Performing arts management in a climate of adjustment: case studies from Vietnam and Australia

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Keywords
Performing arts organisations, Vietnam, Australia

Abstract
This paper presents a series of empirical case studies to discuss impacts of economic globalisation on the development of performing arts organisations in Vietnam (Hanoi Youth Theatre and Vietnam National Symphony Orchestra) and Australia (Melbourne Theatre Company and Sydney Symphony Orchestra), and focuses on how Vietnamese organisations have adapted to these changes. The paper also identifies cultural policy implications for the development of the sector; for arts management training in Vietnam so that the sector (and more importantly, the artists) may fully benefit from the open market context. The findings indicate that Vietnamese performing arts organisations have attempted to adapt to the new market context while struggling to balance artistic quality, freedom and financial viability in the new socialist regime. The Australian case studies offered a relevant management model to Vietnamese arts management practice and training.

Biography
Huong Le is a Research Fellow in the School of Management and Marketing, Deakin University, Australia. She obtained her PhD from the University of Sydney. Her research interests include cross-cultural research on arts management, multicultural arts and artists, audience development, and Vietnamese cultural policy. She has industry links to her home country of Vietnam, where she lectured at the Hanoi National Conservatory of Music. She has published in international journals and book chapters on arts management and tourism research.
Introduction
The last two decades of the 20th century marked an important change as a result of economic globalisation. Many economic reforms and forms of structural adjustment have occurred in most countries caught up in the globalisation process. Australia and Vietnam have been pulled into the circulation of a global market although both of them have arguably reformed and have benefited to different degrees, due to their distinctive socio-economic and political backgrounds. Such changes influence the way the arts are produced and distributed (Throsby & Hollister 2003) and development of the arts sector overall.

Many sociologists define and discuss concepts of globalisation. Globalisation in its most basic form refers to the widening and speeding up of global interconnection (Held, McGrew, Goldblatt & Perraton 1999) and to the increasing interdependence of different parts of the world (Seitz 2002, p. 22; Sklair 1999, p. 321). As a result, through removing international trade barriers and enhancing the international flow of capital, globalisation aims to bring about greater integration of the world economy (Bacchus 2004, p. 11).

In the light of globalisation, this paper investigates how social changes affected organisational operations of selected performing arts organisations (PAOs) in Vietnam and Australia, with the main focus on Vietnam. The analysis of how PAOs in each country adjusted to rapid changes will provide experience for learning from each other, particularly for the Vietnamese cases. These analyses provide points of discussion, comparisons and implications for development of arts management training in Vietnam. Case studies, personal interviews with key participants and policy actors have been used to discern which direction performing arts management should take, in order to correspond with Vietnam’s present socioeconomic situation.

Rationale for comparisons between Australia and Vietnam
Significant similarities in external forces, notably economic and cultural globalisation, and increasingly close relations between Vietnam and Australia form the rationale for comparison.

Doi moi – Vietnamese economic reforms in 1986 provided impetus for change in every sector, resulting in growth of the service sector in Vietnam (UNDP 2002). Arts organisations in Vietnam found themselves operating in a more competitive environment, forcing them to adjust to this new economic structure. Improved Vietnamese living standards helped to create more demands for a diverse entertainment industry and allowed both the government and individuals to spend more on the arts. A new cultural policy – socialisation (somewhat equivalent to privatisation in Western countries) – was implemented in the arts and cultural sector, producing for PAOs, as well as a broader cultural milieu in Vietnam, challenges of being self-sustaining but also more autonomy and greater income diversity. Simultaneously, this led to upgraded artistic standards, improved infrastructure and higher musicians’ salaries; the latter having only experienced slow improvement during the subsidised era.

The Commonwealth of Australia is located in the Southern Asia-Pacific region (Fenna 2004). Despite being a much larger country physically than Vietnam, the population of Australia is quite small, around 21 million people (Australian Bureau of Statistics 2009) (just one-fourth of the Vietnamese population). An influx of immigrants and refugees, mainly from Asian countries to Australia, has cemented its reputation as a multicultural nation (Press & Hayes 2000). Australia and Vietnam have also had long-term well-established bilateral relations since 1975, by which Australia assists Vietnam with aid programmes in education, infrastructure, and direct investments. Also, there is a substantial Vietnamese community living in Australia, in part a product of the Vietnamese-American war (in which Australia supported the USA, militarily). Therefore,
in terms of geography, culture, and international relations, Australia and Vietnam have some common background, and established diplomatic relations.

As Australian multiculturalism is increasingly taking on an Asian perspective with a growing proportion of migrants, including many international students, coming from Asia, its training courses already cover various issues including arts management in other countries (especially the Asia-Pacific area). Australian arts management training therefore was adopted as a suitable example for investigation. Globalisation is seen as a major advance in the efficiency and productivity of the market economy in Australia (Fenna 2004). In the 1990s, privatisation was implemented extensively in Australia in many sectors (Fenna 2004). Changes in Australian economic and cultural globalisation have influenced all sectors in society, including the arts. For example, the Australia Council reports that artistic wealth is coming under pressure from cultural globalisation due to increasing competition for the leisure dollar, and difficulties in nurturing individual voices of the Australian community, while simultaneously accessing and benefiting from globalisation (Gardner 2001, p. 14). Further, governments at both federal and State levels have adopted a stance that "the arts industry must become more business-focused in order to survive and thrive"; a stance that has accompanied declining government subsidies (Soutar et al. 1997, p. 1). These challenges have created a unique environment for strategic changes in arts organisations, in which they must confront real financial difficulties.

Some industry papers provide an overview of challenges of managing the arts and cultural sector in Vietnam (Nguyen 2003) and development of arts management curriculum in the new market context (Doling 2003). For example, Doling draws a picture of challenges and opportunities for the arts sector and artists in the adapting process to the market economy. The paper also describes efforts by the government and Ford Foundation to provide funding to develop arts management curriculum to tackle difficulties of arts organisations in this process. However, an empirical research into this particular area in Vietnam is not evident in the literature.

In summary, research in the context of newly developing market economies, or of the Asian arts environment is scarce. Furthermore, there are few empirical studies that investigate the relationship between globalisation and/or economic reforms, and the development, operation of arts organisations, leading to implications to training programmes in arts management.

**Methodology: conducting qualitative case study research**

**Case study method**

A case study methodology was chosen as one of the research approaches appropriate for the systematic study of a phenomenon (Merriam 1988). Case study methods are suitable for defining the topic broadly, to cover contextual conditions and rely on multiple sources of evidence (Yin 1993). In this research project, the focus was not only on changes in cases individually, but in the broader context of the performing arts sector in light of economic reforms. Cases were examined in-depth to understand their complexity and their context in the arts environments in Vietnam and in Australia: this includes government funding, regulations and cultural policies, and their impact on artistic activities.

**Sampling**

Purposive sampling and snowball sampling methods (also called network, chain referral, or reputation sampling) (Babbie 2001; Neuman 2003) were utilised to identify and sample cases. The purposive sampling method was used for selecting cases; snowball sampling was used to invite arts leaders to participate in the study. Four case studies of PAOs: Hanoi Youth Theatre (HYT), Vietnam National Symphony Orchestra (VNSO), Sydney Symphony Orchestra (SSO), and Melbourne Theatre Company (MTC) were selected. The participating PAOs met the following criteria: they were medium to
large in size and were popular in each country in which they were selected. From this it was assumed that their arts leaders had good management experience. These criteria could yield more appropriate responses to the questions of how major PAOs adapted to changes, compared to small organisations where management methods may be invisible, and artistic quality may not reach the highest level. Arts managers were referred to the researcher by the academic network, and by arts managers and practitioners in the field. Personal names of the interviewees were changed to ensure ethical requirements. It is acknowledged that the selected sample is rather small. However, the cases consist of representative factors for a whole population of major arts organisations in their respected countries. This includes large operational management both in terms of artistic and general management, receipt of government funding, challenges to maintaining artistic authenticity, financial viability and audience development. These sampling methods are commonly used in qualitative research.

Data collection
Four main sources of qualitative data collection were used: in-depth interviews, documentation, archival records, and direct observations, to construct a framework for discovering insights into the cases being studied, their context, histories and changes that have taken place. Up to two senior arts managers/directors from each of the above cases, and several Vietnamese government officers in the Department of Performing Arts, were interviewed in-depth. Informants ranged in age from forty to sixty-five years and most had many years’ experience in management positions in a broad range of (arts-based) organisations. Participants were chosen to meet the following criteria: they needed to be a current or former manager, or a fund-raiser or a marketing/finance administrator of the PAO, and be knowledgeable and experienced in the arts field, so that s/he could provide various angles in their narratives about experiences and perspectives on managing the organisations. Participants included VNSO’s Director and Deputy Director, HYT’s Director and Deputy Director, MTC’s General Manager and Finance Manager, SSO’s Managing Director, Director and Human Resource Manager of Department of Performing Arts, Vietnam, and three project officers from the Ministry of Culture and Information, Vietnam.

Documentation and archival records were the significant part of the data collection and analysis process. Documents such as cultural policies provide understanding of socioeconomic changes and their impacts on the operation of arts organisations. Annual reports and other service records of selected PAOs are analysed to develop background knowledge of case studies, their artistic activities and financial stability. It is noted that while annual reports can be easily accessed from the Australian cases’ website, it was challenging to obtain equivalent documentation from Vietnamese case studies. Therefore, the researcher could only analyse available reports provided by the arts managers or published sources.

Data analysis
After the coding process, certain themes were revealed, and propositions were then developed which linked issues together. These helped yield patterns and regularities, which then became the categories or themes, compatible with the purposes of the study. Subsequently, themes and categories were confirmed/discarded/refined in relation to what the researcher saw in the data, and relative to the theoretical framework. The case analysis will be presented thematically.

Results

Comparisons between contexts of the two countries
From document analysis, there are a number of similarities between Vietnam and Australia. First, both countries have been influenced by economic and cultural globalisation through economic reforms, structural adjustment, privatisation and decentralisation during the 1980s and 1990s, albeit at different levels and with different timing. Consequently, the role of the State has been reduced (to different degrees in
each country. Second, the major PAOs in both countries still receive strong government funding, rather than being fully self-sustaining, although companies may receive different funding levels depending on the art type. Third, the globalisation process in culture and economics, and technological change, especially in the information and communication technologies, have impacted the arts adversely, particularly classical performing arts (also traditional arts in Vietnam and Indigenous arts in Australia). Notwithstanding significant State funding, the sectors have been confronted with funding constraints and difficulties in audience development. Finally, the arts sector in both countries has adapted to global changes and expanded in the process, raising the demand for more entrepreneurship and formal education and training to equip arts leaders with the requisite skills for the knowledge economy and global competitiveness.

Nonetheless, because of their different socioeconomic conditions, there are also many differences between Vietnam and Australia. First, Australia has a different economic and political system from Vietnam: capitalism versus socialism. It has had a mixed market economy for a longer period, while Vietnam is still shifting from a subsidised centrally planned economy to more of a market economy. This arguably means that the Australian economy is more privatised, more decentralised and more entrepreneurial than that of Vietnam. These features are reflected in education and training, and in the arts sector. This also means that the Australian politico-economic system allows the arts sector to operate independently (particularly in terms of finance and personnel) compared with their Vietnamese counterparts, which were often owned and controlled by the government. Second, Australia is more developed than Vietnam in terms of technology and living standards, which perhaps infers that the Australian entertainment market is more competitive and diverse than Vietnam’s, particularly since it is a less populous country. Yet, this also means that private funding and individual contributions for the arts may be higher than in Vietnam, and that the arts sector benefits more from high technology in marketing their activities.

Third, the Australian major performing arts sector is undeniably larger and more diverse in terms of programmes, repertoires and reputation. For example, many Australian arts programmes reach both national and international markets, while the equivalent Vietnamese performing arts sector is limited to the national market. Although arts sectors in both countries confront global changes, the Australian major performing arts sector, with its higher level of development and experience, has perhaps taken greater advantage of strategies to cope with those changes, something that the Vietnamese performing arts sector could learn from and adapt to the Vietnamese context. It is necessary to note that the Australian major performing arts sector also has a linguistic advantage, which can help to market their products internationally, which is not the case for its Vietnamese counterpart.

Fourth, cultural policies of the two countries are created and implemented differently. While each level of government in Australia has their own cultural policies, Vietnam has only cultural policies set out by the national government, bounded by the socialist context. Finally, with a good education system, in light of the knowledge economy, a variety of courses that include arts management are offered in Australian educational institutions, both in tertiary education and vocational training. Hence, Australian arts management training has been developed over a longer time; Vietnam has only started to develop this curriculum recently. If the Australian arts sector benefits from this, it may also be able to assist Vietnam in developing equivalent programmes. However, the differences between the two countries also indicate that these training programmes would need to be adjusted appropriately to the Vietnamese social context.

Context of case studies

**Hanoi Youth Theatre (HYT)**

Hanoi Youth Theatre is situated close to the centre of Hanoi. The HYT has its large performance stage (618 seats) in the same venue with rehearsal rooms, and...
administration offices (Tran 1998). This has facilitated the HYT in annually programming its shows. The stage could be leased to generate supplementary earnings for the theatre. The theatre was founded in April 1978 to meet entertainment demands of youth and children after the reunification of Vietnam in 1975 (Tran 1998). Similar to a majority of arts organisations in Vietnam, the HYT is a State-owned organisation under the management of the Ministry of Culture, Sport and Tourism (MOCST; the former name is Ministry of Culture and Information – MOCI. (Note: both names are used interchangeably in this paper.) Besides profitable or commercial programmes, a number of mainstage plays were arranged from Shakespeare’s works and from other foreign playwrights in collaboration with overseas stage directors (Hoang 2004). The theatre has advantages in audience development, in attracting niche groups, and in generating income due to the artform it presents.

In the light of the economic reform, the HYT has become even much more active in its performing activities. The theatre has often artistically and financially achieved its goals, and has become an important cultural entertainment provider for the people of Hanoi. A wide range of shows including dramas, comedies, mimes, popular music concerts on various topics have been presented for youth and children in big cities and in other provinces all over Vietnam (HYT 2002). The HYT has produced approximately eight to twelve plays and stages productions annually. The HYT’s education programmes are regularly provided for school students. The theatre particularly supports the development of arts programmes at schools for children with disabilities.

**Vietnam National Symphony Orchestra (VNSO)**

Established in 1959 as part of the Vietnam Ballet Theatre, the VNSO became a separate arts organisation from the Theatre in 1984 (VNSO 2008). Since then, the VNSO has officially become an independent entity, with its own organisational mission and goals and has become the largest symphony orchestra in Vietnam (VNSO 2001). Similar to the HYT, it is a major arts organisation operating under the management of the MOCST.

Due to social instability and difficult economic conditions in Vietnam during the subsidised economy, the development of VNSO did not occur until the mid-1990s. The orchestra was in funding deficit, producing few programmes and performing from ten to fifteen concerts annually. After the government implemented the “socialisation” policy which allowed arts organisations to diversify their funding, (apart from government subsidy), the number of programmes has increased to about twenty to twenty-five programmes per year since the early 2000s, presenting approximately sixty concerts (VNSO, 2008). While drawing audiences for symphonic music was challenging in the Vietnamese market, being able to sell tickets to audiences in recent years was a great achievement of the VNSO, which was simply impossible before the mid-1990s (VNSO, 2002b). However, the orchestra still depended much on government funding and sponsorships, and not on box office income.

**Sydney Symphony Orchestra (SSO)**

The SSO was founded in 1932, much earlier than the VNSO. A similarity between them is that they were both originally part of a bigger company, and then separated into independent utilities, although the separation of the SSO happened rather later than that of the VNSO. From a group of just twenty-four musicians performing incidental music for radio plays, for dinner hours, and for broadcasts of concert repertoire (SSO 2008a), the current number of musicians is about 110. The SSO used to be one of six full-time symphony orchestras managed by the Australian Broadcasting Corporation (ABC) until 1994, at which time it became an independent arts organisation (McKinsey & Company 1995). Since then, the SSO has become the largest, busiest concert orchestra in Australia. The SSO plays a crucial part in Sydney’s diverse musical life, as well as contributing to Australian cultural life.
The SSO has its own performance and rehearsal space, the Concert Hall in the Sydney Opera House. This hall is well-known as a popular and beautiful opera house, clearly accessible and attractive to audiences. The SSO performs more than 180 concerts per year in Australia and overseas (SSO 2008a), which is triple that of the VNSO.

**Melbourne Theatre Company (MTC)**

The MTC, established in 1953 (the oldest professional theatre company in Australia) was then called the Union Theatre Repertory Company (MTC 2008). The MTC is a department of the University of Melbourne, although it operates as an independent organisation (MTC 2003). The MTC yearly produces eleven to twelve plays per Melbourne subscription season (MTC 2002, 2007) and presents approximately 550 performances each year (MTC 2008).

The General Manager said about the MTC:

*It [MTC] puts on mainly text-based plays. So it doesn't do mime, doesn't do opera, doesn't do dance, it does plays.*

The MTC’s premises consist of many workplaces: administration offices for the MTC staff and the board, a number of rehearsal rooms, the largest being the area where stage sets are built. This gives the impression of being as spacious as a factory, with paintings, carpets, costumes and other artefacts for drama sets. It gives a great sense of theatre, with facilities for stage productions, and a close connection between arts administrators, artistic director, and artists. Comaprably, Vietnamese theatres do not often own similar infrastructure.

**Cultural policies**

The operations of the arts sector in Vietnam including the HYT and VNSO changed significantly after the new cultural policy (socialisation) implemented in the late 1990s as part of the economic reforms (MOCI 1999). This policy aims to relieve the government of the funding burden of subsidising many sectors. Arts organisations therefore should find ways to diversify funding sources while the government manages them in terms of financial reports (Doling 2003; MOCI 1998).

The HYT’s and VNSO’s managers expressed their excitement at managing artistic activities in the new market context as it provided an incentive for the organisation to strive for more diverse funding sources (for example, a receipt of private sponsorships) and more flexibility and autonomy in their operations. The informants indicated that they could use alternative incomes of support, for example, other concerts (apart from those sustained by public subsidy), but also could self-manage their artistic creativities and programming. These changes are substantial because arts organisations often operated within a limited government funding and rigid policies during the subsidised economy and even about ten years after the economic reforms. The HYT’s Director explained effects of this partly privatisation policy on operations in the theatre:

*…the socialisation policy allows us to have much more autonomy in artistic activities, operations and personnel management. Also, we have more independence in decision-making, and setting levels of salaries and incentives for artists.*

This policy encouraged the HYT to diversify and to innovate in the early 2000s. The *Annual Report 2002* showed that the number of performances and revenues increased. Audiences climbed 4.6 times in 2000 compared to 1992. Revenues for the year 2000 increased about 17 times compared with 1992 (HYT, 2002). Table 1 illustrates the most recent records of the HYT’s activities.
As Dewey and Rich (2003) state, while transitional democracies yielded greater autonomy in artistic activities and management, it also meant that comprehensive state subsidies ceased. This is similar to the case of the HYT when the socialisation policy has been partly applied as the Director pointed out:

*The HYT, one of a few theatres in Vietnam, became a ‘test’ of being self-managed with a smaller government subsidy.*

Further, the Director explained that since the HYT has been in the starting stage of becoming a self-sustaining organisation, it has not always had effective strategies for ensuring financial stability. Occasionally, as the Director stated, their income (including government subsidy, ticket sales and sponsorship) were not adequate for their operations.

Similarly, the VNSO’s manager also expressed his concerns about insecurity of private sponsorships annually and the importance of ongoing government funding for the VNSO. It should be noted that if this policy is applied to all Vietnamese arts organisations, through decreases or cessation of funding in favour of self-sustained organisations, it would be very challenging for some art forms to maintain their financial stability, or even to survive. This requires arts leaders to have flexible skills to take advantage of private sponsorships, while ensuring the integrity of the artistic performance. These findings lead to the belief that any deficiency in essential arts management skills in the new context hinders organisations in securing financial stability, and there appear to be genuine limits to what could be achieved in the current Vietnamese context. Further, while this policy proves its benefits for arts organisations, the government should consider applying the policy more flexibly.

While the Vietnamese arts managers tended to emphasise the increasing participation of the private sector, joint venture or foreign direct investment in the country and its benefits for the arts and culture sector, the MTC’s and SSO’s leaders did not highlight these aspects. This finding can be explained by the fact that Australia experienced the

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**Table 1 – Numbers of Performances, Audiences and Revenues of the Hanoi Youth Theatre, 2003–2008**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of plays/stage productions</th>
<th>Number of performances</th>
<th>Number of audiences</th>
<th>Revenue (in million Vietnamese Dong-VND)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>12</td>
<td>680</td>
<td>790.000</td>
<td>3.000</td>
</tr>
<tr>
<td>2004</td>
<td>10</td>
<td>672</td>
<td>780.000</td>
<td>2.500</td>
</tr>
<tr>
<td>2005</td>
<td>8</td>
<td>568</td>
<td>720.000</td>
<td>2.500</td>
</tr>
<tr>
<td>2006</td>
<td>8</td>
<td>450</td>
<td>550.000</td>
<td>2.000</td>
</tr>
<tr>
<td>2007</td>
<td>1</td>
<td>569</td>
<td>880.000</td>
<td>3.000</td>
</tr>
<tr>
<td>2008</td>
<td>12</td>
<td>NA</td>
<td>~ 900.000</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: (HYT, 2008). *(Revenue expressed in Vietnamese currency – VND; AU$1 equivalent to approximately 15,690 VND in October 2008 and about 11,000 VND in 2002, but exchange rates change differently every year)*
effects of economic globalisation earlier and more strongly than did Vietnam. Thus, the involvement of the private sector was familiar to Australian arts leaders. Seeking corporate sponsorships is a very common practice in the arts companies in Australia, besides generating other incomes, while sponsorships may not be a major income for Australian arts organisations (see the following section for more details). Most Australian PAOs’ websites indicate the receipt of sponsorships of private companies/patrons and have online transaction facilities for individual or sponsor giving.

Financial viability

How to ensure adequate funding, gain a significant capital endowment, maintain funding and look for new funding sources, are perpetual concerns for any PAOs. Annual reports and documents examined showed that the incomes of all case studies come from three main sources: government(s), sponsorships, and ticket sales.

All arts managers indicated their concerns in regard to financial viability. For example, the General Manager of the MTC expressed their challenges, although the MTC seemed healthier than Vietnamese counterparts in terms of its infrastructure, artistic quality and box office:

*The challenges always are ultimately financial … to keep doing good work, to keep attracting audiences and to balance the bucks – the books*

The leaders of both the HYT and the MTC indicated that government funding was not a major income source for their companies’ operation. This is consistent with reports of the DCITA (1999) and the MOCI (1996). According to the Director of the HYT, the theatre received about 50% of its income from the government in 2002 while the MTC received between 11% and 15% of its total income (MTC 2002, 2007). The MTC’s manager indicated that they had to make the rest of that money through box office sales, through sponsorship and fundraising.

The major income source of both the HYT and MTC tended to come from ticket sales, partly because of their art form. For example, the MTC earned 60% of its total income from the box office in 2002 (MTC 2002) and 64% in 2006 (MTC 2007). Paradoxically, documents analysed show that the Vietnamese government would cut further their subsidies for those PAOs which are able to self-finance. This policy would potentially discourage Vietnamese arts organisations from income generation. These findings indicate that instead of cutting funding for those arts organisations which performed well financially, the government may consider incentive programmes or tax benefits for arts organisations or their private sponsors, to encourage them to optimise their organisational performances.

Differently, given difficulties in attracting audiences and high cost of running, both the VNSO and SSO managed to obtain a substantial government subsidy. For example, the VNSO received about half of its income from the government in 2002 (VNSO 2002a). This funding covered basic salaries for musicians and running costs for orchestra, for upgrading/repairing instruments and facilities. The Director of the VNSO explained:

*We received rather strong support from the government for running the VNSO including performing forty concerts within about ten concert programmes each year (2001 and 2002), and for musicians’ and staff salaries, but this funding is inadequate, and salaries for musicians are low.*

To a lesser extent, the Sydney Symphony received about 49% of its incomes from government grants in 2002 (SSO 2003) and 37% in 2007 (SSO 2008b).

In response to the government policy of funding diversity, leaders of the VNSO were proactive in obtaining about 40% of its incomes from sponsorships in 2001 and 2002 (VNSO 2002a, 2002b) for programming about fourteen other concert series. These
amounts, together with ticket sales (about 10%), enabled an increase in salaries for musicians and staff, the staging of more concerts, and further orchestral developments. Nonetheless, since sponsorships may be uncertain and unstable, organisational viability would be problematic for the VNSO without significant ongoing government subsidies. The challenging issue of searching for new funding sources and maintaining current sponsorships was given emphasis in the conversation with its leaders. This implies that Vietnamese arts administrators need to not only acquire skills to work with government and sponsors to attract and maintain sponsorships but also update skills in audience development and marketing to increase box office incomes. This can mainly be achieved through education, as pointed out by Dewey and Rich (2003).

In contrast the SSO earned substantial amount of its total incomes from ticket sales (36%) in 2002 (SSO 2003) and 43% in 2007, and only about 13% to 15% from private support and donations, fundraising and investments (SSO 2003, 2008b). The SSO’s Managing Director indicated that the challenge of the SSO is:

… to secure a strong funding base with government and private funding

while keeping ticket prices accessible for audiences and to help fill the shortfall in the SSO’s operating expenses. The Managing Director emphasised this situation:

… the orchestra has very high fixed costs. It is not like a lot of theatre companies where you engage actors when you need them for a play … We always have 140 people on salary every day, every week, and so it is a high fixed cost, and the fact that your costs are increasing at a greater rate than your income is increasing. So that probably is the biggest challenge

These findings indicate that although financial stability was an issue for all case studies, government funding is even more critical for classical performing arts such as symphony orchestras (as well as opera and dance) in both countries. Further, Vietnamese arts organisations tend to rely much on private sponsorship whereas this is a minor source of income for the Australian cases studied. The findings suggest that capacity building between the two countries is important and can help Vietnamese arts administrators equip themselves with audience development and marketing strategies and subsequently increase their box office. For example, the VNSO could learn from the SSO’s strategies to increase ticket sales, particularly skills to obtain income from individual donations and philanthropy, which are new concepts in Vietnam. The percentages of government funding, box office and other earned income of the cases studied are illustrated in the Table 2 below.

### Table 2: The percentages of income sources of cases studied in 2002

| Sources: (HYT, 2002; MTC, 2002; SSO, 2002, 2003; VNSO, 2002a) |
|---------------------|----------|--------|--------|-------|
| **Government grants/funding** | 40% | 40%-50% | 49% | 13% |
| **Sponsorships/other earned income** | 50% | NA | 15% | 27% |
| **Ticket sales** | 10% | 50%-60% | 36% | 60% |

**Adjusting to changes: entrepreneurship and marketing**

Given changes and challenges for operations of the performing arts sectors, there is a sense of adaptability among the four cases. Consistent with the literature (Colbert 2003; Martin & Rich 1998), all the arts leaders interviewed emphasised that marketing is a significant tool for adjusting to the contemporary environment. Some common strategies found in both countries include cheaper ticket prices for subscribers, for group bookings, advertisements, panels, a club of audiences, and education programmes.
While utilising sophisticated marketing tools has been common in Western arts organisations to investigate audiences’ needs and wants (Radbourne & Fraser 1996), the finding offers evidence that the Vietnamese cases studied mainly focus on advertising strategies. Nonetheless, the HYT seemed to be more active and innovative in marketing and innovative ideas than the VNSO. The theatre had flexible programming and generating income for their organisation. According to the HYT’s leaders and documents studied, the theatre tried different programmes and focused on what arts consumers may like to see such as a series of comedies criticising social issues Laughing Life which attracted larger audiences (Truong 2002). Also, the Director revealed, each troupe of artists can organise self-financing performances; or the theatre can invest in good performances/creative ideas, giving incentives for good performances and allowing artists to participate in part-time or overseas shows. In this way, both theatre and artists can generate their incomes and artistic creations. Once again, the matter of flexibility to meet audiences’ need and artistic creativity was highlighted in management of the theatre. Apart from offering free tickets to students, the theatre expanded their geographic and demographic segmentations to regional markets through touring performances which is beyond their current segments in the capital city. Although these strategies may not sound very new for other developed countries, they are innovative for Vietnamese arts organisations in the transition from the subsidised economy to the market economy.

However, while each arts organisation above applied some strategies in product, place, people and price, it can be seen that audience development and arts marketing in Vietnam is often ad hoc. None of the arts leaders emphasised customer orientation as a key. The majority of other arts organisations in Vietnam had neither strong audience development strategies for securing audience base and maintaining loyalty, nor good plans for building new audiences. Most of the marketing attempts were based on trial and error, and were unlikely to be exploited further without the receipt of systematic training and structured experience. The finding offers evidence that the Vietnamese cases studied have not done any market research to investigate audiences’ needs although this is an important part of major arts organisations in Australia. The VNSO’s Director also admitted this limitation:

*Managing an arts organisation in the current market economy in Vietnam is more complex …Furthermore, knowledge of fund-raising, marketing, sponsorship and audience development in arts organisations is quite new to us.*

In contrast, MTC has used strong corporate colours for marketing:

*... In the last couple of years ... we've given ourselves a very strong marketing image, so [we used] the red, white and the black. So when we are out in the market place, people can say 'that is Melbourne Theatre Company' explained MTC's General Manager.*

The MTC’s memorable corporate image was repeated in their logo at the Arts Centre and on the website, MTC documents, and on billboards on the street.

MTC has also used high profile actors from film and television for their plays, resulting in increased ticket sales from 52% in 2001 (MTC 2001) to 60% of total income in 2002 (MTC 2002). The theatre has also built a loyal group of over 19,000 subscribers (MTC 2008) while both the HYT and the VNSO had no equivalent subscriber programme. In order to improve financial constraints, the MTC even reduced the number of plays per year and cast fewer members in a play as the General Manager indicated.

The SSO earned its additional income from collaborations with commercial presenters which attracted a large number of patrons and attendees in 2007 (SSO 2008b). They also designed specific educational programmes and school concerts to develop new audiences. The above strategies could be very helpful for Vietnamese arts organisations.
Having a website is still new for arts organisations in Vietnam. Although the HYT has had the website since 2002 and in 2004 for the VNSO, the websites were mainly used for advertisement and information about the organisations, their artists and artistic activities. This is a common observation from most websites of arts organisations in Vietnam. In more professional appearance, the MTC and the SSO as well as many PAOs in Australia have their own websites for history, achievements, artistic activities for the current and coming subscription season, times, venues, ticket prices, concession tickets, online ticket booking, and also for donation, sponsorship and philanthropy. The above online functionality can be applied to the Vietnamese context within available funding to facilitate individual giving.

Conclusion

The findings suggest that State subsidies are still vital in partially financing arts organisations in both Vietnam and Australia. In particular, the Vietnamese cases revealed a critical reliance on state support. For example, the VNSO’s leaders pointed out that they still need substantial funding from the government, notwithstanding the “flood” of funding from sponsorships which may not always be available. Thus, in order for the sector to gradually adapt to the changing global competitiveness, significant ongoing provision of State financial support is needed for PAOs. Further, as the findings indicate challenges to develop audiences for symphonic music and Vietnamese traditional arts, a good funding scheme for arts leaders to attend management training is required. This could help them obtain audience development skills to smooth the process of becoming more self-sustaining, and subsequently to take advantage of the new market context. The government could also develop a good arts education curriculum in schools which help expose students to different art forms and develop their motivations to attend arts events.

From the Vietnamese arts managers’ interviews, the need for establishing institutional training programmes for arts leaders in Vietnam is vital. This training should consider factors such as the need for students to gain practical skills and for general management credentials. It is recommended that a flexible mode of training be developed, rather than the traditional full-time degree mode of training, which is less well adapted to an arts leader’s busy role and the demands of their jobs. For example, training packages or short courses/ workshops in arts management/arts marketing from Australia, suitably adapted for the Vietnamese context, are recommended for upgrading modern management skills for arts leaders, in the context of their burdensome workload. A combination of on and off campus courses or online mode offered at the University of South Australia, Deakin University and University of Southern Queensland could be applicable.

Due to the parallel role of practical experience in successful arts careers (together with qualifications), it is also recommended that internships and mentorship programmes be offered widely in arts management training courses. This provides students or new graduates with opportunities to gain practical experience. Furthermore, the Australian experience suggests that contributions of skilled practitioners in the arts field (like successful arts administrators) are also valuable within the curriculum. In this way, arts managers can share their practical skills and life experience, in an effort to narrow the gap between classroom and industry.

Capacity-building in the field is significant, as Vietnam does not have many academic staff in this area. Thus, by also sending students to Australian institutions for arts management training or developing offshore programmes or distance education in Vietnam, educators may tackle the long-term advance of modern arts management training in Vietnam. It is hoped that such strategic collaboration can facilitate Vietnamese arts organisations to make the most of their artistic creativity, in a dynamic and competitive environment.
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Acknowledgments

This paper is expanded from a conference paper presented at the 17th Biennial Conference of Asian Studies Association of Australia (ASAA) in Australia, July 2008.

The author wishes to thank her PhD supervisors Dr Kevin Laws and Professor Anthony Welch, and anonymous referees for their constructive comments on the earlier version of this paper.

Notes

While other earned income of Vietnamese cases mainly comes from sponsorships, for Australian cases, it could come from several sources such as corporate sponsorships, individual donations, fundraising, interest income.