments of countries in the SEA region invest in exploring a broader range of models. These could include social enterprises, the community

interest company model and the various models identified as ‘for-benefit’ organizations in the fourth sector.

Thailand and Viet Nam are now introducing the social enterprise model, with such organizations becoming legally-recognized entities. This could be beneficial for the sector in the long run. In Indonesia the ‘cooperative entity’ has been identified as a form supportive of the needs and hybrid nature of CCI groups, but such organizations are still relatively complex to register so adoption of this organizational structure is limited.

## Strengthen collaboration across the South-East Asian region

In accordance with SDG Target 17.9: ‘Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the

sustainable development goals, including through North-South, South-South and triangular cooperation’, it is recommended that governments take advantage of opportunities for intra-regional cooperation, such as through agencies such as UNESCO and ASEAN, for capacity-building and knowledge exchange. Some of the systems of support and schemes that are currently in place, notably in Indonesia and Singapore, are possible models for adaptation. Cooperation at the ASEAN level between cultural agencies and ministries could help address deficiencies in skills and knowledge within government departments in some countries with underdeveloped infrastructure.

## Integrate culture into sustainable development framework

Too often, cultural policy is not aligned with a country's sustainable development goals. It is important for national governments to develop a holistic and comprehensive system to support the culture sector, one that goes beyond political and/or nationalist agendas. Culture should be recognized for its contribution to social capital, environmental sustainability and community identity, beyond just economic benefits. Viewing culture solely in economic terms, for its tourism income or its connection with the digital economy, can have adverse impacts on sustainability as it neglects fundamental characteristics of the CCI sector.

The integration of culture into existing sustainable development frameworks is also a logical move for countries that lack sufficient capital to offer financial aid to the CCI sector. As CCI policies are still being developed or are yet to be fully developed in many countries, there is an opportunity for a much more integrated and analytical approach.

It is recommended that municipal governments also integrate the culture sector, notably small and medium-sized CCIs, into their overall development policies, taking into account the specific characteristics of the sector. This will help to address the precarity of CCI workers and enable them to better withstand market forces and competition with fully commercial enterprises.



# Conclusions

This study examined the frameworks of policy, financial support and business operations of CCI organizations in SEA. It revealed gaps in terms of policy provision and the challenges faced by CCI organizations, and this report recommends several measures to improve the financial and market environment for these organizations, including revising or creating policies and implementing appropriate models of organization.

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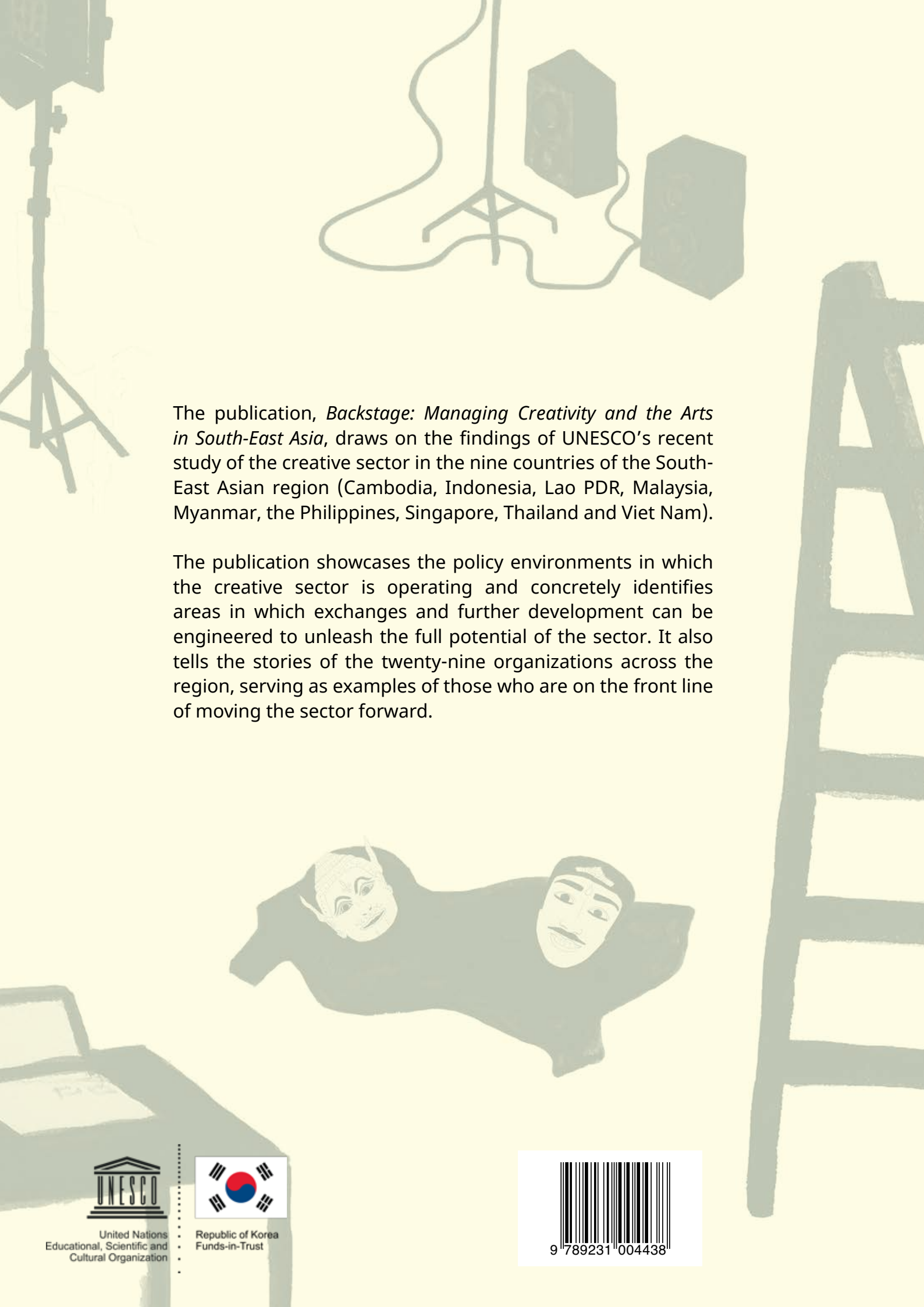
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The publication, *Backstage: Managing Creativity and the Arts in South-East Asia*, draws on the findings of UNESCO's recent study of the creative sector in the nine countries of the South-East Asian region (Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam).

The publication showcases the policy environments in which the creative sector is operating and concretely identifies areas in which exchanges and further development can be engineered to unleash the full potential of the sector. It also tells the stories of the twenty-nine organizations across the region, serving as examples of those who are on the front line of moving the sector forward.



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