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Progress without Consensus: ‘Instituting’ Arts Council in Korea

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Abstract:
Modelled on the British style of Arts Council, the Arts Council Korea (ARKO) was established in 2005 as an autonomous and consensus-based organisation. The creation of ARKO was expected to redefine the arts-state relationship in South Korea by developing arts subsidy operating at an arm’s length distance from the government. However, this has not happened because Korean arts policy is so deeply embedded in the country’s historical and political contexts that changes in its formal structure and organisation hardly guarantee the emergence of a new understanding and practice of state arts funding. Despite the rhetoric of the arm’s length principle, the government’s habitual control has persisted and even been reinforced. Meanwhile, the historically and politically rooted division within the arts sector has hindered the formation of sectoral consensus on the arts-state relationship and the ARKO’s operation, leaving the sector continuously dependent on a strong state.

Keywords: Korean arts policy, Arts Council Korea, arts funding

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Progress without Consensus: ‘Instituting’ Arts Council in Korea

Introduction

In the era of the Korea Culture and Arts Foundation, the arts subsidy system in Korea was the same as that in France. That is, it was categorised as a model of ‘central ministry’. Therefore, the arrival of the Arts Council Korea meant that Korea’s arts funding system changed from the French ‘central ministry’ style to the British/Canadian model of ‘Arts Council [supervised by the ministry]’[…]. (Presidential Advisory Committee for Policy Planning 2008)

Cultural policy is embedded in local contexts. Thus, it is not surprising that cultural policy in the Republic of Korea (Korea hereafter) substantially differs from those in Western Europe and North America – which have been the primary focus of the existing literature of cultural policy – in terms of the policy’s shape and operation as well as the role of culture in society and its relation to the state. Often Korea borrows cultural policy discourses and strategies from the West, but their actual uses and consequences are not predictable as they are contested and negotiated within the country’s historical, political and socio-economic conditions. This is what exactly happened when the country tried to develop non-interventionist arts policy by setting up an Arts Council ‘modelled after the British\(^2\) style of Arts Council’ (Interviewee 1). Contrary to the expectation of government and the arts sector, however, the creation of an Arts Council hardly redefined the nature of the relationship between the arts and the state in Korea.

Like other policy areas in the country, arts policy has long been characterised by the ‘strong state’. It was not until the 1990s, under the first civilian government after a long period of military rule, that the policy began actively seeking the participation of arts practitioners and experts. Such trend was accelerated under the subsequent two Democratic governments (1998-2003 and 2003-2008) who pursued political democracy and economic liberalisation. The establishment of the Arts Council Korea (ARKO hereafter) in 2005 was seen, by many commentators, as an

\(^2\) In the Korean discourse of the Arts Council, the Arts Council of Great Britain (1946-1994) and the Arts Council England (1994-) have been a focal point of reference. Both of them are often called the ‘British Arts Council’.
indicator of a progressive shift towards artists-driven policy making. The ARKO, as an ‘autonomous’ body that would operate at an ‘arm’s length’ from the government, was expected to safeguard the arts from state intervention. At the same time, it was intended to facilitate ‘consensus-based’ policy making, as an alternative to hierarchy and power concentration, which had been a major feature of the existing arts policy in Korea. However, the last six years have seen the ARKO functioning mostly as an organisation, vulnerable to governmental intervention and party politics, rather than proving itself as an alternative policy model. The crisis of the ARKO was overly felt when its second chairperson, who was appointed by the outgoing Democratic government, was forced to resign in 2008 by the current Grand National government but the arts sector, as a whole, could not challenge the government interference in defence of the ARKO’s autonomy.

This article tries to explain why instituting the Arts Council in Korea has been such difficult. It finds that Korean arts policy is so deeply embedded in its historical and political path that change in its formal structure and organisation hardly guarantees an emergence of a new understanding and practice of state arts funding. Despite the creation of the ARKO, the state’s hands-on approach to the arts has not been really questioned, allowing the government to continue its ‘habitual’ control over arts funding. The lacking of sectoral consensus and the tension between peak organisations have also deterred the arts sector from strengthening its position vis-à-vis government. Consequently, the Arts Council model of arts funding has been left much admired but perhaps mismatched with the overall context of arts policy in Korea. The findings of this article are based on an analysis of related policy texts and news reports as well as academic literature. The policy texts include government reports, publications for seminars and hearings, articles in ARKO’s own monthly magazines the Korean Culture & Arts Journal and the minutes of the Council meetings from 2005 to 2011 (hereafter called minutes). In addition, interviews were

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3 In this article, ‘peak organisation (or peak association)’ refers to a large-scale and influential association that represents its member. One of its main roles is to influence government policy in the related area by promoting its causes, lobbying politicians and participating in the policy making process. Peak organisations are distinguished from common interest groups and associations in that they have more access to and power to affect policy making. The more corporatist approach the government takes, the more crucial roles peak organisations are expected to play in public decision making.
carried out with seven anonymous commentators between April and August 2011. All quotes from the literature written in Korean were translated by the author.

**Arts Council as an Institution**

The arm’s length arts council, as an institution, has been described as ‘distinctively British’ for two reasons. First, the ACGB [Arts Council of Great Britain] was the first of its kind. Second, the arm’s length arts council had been developed from the experience of other British cultural institutions […]. (Hillman-Chartrand and McCaughey 1989, p. 54)

Arts Council refers to a non-governmental body that is designed to distribute public money, on behalf of the government, to the arts sector according to its own artistic and professional judgements (Hillman-Chartrand and McCaughey 1989, Redcliffe-Maud 1976). The Arts Council of Great Britain created in 1946 was the first of its kind (it was split into Arts Council England, Arts Council of Wales and Scottish Arts Council in 1994). Since then, many countries have set up their own version of Arts Council. Its organisational characteristics would typically include having a Council consisting of a number of private individuals as its governing body and involving artists and arts experts in decision making (i.e., peer review). As an institution, the Arts Council encompasses not only the formal organisation and structure but also a set of shared understanding and conventions among participants in policy making as regards the relation between the arts and the state, rationales behind public arts subsidy and the process and criteria of funding decisions. The shared understanding and conventions shape the way in which arts policy is made by influencing the participants’ assumptions, informing their relations and guiding their behaviour. In short, they are likely to function as normative and cultural parameters of arts policy making (March and Olsen 1984, Powell and DiMaggio 1991, W.R. Scott 2001).

The Arts Council, as an institution, reflects the distinct way of governing society and, at the same time, a dominant form of social control of expert knowledge in Britain (Rueschemeyer 1983). It is a product of the British government and the arts

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4 The interviewees consisted of government officers, cultural policy researchers and a cultural manager. The seven semi-structured interviews took place in either their office or a public place for 45 minutes to two hours between April and August 2011. The interviewees have been anonymised as agreed.

5 Since the Arts Council of Great Britain was created in 1946, many countries, including the market-driven US and interventionist countries in continental Europe and Asia, have set up their own version of Arts Council. According to the International Federation of Arts Councils and Culture Agencies, thirty or so among its members are national Arts Councils or similar types of bodies such as endowment, fund or foundation publicly funded. However, the nature of state-arts relationship in the countries tends to vary in spite of their common use of intermediary national arts funding organisations.
sector’s strong belief in the state’s *laissez-faire* approach to the arts. The belief, which derived from the country’s long tradition of liberal politics, led to a broad consensus that using an intermediary Arts Council would allow the state to intervene in the arts indirectly thus minimising the risk of exerting political influences on them. In this sense, the Arts Council’s relationship with the government has been defined by the political convention of the ‘arm’s length principle’. This aptly concurred with the Romantic idea of the arts that saw arts making as an unpredictable and mysterious sphere of human activity, therefore it cannot and should not be governed by politics (Keynes 2000[1945]). The justification of state arts subsidy in Britain was grounded in the social legitimacy of the (fine) arts, which was gained through a complex historical process. The process consisted of the autonomisation and professionalisation of the arts and the increased recognition of their social values – such as educating, enlightening and transforming effects for the mass population – by the middle classes whose class distinction was closely tied to arts consumption (H.-K. Lee 2008, Minihan 1977, see DiMaggio 1986 for the similar historical process in the US). The tight coupling of arts patronage with the class-based consensus on the values of the arts implied that the Arts Council could not be easily brought into the political arena where the definition of arts themselves and goals of arts funding would be subject to negotiations between different social classes and groups (Hutchinson 1982, Williams 1979). The community arts movement (1970s to 1980s) and the socialist arts policy of the Greater London Council (early 1980s) radically challenged such feature of the British arts policy but their impacts were not weighty.

Historically, the Arts Council as an institution showed a lack of formal frameworks as it was inclined to utilise informal mechanisms of coordinating policy making and grant decision. The Arts Council’s decision making relied considerably on the informal networks and consensus among public figures and professionals in the Arts Council, the government and the arts sector, who were likely to share similar social backgrounds (Hutchison 1982). Members of its governing body did not (still do not) represent art forms or expert areas but were expected to seek a common good for the sector. The consensus-based Arts Council constrained the scope of party politics in arts policy to a significant degree, especially during its first thirty or so years, when British politics themselves were defined as consensus politics between conservative and labour parties (Kavanagh and Morris 1994). Since the 1980s, the Arts Council has been more exposed to governmental intervention and policy swings between
different governments (Quinn 1997, Taylor 1995, 1997). At the same time, formal rules and procedures have developed with surge of the ‘evidence-based policy making’ and ‘audit culture’ in arts policy. The use of funding agreements and performance indicators is one example. Despite these dynamics, however, the institution of the Arts Council has shown persistence. Its fundamental features remain and clearly distinguish the British arts policy from those in other countries: the limited role of the government, the absence of involvement of wider social groups, the Arts Council organisation as the main player in making and implementing state arts funding, and the head-strong consensus on the arm’s length relationship between the arts and politics. The government’s substantial reliance on so-called ‘non-departmental public bodies (NDPB)’ such as the Arts Council is found in many other policy areas, showing this is the British way of managing public affairs (T. Scott 2000). It is within this context that over 95% of the Department for Culture, Media and Sport’s budget is allocated to its arm’s length NDPBs (Fisher and Figueria 2011, p. 10).⁶

In the arts policy debate in Korea during the last ten or so years, however, the British style of Arts Council was likely to be de-contextualised to serve as an ideal ‘model’ that Korean arts policy could adopt (e.g., Korea Culture & Tourism Policy Institute 2005). The Arts Council institution’s embeddedness was unseen and little attention was paid to the importance of its informal aspects. Many Korean commentators regarded the Arts Council as a policy model that could be instituted in Korea once the Arts Council Korea (ARKO) was introduced as a formal organisation with a set of rules and procedures.

**Arts policy in Korea: historical context**

The relationship between arts and the state in Korea should be contemplated within the country’s turbulent historical trajectory: the Japanese colonisation (1910-1945); the Korean War (1950-1953); national security and political stability as the nation’s key concern; the influx of Western culture; the dire poverty after the Korean War and the state-led economic development; the military dictatorship (1961 to 1993); political democracy and economic liberalisation since the 1990s; and the deepening

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⁶ The UK’s Department for Culture, Media and Sport defines NDPBs as ‘bodies that have a role in the process of government but are not a government department or part of one and operate at an arm’s length from Ministers’. The department lists 47 NDPBs, including Arts Council England. Available from: [http://www.culture.gov.uk/about_us/our_sponsored_bodies/default.aspx#1](http://www.culture.gov.uk/about_us/our_sponsored_bodies/default.aspx#1) [Accessed on 8 June 2011].
of liberalisation of society and economy since the financial crisis in 1997 (Korea Culture & Tourism Policy Institute 2005, Y. Kim 1976, Park 2010, Yim 2002). Within such historical contexts, the state has played multiple roles in making policy for the arts: not only in planning, implantation, regulation, service delivery and resource mobilisation but also in providing funding and even legitimacy to the arts sector.

Unlike in Britain, state arts subsidy in Korea can hardly viewed as a consequence of a successful social legitimation of the arts. The weak legitimacy of the arts sector is largely attributable to the historical path and socio-economic conditions of Korean society. Suffering from the cultural discontinuity caused by the Japanese colonialism and the rapid influx of western culture after the Korean War, the country’s traditional arts – which used to be regarded as a profession for the lower classes – were reduced to minority activities without having the opportunity to gain social respectability. Some legitimacy was secured though their re-positioning as cultural heritage and the provision of protection by the state. Meanwhile, discourses and techniques imported from the West became dominant in both arts education and the practice of arts making, but Western arts forms have never become truly popular in Korea. Findings of various surveys of arts consumption in the country show that there exists a striking remoteness between the arts and the everyday life of most Korean people. Arts patronage by the middle classes cannot be taken for granted either. In Korea, the middle class is a socio-economic concept that focuses on real estate, income, occupation and educational attainment. The formation of these classes was related to the flexible social movability created by speedy economic growth since the 1960s and meritocratic education. The acquisition of cultural capitals such as artistic tastes did not play a noticeable role in this process. Being neither popular and

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7 Traditional Korean society held artists in low esteem. Professional arts such as music, dance, play and drawing were treated as a job for the lower classes while the ruling and literati classes’ own pursuit of amateur arts was highly regarded as an essential part of the literati culture. The lack of social respectability of the arts in Korea existed until recent decades, exemplified by the middle class culture where parents typically discouraged their children from pursuing artistic professions.

8 According to the 2010 Survey Report on Cultural Enjoyment published by the Ministry of Culture, Sports and Tourism and Korea Culture & Tourism Institute, only small percentage of the 5000 adults surveyed had attended arts events during the previous year: e.g., literary event 3.8%, art exhibition 9.9%, dance 1.4%, play 11.2%, classical music and opera 4.8% and Korean traditional arts performance 5.7%. Meanwhile, the attendance rate of the cinema and pop concerts was 60.3% and 7.6% respectively.

9 The period since the financial crisis in 1997 has seen an intense liberalisation of Korean society and the middle classes’ rising consciousness of cultural distinction, in line with the widened economic inequality and lowered social mobility (D.-Y. Lee 2010). Nevertheless, their efforts at distinction still reply more on material rather than artistic consumption (J.-M. Kang 2008).
financially viable nor finding robust support among the middle classes, the arts in Korea has depended heavily upon symbolic and financial backing from the state.

The susceptibility of the arts sector to politics and governmental control also stems from the country’s political circumstance of ‘divided Korea’ and military dictatorship. While trying to justify the anti-communist South Korea as the true bearer of Korean culture and national identity, the government foisted on society the pressing need for political and ideological consensus. The strict censorship of some areas of arts and popular culture was an essential part of such effort (Y. Kim 1976, Korea Culture & Tourism Policy Institute 2005, Park 2010). During the military regime, artists who challenged it were – very often wrongly – labelled as ‘leftist’ (or ‘anti-government’) and punished. The state’s ideological control over the arts became enfeebled with the political democratisation of the 1990s. Nonetheless, one legacy of the strong presence of politics in state arts policy was the division within the arts sector: between so-called ‘conservative’ groups who established themselves as peak organisations during the military regime (for example, Ye-Chong or the Korean Arts Organisations Federation) and so-called ‘progressive’ ones who emerged in reaction to the regime’s suppression (e.g., Min-Ye-Chong or the Korean People’s Artists Federation). The progressive groups also include those who developed as part of the broadened civil society after the mid 1990s. Although there are many who do not belong to either of the groups, the division has visibly affected the landscape of Korean arts policy (Minutes no. 68, 2009, Interviewees 2, 4 and 7).

We can also look into the ‘developmental’ nature of the Korean state and its implications for arts policy (Kwon 1999, 2005, Weiss 1998). From the 1960s the country prioritised economic advancement over other public policy goals. In this process, the state assumed the proactive and strategic roles of a planner, regulator and facilitator. It also functioned as the most powerful actor in marshalling resources and coordinating different interests in society. The successful economic performance, in turn, was an effective way through which the military government justified its authoritarian regime (Park 2010). The private sector was relatively underdeveloped and even the rapidly expanding business sector was tightly regulated by the state (Eckert 1990-91). Under state leadership, public policy making involved close collaboration with peak organisations. Yet, these organisations were unprotected to government control and were even seen as ‘official’ or ‘peripheral to the government’ (Kwon 1999, p. 29). Such situation was more or less the same in the arts sector. The
right to form social groups was seriously limited and their participation in policy making was discouraged, sometimes forcibly, until the 1990s.

It is within these settings that cultural policy development in Korea has taken place under the direction of the central government. In the 1950s and 1960s, the policy’s key priority was the strengthening of Korean cultural identity and protection of its cultural heritage. However, a coherent policy framework was still to emerge, and public arts subsidy was provided on an ad hoc basis. Following the creation of the Ministry of Culture and Public Information in 1968, the 1970s saw a more coordinated approach to cultural policy and the structuration of arts funding. The *Culture and Arts Promotion Law* was enacted in 1972 and accordingly the Korea Culture and Arts Foundation, as a non-governmental public agency for national arts funding, was created in 1973. In 1973, the government, mirroring its economic development plans, announced the first five-year plan for cultural development with foci on national identity, public access to culture and cultural diplomacy (Y. Kim 1976). This was followed by a series of cultural development plans drawn up by subsequent governments. Throughout this process, the arts sector was regarded merely as a ‘benefit recipient’, not an active participant in policy making. Until the mid-1990s, Korean cultural policy prioritised expanding the cultural infrastructure, protecting traditional culture and cultural identity and raising the profile of Korea overseas. Subsequently, political democratisation in the 1990s brought forward new agendas such as deregulation, decentralisation, cultural welfare, cultural industries development and the globalisation of Korean culture (Park 2010). The period after the financial crisis in 1997 witnessed the accelerated liberalisation and deregulation of Korean society and the economy. Cultural policy corresponded to such a change by giving unprecedented attention to the economic effects of so-called ‘contents industries’,

10 setting up new central agencies and sharply increasing public funding in this area (B.-L. Lee 2004). This was accompanied by a rise of a liberal approach to the arts, exemplified by the replacement of the Korea Culture and Arts Foundation with ARKO, the Korean version of the arm’s length Arts Council. Nevertheless, arts policy in Korea has still been profoundly bounded by its historical and political trajectory.

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10 In Korean cultural policy, ‘contents industries’ refers to those industries that generate wealth and employment by producing and exploiting cultural contents. They include popular music, broadcasting, animation, comics, computer/online games, character and mobile contents industries. Unlike the ‘creative industries’ notion advocated by the British government, contents industries in Korea exclude subsidised cultural sectors.
Calling for an Arts Council

Until 2005, the Korea Culture and Arts Foundation (KCAF) was responsible for managing the Culture and Arts Promotion Fund, which was raised mainly via a levy on entrance fees for cultural venues, and supporting arts activities including literature, visual art, music, dance, theatre and traditional Korean arts. The KCAF was a non-governmental agency but it lacked autonomy (MCT 2004b, Interviewee 1). Its president was under the cultural ministry’s direct control, and a huge part of its budget was pre-allocated to the ministry’s own projects (M.-K. Lee et al. 2001). Artists were involved in its advisory committees but their roles remained peripheral. There also were claims that the KCAF’s grant making was short of transparency and professionalism and overall favoured conservative associations. The arts sector’s dissatisfaction intensified throughout the 1990s and the turn of the century saw the Parliamentary Select Committee for Culture and Tourism suggesting the KCAF’s reform as a key agenda for arts policy (M.-K. Lee et al. 2001). Another drive for reform came from the sector’s concern with the financial predicament of artists and their suffering from low social respectability (Ahn 2006, Park 2010). Besides, the rise of contents industries as the cultural policy’s new priority resulted in a crisis of legitimacy for the subsidised arts. The sector’s anxiety deepened further when the Constitutional Court concluded in 2003 that it was unconstitutional to fund the arts using a levy, which was seen as semi-taxation, and thus it should be abolished. The sense of crisis escalated even though the government decided to support the Culture and Arts Promotion Fund via some Lottery income from 2004.

Against this backdrop, the actual impetus to transform the KCAF to an Arts Council came from the newly elected Democratic government (2003-2008) (MCT 2004a). Following the line set by the previous Democratic government (1997-2003), the new government aimed at furthering political democracy and economic liberalisation. It regarded the Arts Council model of arts funding as corresponding

11 Korean society’s low esteem of artists and art making can be exemplified by the legal dispute around the death of the sculptor Bon-Ju Ku in a traffic accident. The initial court decision on financial compensation was based on the acknowledgement that 25% of fault was attributable to the victim, the retirement age of 65 and the victim’s 6-9 year career as an artist. However, the defence’s insurance company appealed against the decision. The company insisted on the acknowledgement of 75% of fault on the victim, the retirement age of 60 and non-acceptance of the victim’s career as an artist. The victim’s lost earnings were worked out based on the ‘earning of urban workers on daily contracts’, which would apply not only to those who provide physical labour on daily contracts but also to the unemployed (Ahn 2006). This sparked fierce debates on artists’ position within Korean society. Later the insurance company withdrew the appeal and reached a compromise with the family of the deceased.
nicely with the spirit of the time, which was characterised by the enlargement of the private sector and deregulation. This model was also thought to be in concordance with this government’s governance principles of ‘participation’, ‘autonomy’ and ‘decentralisation’ (Yang 2006, Interviewees 5, 6 and 7). Around 2003, there began a plethora of debates on the Arts Council often initiated by the government itself, progressive artists associations, for example Min-Ye-Chong, and/or cultural campaigning groups. Conservative artists groups were hesitant as they saw the Arts Council as potentially instrumental in (over-)strengthening the power and resource of the progressive groups (MCT 2003, 2004b, Parliamentary Group for Popular Culture and Media Research 2003). Effectively persuaded by the Ministry of Culture and Tourism, however, the conservative associations joined forces to make a plea for an Arts Council just before the Revised Culture and Arts Promotion Bill was put forward to the parliament in November 2003. The Revised Bill was passed in December 2004, leading to the transformation of the KCAF to the Arts Council Korea (ARKO). Briefly, the arts sector reached a consensus on the need for an arm’s length Arts Council; however, it was ascribed appreciably to the Ministry of Culture and Tourism’s leadership and capacity to negotiate with both conservative and progressive groups in the sector (Presidential Advisory Committee for Policy Planning 2008, Interviewee 7). This implied the frail position of the arts against the state and the ARKO’s exposure to forthcoming changes in the broader political environment.

‘Instituting’ Arts Council in Korea

*Autonomous but quasi-governmental*

[The government intends] to expand significantly the Arts Council’s autonomy in the area of projects and budget aimed at supporting culture and the arts by actualising the arm’s length principle. (MCT and KCAF 2004 cited in Won 2008, p. 32).

Arts Council Korea (ARKO) began its life in August 2005 as a ‘foundation’, which ran a public fund (the Culture and Arts Promotion Fund) on behalf of the government and it was put directly under the Ministry of Culture and Tourism (later Ministry of Culture, Sports and Tourism). Its official goal was ‘subsidising projects and activities that promote arts and culture’: here, ‘arts and culture’ referred primarily to literature, visual art, performing arts and traditional Korean arts as well as combined arts
The ARKO was a non-governmental organisation but was usually referred to as ‘private’. This phenomenon might be explained in terms of the arts sector’s suspicion over the role of ‘non-governmental’ organisations. By being positioned as ‘private’, the ARKO distinguished itself from its predecessor, which was non-governmental but operated like a part of the cultural ministry. It was widely supposed that the ARKO would play independent roles rather than simply collaborating with the government and this would re-define the government’s remit as well:

[T]he non-governmentally initiated Arts Council Korea was set up to exercise the comprehensive right for arts funding policy. Meanwhile, the government’s role was to be redefined to now focus on the following areas of law and institutions, cultural infrastructure, arts education and training of professional workforce, and policy evaluation. (MCT 2004a, p3)

Both the government and the arts sector thought that weighing the ARKO’s governing body (the Council) with artists and arts experts was crucial for securing its independence. To minimise government intervention, candidates for nomination as Council members were self-appointed and then shortlisted by an independent select committee according to well-defined criteria before the ministry made the final selection. Importantly, the eleven Council members elected their chairperson among themselves. In this way, he or she would be free from the hierarchy that used to determine the relation between the ministry and the ARKO’s predecessor.

However, the nature of the ARKO as an ‘autonomous body’ has been increasingly contested within the broader policy environment, where the state continues to exert heavy control over arts subsidy (K.-L. Chung 2007, Minutes No. 32 and 37, 2007, Interviewees 1 and 7). Like its predecessor, the ARKO has been under tight budgetary control and monitoring by the government. It should consult closely with the Ministry of Culture, Sports and Tourism and the Ministry of Planning and Finance until its spending plan receives endorsement from parliament. Throughout the process, the ministries can drastically adjust the budget and add new projects against the ARKO’s will (Yang 2006, Minutes No. 3, 2005, No. 54, 2008, No. 65, 2008, Interviewee 1). The ARKO is also subject to various audit and evaluation: most importantly, audits by the parliament, the National Audit Office and the Ministry of Culture, Sports and Tourism and an annual evaluation by the ministry. In addition, its management efficiency is assessed yearly by the Ministry of Planning...
and Finance. Until 2010, the assessment result placed it in the lowest or the second lowest scoring band, putting it under further scrutiny (e.g., Ministry of Planning and Finance 2009; Minutes No. 54, 2008 and No. 57, 2008). Government control over the ARKO even intensified with the enactment of the *Law on the Operation of Public Organisations* (2007) that newly designated the ARKO as a ‘quasi-governmental’ organisation. Following the legal requirements, a Fund Review Committee, which included a representative of the cultural ministry as well as external experts in law and finance, was set up to oversee the ARKO’s fund management, seriously weakening the Council’s power (Interviewee 2). Now the chairperson should be directly appointed by and enter yearly contracts with the ministry. Moreover, the Ministry of Planning and Finance should appoint the ARKO’s internal auditor and could recommend or request the chairperson’s dismissal if he or she showed a dissatisfactory management performance (Minutes No. 37, 2007). The ARKO showed disappointment and worry regarding the law’s effects but it could not reverse the tide (Minutes No. 37, 2007; ARKO 2007). The external monitoring and evaluation of the ARKO looks much stronger when considering how the Arts Council England is overseen by the government: the latter is audited by the National Audit Office only and self-evaluates its performance against its funding agreement with the government on an annual basis.

Summing up, in spite of the frequent rhetoric of ‘private body’, ‘autonomy’ and ‘arm’s length principle’, arts funding has been perceived as part of governmental affairs as it used to be. The persistence of the strong state in arts funding policy in Korea could be interpreted as the inertia of the government, meaning that its organisational culture and overall attitude towards the arts could not change in a short time (Interviewee 7). We can also point out the cultural ministry’s lack of capability to persuade the rest of government to accept that the logic of the arts world and public policy could collide, thus the performance of the ARKO or other arm’s length bodies under its supervision cannot always best judged by the formal mechanism of audit and evaluation. Government control has even been reinforced with the trend of audit culture, where the Ministry of Planning and Finance’s managerial approach to public policy is increasingly taken as a norm and arts policy cannot be given exceptional treatment (Chung 2007, Interviewee 2). Within the multi-layered relationship between the ARKO, cultural and planning ministries, parliament and the Audit Office,
the arm’s length principle as a political convention has hardly found its place and the symbolic meaning of ‘autonomous body’ has been significantly eroded.

Grant making rather than policy making

The *Culture and Arts Promotion Law* briefly describes the ARKO’s task as ‘supporting projects and activities that promote culture and the arts’ and the main role of the Council members as ‘reviewing and deciding items about setting, changing and implementing basic plans to support projects and activities that promote culture and the arts’. Meanwhile, the actual remits of the ARKO have always been open to interpretation by the government and the ARKO itself as well as the arts sector. When it was created in 2005, there was a belief that, unlike its predecessor, the Arts Council should have capacity for ‘policy making’. However, there still existed confusion around the scope and level of policy that the ARKO was supposed to make: if the ARKO should actively drive the country’s long-term strategies for supporting the arts or if its role should be limited to grant distribution (Interviewee 4). In the early years, the ARKO was keen to foster its agenda-setting ability. For this purpose, a formal structure of Sub-Councils involving Council members and external experts was set up to discuss arts policy ideas. However, the Sub-Councils were seen as delving too much into issues specific to art-forms, and thus not being effective in developing the ARKO’s strategies for national arts funding policy (Interviewee 7). They were also blamed for generating another layer of bureaucracy. Accommodating these critiques, the ARKO later abolished most of the Sub-Councils.

In spite of the ARKO’s aspiration to build policy making capacity, it is questionable how much it has been able to affect arts funding policy in Korea (Yang 2006). To the contrary, the broader policy environment determined by the government has continuously shaped its policy priorities. Most importantly, the alteration in the ARKO’s income stream, triggered by the government-level decision making, has resulted in important shifts in its priorities. For example, the provision of Lottery money has notably extended the Arts Council’s attention from artists to audiences, particularly those who are socially and economically disadvantaged (Interviewees 1 and 3). Meanwhile, the ministry’s decision in 2008 to devolve a third of the ARKO’s budget to regional and municipal arts foundations seriously shrank its responsibility. At the same time, the ARKO was stimulated to explore new roles as a national coordinator of arts foundations across the country and to distinguish itself
from the foundations through expanded international projects (Interviewees 2 and 3). Another observation is that there has been a mismatch between the rhetoric (e.g., ‘[the ARKO’s] comprehensive right for arts funding policy’) (MCT 2004a, p. 3) and the ARKO’s actual understanding of its remit. The ARKO has tended to focus on the narrowly defined ‘private arts’ in order to draw a clear-cut line between itself and the cultural ministry and to underpin its non-governmental nature. It seldom shows interest in policies for national arts organisations directly financed by the government. It has also believed that the government should carry out funding for arts events on a national scale, such as the National Dance Festival. At the same time, it has not wished to be involved in broader arts politics where different interests and views in the arts sector clash and are negotiated. This is evidenced by the fact that it has continuously insisted that the cultural ministry should be directly responsible for supporting two peak associations, Ye-Chong and Min-Ye-Chong (Minutes No. 54, 2008, No. 68, 2009). Apparently, the ARKO perceives itself as playing only a limited role in the nation’s arts funding policy, while expecting a substantial part of policy making, including negotiating with peak organisations, to be done by the government as previously.

**Consensus seeking without consensus**

It is widely known that the ARKO was intended to be a consensus-based organisation (B.-Y. Kim interviewed in Oh 2005, J.-H. Kim 2005, Yang 2005). ‘Consensus’ was proposed as an alternative to the hierarchy that characterised state arts funding in Korea in the past, where government’s influence was cascaded down to the KCAF president and the president monopolised the KCAF’s decision making power. When the KCAF was transformed into the ARKO, the expectation was that the formal structure of the ARKO’s governing body – consisting of eleven individuals, who were knowledgeable about the real life of the arts sector – would organically promote consultation with arts professionals and decision making based on consensus in the arts sector (Baik 2003, Huh 2005, B.-Y. Kim interviewed in Oh 2005b, J.-H. Kim 2005, Yang 2005). Nevertheless, there was a serious worry that consensus seeking would be meaningless unless the key individuals involved in the ARKO’s decision making represented various constituencies in terms of art form, expert area and political stance. The most crucial concern of the sector, particularly the conservative peak organisations, was whether or not the key positions would be taken mainly by
people from progressive groups. This made the issue of ‘appointment’ the focal point of debates when the ARKO was set up: e.g., appointment of members of the taskforce committee for preparation for the transformation of the KCAF into the ARKO, the select committee for short-listing the candidates for Council membership, the Council itself, twelve Sub-Councils, several peer review committees and so on (J.-S. Chung 2003, Oh 2005a, Won 2008, Interviewee 3). Not surprisingly, this resulted in the generation of layers of extremely formalised selection processes and criteria (Won 2008, Yang 2005). However, the formal rules never guaranteed an easy development of consensus. On the contrary, the existence of complicated formal rules can be seen as evidence of the underdevelopment of consensus within the sector. In theory, consensus would lead to efficient decision making with minimum conflict, causing less time and resource be spent on the formal process of discussion and negotiation. Within the context of the ARKO, however, consensus has been understood primarily as a ‘process’ of making efforts to reach an agreement, which has turned out to be very time and resource consuming: the ARKO Council meetings every two weeks could be compared with the three to four Council meetings every year at the Arts Council England. Some commentators observe that in reality such a process seldom takes place: for example, each of the Council members tends to have more authority over issues relating to the area they represent therefore active discussion within the Council is likely to be hindered (Interviewee 7).

The division within the arts sector and the underdevelopment of sectoral consensus might be a persuasive explanation for the Council members’ inclination to focus more on day-to-day funding decisions than on making policies at macro level (Minutes No. 83, 2009, No. 99, 2010). Until recently, the Council members showed little confidence in the expertise of the professional staff of ARKO in processing and making grant decisions, taking for granted their involvement in the selection of peer reviewers (Minutes No. 83, 2009). At the same time, as art form representatives, some of the Council members have appeared to feel pressurised to secure a fair share of ARKO funding for their art form community. Moreover, the tension between conservative and progressive peak organisations has made grant distribution a point of potentially fierce debate. The shortage of consensus within the Council was aptly demonstrated by a legal dispute around the Council’s funding decision in 2007. It was caused as a Council member applied to the court for a provisional disposition of an
ARKO project on the basis that the chairperson decided to finance it without a resolution of the Council members. The incident, which eventually led to the resignation of the chairperson, was seen as a result of various factors, including the incongruence in the Council members’ understanding of consensus-based decision making and the conflict between the interests of different art forms. Finally, despite extremely formalised procedures and criteria devised to achieve maximum fairness and transparency in funding decisions, the ARKO – like its predecessor – has never been free from complaints, blame and accusations from those who felt excluded and disadvantaged (Minutes No. 69, 2009, No. 70, 2009). Overall, the arts sector’s dissatisfaction with the ARKO was more about power and resource distribution – i.e., the appointment of key individuals and grant decisions – than about ARKO’s mission, objectives and roles, indicating the underdevelopment of a sector-wide perspective on the very basic features of the ARKO’s operation.

**Politics over the Arts Council**

The creation of the ARKO had huge symbolic meaning but hardly brought about a new normative and cultural parameter of arts funding policy in Korea. It could not simply restyle the state-led arts funding policy that was historically and politically embedded. The division in the arts sector and lack of consensus also implied that ARKO had an inherent weakness in securing an arm’s length distance from the government. In this context, the conservative Grand National government (elected in 2008) put ARKO seriously to the test (Interviewee 6). The new government did not propose a coherent framework for cultural policy but its ideas could be summarised as emphasising the economic and social values of culture, preferring focused funding to thin distribution of grants, shifting from direct to indirect funding and from pre- to post-project funding, and encouraging private funding sources. Contrary to its preference for private sector and market driven approaches, the government reinforced the strong state when dealing with non-governmental public organisations. One possible reason for this phenomenon was its view that the organisations had been controlled by those who were close to the previous government and too much power and resource had been given to some progressive groups. To ‘restore a balance’ and appoint those who shared the government’s ideologies in key places, the new cultural minister forced the heads (appointed by the previous government) of fifteen organisations including the ARKO to resign or dismissed them:
It is natural for the heads of public cultural and arts institutions, who shared political visions with the previous government, to resign... People in the cultural and arts sector have their own philosophy, ideology, style and characteristics. It would be turning their own life upside-down if they remain in their positions even when there is a new government. (IC Yoo, March 2008 cited in Weekly Kyungyhang 2008)

As for the ARKO chairperson, who refused to resign, the ministry conducted a special audit, which was seen as politically driven by many people in the sector. Based on the findings of the ARKO’s mistakes with investments and spending, the ministry dismissed him in December 2008. Later, a court decision nullified the effect of the dismissal, leading to the chaotic situation of the ARKO having two, the returned and the newly appointed, chairpersons (Minutes No. 88, 2010). The view that sees the ARKO as an empty space for a power struggle between conservative and progressive groups was reproduced and exaggerated by some media which tended to crudely stigmatise progressive groups as ‘leftist’ (e.g., Donga Ilbo 2006). It is true that the members of the progressive association were actively involved in the process of making and operating ARKO (Interviewee 2 and 7). Still, ARKO treated both progressive and conservative groups as important partners. For instance, it provided the same level of annual grant to Ye-Chong and Min-Ye-Chong, from 2005 to 2008. This was a political endeavour, rather than an artistic decision, to keep cooperative relations with the two most powerful peak organisations in the sector. However, artists from the progressive camp – who were generally younger, proactive and more accomplished in arts management – turned out to be taking advantage of the move of arts policy towards goal-oriented and evidence-based policy making (Minutes No. 68, 2009). Some conservative arts professionals who could not adapt to the shifting environment might have felt unfairly excluded and sympathetic to the Grand National government’s effort to ‘restore the balance’. Perhaps they found cooperating with the government more critical in securing power and resource than having an autonomous arts funding body.

The huge pressure from the government has undermined the ARKO’s position. In 2009 the National Audit Office carried out an audit of a wide range of NGOs, including arts organisations that received more than 80 million won (approx. 0.5 million pounds) from the ARKO. The finding of many instances of wrongdoing, including those related to Ye-Chong and Min-Ye-Chong, seriously damaged the sector’s legitimacy (Seoul Shinmun 2009). Following this, the ARKO itself took a
series of actions that challenged the arm’s length principle. In 2009, it required a writers’ association to negate its participation in anti-government demonstrations (demonstrations against US beef imports) in 2008 and to give a written pledge not to take part again if it wanted to keep its grant (Weekly Seoul 2009). Later that year ARKO demanded ‘all’ its clients to submit documentary evidence of their spending of its grant for four years from 2006, which was thought by many rather as a rhetorical gesture towards the government. The real problem was that the arts sector (even the Council members themselves) scarcely responded to the increasing pressure from the government with a coordinated voice in defence of the autonomy of the arts and ARKO. Apparently, the ARKO’s attempts to cultivate sectoral consensus on the arm’s length principle were not very effective within the context of the deeply rooted division in the sector and reliance by competing peak organisations on the government for resource and power.

**Conclusion**
Modelled after the British style of Arts Council, the Arts Council Korea (ARKO) as an independent and consensus-based organisation was established in 2005 to make and implement arts funding policy. The ARKO was a meaningful policy experiment that demonstrated the country’s admiration of artist-led arts policy and its willingness to instigate such policy by ‘borrowing’ the Arts Council, an institution initially born and developed in Britain. However, the Arts Council has been contested, negotiated and localised within the context of arts policy making in Korea.

This article points out that the Korean understanding of the Arts Council was seriously restricted. It rather naively focused on the ‘formal’ elements of the Arts Council institution while not paying appropriate attention to the normative and cultural frameworks that determine the ways the formal organisation and rules work in reality. In this sense, the Korean government and the arts sector’s perspective of the Arts Council can be described as ‘structural’ and ‘procedural’: they believed that once the right structure and procedures were introduced, there would spontaneously emerge a new understanding of the state-arts relationship and a new practice of operating state arts funding. However, this has not happened. Although the Korean government laxly accommodated the rhetoric of the arm’s length principle and the arts sector’s participation in arts funding policy, its continuous control over the ARKO has not been effectively challenged but has persisted. ARKO’s autonomy,
which existed more as ideal rather than in practice, has further declined with the shift in policy environment inside and outside arts policy. Meanwhile, the ARKO itself appears to define its role in narrowly, requiring a strong state that can carry out a crucial part of arts policy making. It should be noted that ARKO’s susceptibility to government intervention is attributable, to a great degree, to the arts sector’s internal conditions. The sector, lacking popular or middle class support, needed a strong state as a pivotal source of funding as well as legitimation. The ARKO hardly changed such circumstance as the creation of the organisation itself relied less on an enhanced social legitimacy of the arts than on negotiation between the government and peak organisations in the arts sector. Furthermore, the tensions derived from the historically rooted division within the sector gravely hinder ARKO from making and sustaining sectoral consensus concerning its operation and relation to the government. The lack of consensus, in turn, seemingly makes the ARKO incompetent to resolve the tensions on its own and leaves the arts sector continuously in need of active roles to be played by the government as the key coordinator of different interests within the sector.

The case study of the ARKO provides two implications for further research. First, it finds ‘embeddedness’ as a helpful conceptual framework for analysing a distinct pattern of cultural policy development in a given country. The framework could be also useful when we make sense of why a country cannot simply adopt cultural policy strategies and mechanisms emerged in elsewhere without local twist. It is also demonstrated that the unexpected style of localisation tends to add complexity to the country’s cultural policy by increasing interplay between policy intention and consequence and between rhetoric and practice. Second, the case study sheds light on the intricate dynamics in the arts-state relationship by looking at the roles the state plays in arts policy development when the arts sector is lacking social legitimacy and sectoral consensus and thus depends heavily on the state for power and resource. Such dynamics could be further contemplated within the context of cultural policy in other Asian countries, where the arts have taken a relatively weak position against the state due to historical and political factors.

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