READINGS

"Building Sustainable Creative Communities"

A Burning Man Symposium at Esalen, October 2016

This material is intended to create engagement and foster discussion around the broader topics to be raised at this year's Symposium. It is not meant to indicate any position or endorsement of Burning Man or its staff. It is far more useful to honestly grapple with challenging ideas than it is to stay safe among shallow agreements.

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Creating Space to Create

The kind of experiences we have are strongly influenced by the kind of places we're in, and different spaces open up different perspectives and possibilities. What have we learned from Black Rock City and our Global Network about developing places for creative and civic engagement, and how can that be combined with the best practices from successful placemaking and community building around the world? What models do we want to follow, what approaches do we want to enhance, and how can we create places that support creative engagement and the 10 Principles? What issues should we be thinking about as we turn from creating "temporary" places to "permanent" ones?

What Powered the Renaissance? (Could it Have Happened Without Cash?)

By Caveat Magister

Burning Man Journal

We know that money can't buy happiness (though it often doesn't hurt), and we know that it can't buy talent (though again …).

But can it buy a Renaissance?

Can money buy a thriving art scene that isn't just busy in the present, but worth remembering in the future? Or is that exactly what's outside its power?

According to Eric Weiner, author of *The Geography of Genius*, the answer is right in front of us: city-states like Qatar and Dubai are spending sums of money that were unimaginable to Renaissance kings on art and architecture … and sure, the buildings are cool, but nobody really thinks they're relevant. Las Vegas casinos throw gobs of money on artisans and creative endeavors … but while it's turned Vegas into a tourist destination, nobody takes them seriously.

Disneyland is probably spending more money than the whole Renaissance several times over — but "Disneyland" is exactly what no one wants an art scene to turn into.

In fact, the current model of arts and economic development has "art" coming before "money" — artists congregate in a place (a Brooklyn, a San Francisco), transform it into a thriving scene, and it is the scene that attracts big money … eventually gentrifying the artists themselves out.

So our modern answer is "no," an art scene isn't powered by money. It's ruined by money.

The artists of the Renaissance, however, had a very different answer — so different that they probably never would have asked the question at all.

"The disdain for money arises from the romantic obsession that a work should be independent, inspirational, and above all opposed to the status quo, and so in a certain sense, however anarchically or idiosyncratically, political," said Tim Parks, author of *Medici Money: Banking, Metaphysics, and Art in Fifteenth Century Florence*. "These ideas were simply not around in the 14th and 15th centuries."

Remember, Parks said: painting and sculpture require tools and materials — which cost money. Nor is it an accident that the vast public art projects we look back on as a high water mark in Florence occurred during a period when the city was leading Europe in new approaches to banking — and flush with filthy lucre.

Dr. Matthew Landrus, an Oxford University scholar who specializes in artists of the Renaissance, goes so far to say the Renaissance was powered "primarily by economic factors. The economic benefits to Florence from trade — in terms of skill sets and training, in terms of developing leading studios that could do things other places couldn't — that had a lot to do with the success of the banking industry."

Nor it is a coincidence that many other vital and historically important "scenes" coincided with flush times: the Harlem Renaissance happened during the Roaring '20s, not the Great Depression. The Belle Epoch was likewise fabulously wealthy.

There is an undeniable correlation between the flow of money and the vitality of an art and cultural scene — one that Renaissance and contemporary artists interpret very differently. But what is the underlying relationship?

A close examination of periods of cultural genius, like that undertaken by Weiner, suggests there are key factors to a thriving arts scene that money can in fact enable and bring to fruition, but that money can also destroy.

The Three D's

Broadly speaking, Weiner told us, his research suggests that there are three key elements to the creation of a scene likely to create "cultural genius."

The first is **Diversity**.

This doesn't just mean ethnic and racial diversity — though it does mean that — but it must mean intellectual diversity. The scene must be full of different ideas and ways of thinking that one can bump into and can't always casually dismiss.

Renaissance Florence didn't get diversity because it had money, but the trade and banking practices that made it wealthy also opened it up to global goods and cultures, and that made a huge difference.

"In Florence they were traveling as far as Afghanistan to get the dyes for their cloth business. The Athenians were great travelers and sailors," Weiner said. "Places that don't have free trade rarely have free ideas."

Landrus agreed, saying that it was that openness to the world (along with a steady influx of money) that allowed them to recruit many of the leading artistic geniuses of the time. This brought not only geniuses, but geniuses who were thinking in different terms than the local artists and population, creating a fruitful mix of ideas.

But even beyond the importing of talent, the simple exposure to new ideas and ways of thinking has profound benefits. Research published in the Journal of Personality and Social Psychology indicates that "[i]nput from alien cultures might stimulate exceptional national achievements." In a study they conducted on creative flourishing in Japanese history, it was clear that significant advances occurred following periods of openness to outside cultures and influences — even if there weren't many actual foreign immigrants living in Japan. Exposure to new ways of thinking and problem solving itself leads to creative flourishing.

Another way in which Florence had diversity was in its economy itself: it had enormous wealth, yes, but unlike our contemporary Silicon Valley or Hollywood, it wasn't a one-industry town. Textile manufacturing was a major source of wealth, but, by the Medici period, so was banking, with the more traditional banking centers in Italy having shifted from Siena to Florence, Dr. Landrus notes. The church was likewise a source of enormous institutional wealth, and eventually the arts themselves became a kind of economic powerhouse.

And while "democracy" in Florence was often a farce, as *Medici Money* so deftly illustrates, the constant shifting of committees and leadership — even if ultimately among the members of a limited number of family — meant that fresh eyes and perspectives were constantly looking at old problems.

"Many vital institutions, like the Opera del Duomo, required turnover every few years of leadership," Weiner said. It's likely no coincidence that these institutions were often responsible for the development of major civic treasures still honored and cherished today.

Also important was the concept of a "Renaissance man" itself — the idea that the ideal intellect was exposed to many fields. Engineers should know poetry and bankers painting. Artists should be scientists. Not everyone met this ideal – most people probably didn't — but when it was ideal to be a generalist, that helped promote cross-pollination of disciplines to a significant degree. Specialists were chided, not exalted.

The second "d" is **Discernment**

"All of the societies I've studied that cultivated genius," Weiner told us, "were colanders for sifting out crap. None of these places argued that all art was equally good. Or all philosophy."

"An open, tolerant place isn't enough," he went on. "That's just a mish-mash. There has to be discerning and separating, as a group. That can be harsh, but it's necessary."

The Renaissance was blessed, at least for a period of time, by a high quality of patron who was both risk-taking and discerning. “Cosimo de’ Medici was a great patron,” Tim Parks said, “in part because he had his personal reasons for wanting to use art to reinforce his position with the church and society in general and in part because he was genuinely fascinated by painting, sculpture and architecture, but without imagining that he knew better than the artist.”

It was a quality of patron that Florence had an abundance of for some time. Does that happen by accident?

Weiner thinks it wasn’t an accident, in no small part because Renaissance society valued artists so highly. He quotes Plato: “What is honored in a country is cultivated there.”

18th and 19th century Vienna didn’t get Mozart and Beethoven and multiple generations of Strausses by accident; it got them because the society elevated musicians and took a profound pride in whether its music was both high quality and cutting edge. 20th century America didn’t get Steve Jobs by accident; he came out of a time when there was incredible government and industry pressure to enhance technology and make sure that America was never behind on another metaphorical space race.

“These geniuses are cultivated by us,” Weiner said.

How do we cultivate discernment? Well, money and honor both do go a long way. But there are other approaches.

Everyone we’ve spoken to about Renaissance Florence emphasized how frequently it resorted to competitions to sort the wheat from the chaff. They wanted a clash of ideas, and they wanted the best to succeed. No one was grandfathered in.

But Weiner pointed out a corollary to that: failure was not held against the competitors, and “there was a place for the losers to go.” There was always more work available, more competition, another avenue to explore.

This is essential, Weiner suggests, because the more high-stakes these contests get — the more society clearly separates into “winners” and “losers” on the basis of just a few metrics — the more cultural caution is going to develop. If you’ve only got one shot, you’d be a fool to try something people might not like. You’re going to stick with what everybody agrees is a good idea.

It is when stakes are not life and death — when failure won’t cost you everything and you know you’ll be able to try again — that people are more likely to pursue a unique or surprising vision, and offer real alternatives to the received wisdom.

“Societies that cultivate genius give second chances, multiple chances,” Weiner said “Losers need avenues to do things. We say we believe in second chances in this country, but I’m not sure if we really do.”

The third “d” is **Disorder**. And this gets ugly.

“There’s usually some sort of stirring of the pot before a significant age of genius,” Weiner said. “Often it’s something very negative. In Athens, the city was sacked by the Persians, and rebuilding it was really Athens’ golden age. In Florence, it was the city getting savaged by the Black Death. That was followed two generations later by the Renaissance.”

“Negative” is an understatement here. The plague wiped out an estimated third of Europe’s population. That’s an obscenely high price to pay for a good art scene.

But the principle still applies: after things have been shaken up, greater creativity and a sense of purpose that leads to greater discernment often appear. Disruption can be inspirational.

But, Weiner cautions, only up to a point. Greater creativity happens after disruption, not during it. At some point it has to stop. “Chaos is a phase you go through between orders,” he told us. “The Renaissance didn’t happen during the plague!”

Indeed, Dr. Landrus emphasized that the Italian Renaissance was led by those city-states that had the greatest stability, not the least.

“Renaissance cities generally were possible thanks very much to the Peace at Lodi in 1454,” he told us. “While not ‘at peace’ in the sense that we would think of it today — the rivalries between cities like Florence, Milan, and Venice was very real, and had real consequences — this relative peace allowed these various cities to continue without military conflict, and to continue economically.”

By contrast, cities like Naples, which were in a semi-constant state of warfare at the time, did not develop nearly so significant a scene; the climate of disorder and constant threat of destruction was too great.

Disorder, then, while a genuine necessity, is also a cure that can be worse than the disease. Happy is the era that has just enough disorder to stimulate creativity and art, but no more.

While surely an oversimplification at some level, it’s clear how this structure — Diversity, Discernment, and Disorder — can be used as a guide to understand how money can supercharge art scenes, and how it can kill them.

How Much Genius for a Dollar?

To the extent that money brings in diversity — enhancing immigration and travel, creating new communities alongside old ones, and bringing people with different backgrounds and perspectives together on common projects — it can be an engine that powers an art scene.

But when money creates gated communities, gentrification, and epistemic closure it sounds a death knell for creativity and the local creative class.

To the extent that money is used to take chances in pursuit of excellence, it can be a boon to artists and the cultural landscape. To the extent that money conflates "bigger" with "better," "repetition" with "excellence," and circulates only among a select few rather than as a bridge to new talent, a scene is better off without it.

And to the extent money is the cause or result of a brief period of disruption, opening the door for new ideas to come forward, it is a tough but effective medicine. But when it creates a continuous climate of disruption in which no one has a chance to catch their breath, let alone develop best practices or inspiration, then it is simply cruel.

The Renaissance was powered by money.

Burning Man? Honestly, the jury's still out. A legitimate debate can be had as to whether Burning Man's increasing arts funding is being spent in ways that will best support its artistic community.

But right now it seems abundantly clear that in our larger society vast sums of money are being used to build gated, gentrified, and segregated communities — both literally and intellectually — that reduce diversity; that there is no clear sense of discernment across large institutions or donors when it comes to art; and that "disruption" is not just present, but a code word for whole industries, industries that on the one hand have unleashed tremendous creativity, but on the other are making it increasingly difficult for many communities to find the stability that they need to harness that creativity.

The problem isn't that money is involved with art and creativity: the problem is that the 21st century West is doing something profoundly wrong that the 15th century West got profoundly right. What did they know that we don't? Can we turn that around?

* * *

Community Engagement Matters (Now More Than Ever)

By Melody Barnes & Paul Schmitz

Stanford Social Innovation Review

[excerpt]

In October 2010, three men—Chris Christie, governor of New Jersey; Cory Booker, who was then mayor of Newark, N.J.; and Mark Zuckerberg, founder and CEO of Facebook—appeared together on *The Oprah Winfrey Show* to announce an ambitious reform plan for Newark Public Schools. On the show, Zuckerberg pledged a $100 million matching grant to support the goal of making Newark a model for how to turn around a failing school system. This announcement was the first time that most Newark residents heard about the initiative. And that wasn't an accident.

Christie and Booker had adopted a top-down approach because they thought that the messy work of forging a consensus among local stakeholders might undermine the reform effort.[1] They created an ambitious timeline, installed a board of philanthropists from outside Newark to oversee the initiative, and hired a leader from outside Newark to serve as the city's superintendent of schools.

The story of school reform in Newark has become a widely cited object lesson in how not to undertake a social change project. Even in the highly charged realm of education reform, the Newark initiative stands out for the high level of tension that it created. Instead of generating excitement among Newark residents about an opportunity to improve results for their kids, the reform plan that emerged from the 2010 announcement sparked a massive public outcry. At public meetings, community members protested vigorously against the plan. In 2014, 77 local ministers pleaded with the governor to drop the initiative because of the toxic environment it had created. Ras Baraka, who succeeded Booker as mayor of Newark, made opposition to the reform plan a central part of his election campaign. The money that Zuckerberg and others contributed to support the reform plan is now gone, and the initiative faces an uncertain future.

"When Booker and Christie decided to do this without the community, that was their biggest mistake," says Howard Fuller, former superintendent of the Milwaukee Public Schools and a prominent school reform leader. Instead of unifying Newark residents behind a shared goal, the Booker-Christie initiative polarized the city.

Zuckerberg, for his part, seems to have learned a lesson. In May 2014, he and his wife, Priscilla Chan, announced a $120 million commitment to support schools in the San Francisco Bay Area. In doing so, they emphasized their intention to "[listen] to the needs of local educators and community leaders so that we understand the needs of students that others miss."[2]

Another project launched in Newark in 2010—the Strong Healthy Communities Initiative (SHCI)—has had a much less contentious path. Both Booker and Baraka have championed it. Sponsored by Living Cities (a consortium of 22 large foundations and financial institutions that funds urban revitalization projects), SHCI operates with a clear theory of change: To achieve better educational outcomes for children, policymakers and community leaders must address the environmental conditions that help or hinder learning.

If kids are hungry, sick, tired, or under stress, their ability to learn will suffer. According to an impressive array of research, such conditions lie at the forefront of parents' and kids' minds, and they strongly affect kids' chances of success in school. Inspired by this research, SHCI leaders have taken steps to eliminate blighted housing conditions, to build health centers in schools, and to increase access to high-quality food for low-income families.

SHCI began as an effort led by philanthropists and city leaders, but since then it has shifted its orientation to engage a broader cross-section of community stakeholders. Over time, those in charge of the initiative have built partnerships with leaders from communities and organizations throughout Newark. "We avoid a top-down approach as much as possible," says Monique Baptiste-Good, director of SHCI. "We start with community and then engage established leaders. When we started, a critical decision was to operate like a campaign and not institutionalize as an organization. We fall to the background and push our partners' capacity forward. Change happens at the pace people can adapt."

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One of the biggest mistakes that social change leaders make is failing to differentiate between mobilizing and organizing. Mobilizing is about recruiting people to support a vision, cause, or program. In this model, a leader or an organization is the subject that makes decisions, and community members are the passive object of those decisions. Organizing, on the other hand, is about cultivating leaders, identifying their interests, and enabling them to lead change. Here, community members are the subject of the work: They collaborate on making decisions. At its best, community engagement involves working with a variety of leaders—those at the grass tops and those at the grass roots—to ensure that an effort has the support necessary for long-term success.

The International Association for Public Participation has developed a spectrum that encompasses various forms of engagement. At one end of the spectrum is *informing*, which might take the form of a mailing or a town-hall meeting in which professional leaders describe a new change effort (and perhaps ask for feedback about it). At the other end of the spectrum is *empowerment*, which supports true self-determination for participants. One organization that practices empowerment is the Family Independence Initiative (FII) in Oakland, Calif. Instead of focusing on delivery of social services, FII invests in supporting the capacity and ingenuity of poor families. (Through an extensive data-collection process at six pilot sites, FII has demonstrated that participating families can achieve significant economic and social mobility.)

The further an initiative moves toward the empowerment end of the spectrum, the more community members will feel a sense of ownership over it, and the more inclined they will be to advocate for it. Of course, it's not always possible to operate at the level of full empowerment. But initiative leaders need to be clear about where they are in the spectrum, and they need to deliver the level of engagement they promise.

John McKnight and Jody Kretzmann, co-directors of the Asset- Based Community Development Institute at Northwestern University and authors of the classic community-building guide *Building Communities From the Inside Out,* argue that too often "experts" undermine the natural leadership and the sense of connectedness that exist in communities as assets for solving problems. At a recent international conference of community builders, McKnight and Kretzmann suggested that when providers work with communities they should ask these questions: "What can community members do best for themselves and each other? What can community members do best if they receive some support from organizations? What can organizations do best for communities that people can't do for themselves?"

It's important, in other words, to view community members as producers of outcomes, not just as recipients of outcomes. Professional leaders must recognize and respect the assets that community members can bring to an initiative. If the goal is to help children to read at grade level or to help mothers to have healthy birth outcomes, then leaders should consider the roles that family members, friends, and neighbors can play in that effort. A mother who watches kids from her neighborhood after school is a kind of youth worker. The elder who checks in on a young mother is a kind of community health worker. Supporting these community members—not just for their voice but also for their ability to produce results—is crucial to the pursuit of lasting change.

* * *

Lessons from Self-Organizing Communities

Even before Burning Man acquired Fly Ranch, local Burning Man communities around the globe were exploring the possibility of creating permanent and sustainable Burning Man "places." But what is such a thing? What is implied? Black Rock City is not a utopia, and if Burning Man is not a utopian dream, then what are we trying to accomplish? What kinds of long-term communities do the 10 Principles imply, and what can we learn from other intentional communities? What advice can we offer anyone trying to create an intentional community based on Burning Man's ethos?

Utopia for Realists

By Rutger Bregman

[book excerpt]

Let's start with a little history lesson:

In the past, everything was worse.

For roughly 99% of the world's history, 99% of humanity was poor, hungry, dirty, afraid, stupid, sick, and ugly. As recently as the 17th century, the French philosopher Blaise Pascal (1623 - 1662) described life as one giant vale of tears. "Humanity is great," he wrote, "because it knows itself to be wretched." In Britain, fellow philosopher Thomas Hobbes (1588 - 1679) concurred that human life was basically "nasty, brutish, and short."

But in the last 200 years, all of that has changed. In just a fraction of the time that our species has clocked on this planet, billions of us are suddenly rich, well nourished, clean, safe, smart, healthy, and occasionally even beautiful. Where 94% of the world's population still lived in extreme poverty in 1820, by 1981 that percentage had dropped to 44%, and now, just a few decades later, it is under 10%.

If this trend holds, the extreme poverty that has been an abiding feature of life will soon be eradicated for good. Even those we still call poor will enjoy an abundance unprecedented in world history. In the country where I live, the Netherlands, a homeless person receiving public assistance today has more to spend than the average Dutch person in 1950, and four times more than people in Holland's glorious Golden Age, when the country still ruled the seven seas.

For centuries, time all but stood still. Obviously, there was plenty to fill the history books, but life wasn't exactly getting better. If you were to put an Italian peasant from 1300 in a time machine and drop him in 1870s Tuscany he wouldn't notice much of a difference.

Historians estimate that the average annual income in Italy around the year 1300 was roughly $1,600. Some 600 years later - after Columbus, Galileo, Newton, the scientific revolution, the Reformation and the Enlightenment, the invention of gunpowder, printing, and the steam engine - it was … still $1,600. Six hundred years of civilization, and the average Italian was pretty much where he'd always been.

It was not until about 1880, right around the time Alexander Graham Bell invented the telephone, Thomas Edison patented his lightbulb, Carl Benz was tinkering with his first car, and Josephine Cochrane was ruminating on what may just be the most brilliant idea ever - the dishwasher - that our Italian peasant got swept up in the march of progress. And what a wild ride it has been. The past two centuries have seen explosive growth both in population and prosperity worldwide. Per capita income is now ten times what it was in 1850. The average Italian is 15 times as wealthy as in 1880. And the global economy? It is now 250 times what it was before the Industrial Revolution - when nearly everyone, everywhere was still poor, hungry, dirty, afraid, stupid, sick, and ugly.

A Bleak Paradise

Welcome, in other words, to the Land of Plenty.

To the good life. To Cockaigne, where almost everyone is rich, safe, and healthy. Where there's only one thing we lack: a reason to get out of bed in the morning. Because, after all, you can't really improve on paradise. Back in 1989, the American philosopher Francis Fukuyama already noted that we had arrived in an era where life has been reduced to "economic calculation, the endless solving of technical problems, environmental concerns, and the satisfaction of sophisticated consumer demands."

Notching up our purchasing power another percentage point, or shaving a couple off our carbon emissions; perhaps a new gadget - that's about the extent of our vision. We live in an era of wealth and overabundance, but how bleak it is. There is "neither art nor philosophy," Fukuyama says. All that's left is the "perpetual care-taking of the museum of human history."

According to the Irish writer Oscar Wilde, upon reaching the Land of Plenty, we should once more fix our gaze on the farthest horizon and rehoist the sails. "Progress is the realization of Utopias," he wrote. But the far horizon remains blank. The Land of Plenty is shrouded in fog. Precisely when we should be shouldering the historic task of investing this rich, safe, and healthy existence with meaning, we've buried utopia instead. There's no new dream to replace it because we can't imagine a better world than the one we've got. In fact, most people in wealthy countries believe children will actually be worse off than their parents.

But the real crisis of our times, of my generation, is not that we don't have it good, or even that we might be worse off later on.

No, the real crisis is that we can't come up with anything better.

The Destruction of the Grand Narrative

It is not - I can't emphasize this enough - that we don't have it good. Far from it. If anything, kids today are struggling under the burden of too much pampering. According to Jean Twenge, a psychologist at San Diego State University who has conducted detailed research into the attitudes of young adults now and in the past, there has been a sharp rise in self-esteem since the 1980s. The younger generation considers itself smarter, more responsible, and more attractive than ever.

"It's a generation in which every kid has been told, 'You can be anything you want. You're special,'" explaints Twenge. We've been brought up on a steady diet of narcissism, but as soon as we're released into the great big world of unlimited opportunity, more and more of us crash and burn. The world, it turns out, is cold and harsh, rife with competition and unemployment. It's not a Disneyland where you can wish upon a star and see all your dreams come true, but a rat race in which you have no one but yourself to blame if you don't make the grade.

Not surprisingly, that narcissism conceals an ocean of uncertainty. Twenge also discovered that we have all become a lot more fearful over the last decades. Comparing 269 studies conducted between 1952 and 1993, she concluded that the average child living in early 1990s North America was more anxious than psychiatric patients in the early 1950s. According to the World Health Organization, depression has even become the biggest health problem among teens and will be the number one cause of illness worldwide by 2030.

It's a vicious circle. Never before have so many young adults been seeing a psychiatrist. Never before have there been so many early career burnouts. And we're popping antidepressants like never before . Time and again, we blame collective problems like unemployment, dissatisfaction, and depression on the individual. If success is a choice, then so is failure. Lost your job? You should have worked harder. Sick? You must not be leading a healthy lifestyle. Unhappy? Take a pill.

In the 1950s, only 12% of young adults agreed with the statement "I've a very special person." Today 80% do, when the fact is, we're all becoming more and more alike. We all read the same bestsellers, watch the same blockbusters, and sport the same sneakers. Where our grandparents still toed the lines imposed by family, church, and country, we're hemmed in by the media, marketing, and a paternalistic state. Yet even as we become more and more alike, we're well past the era of the big collectives. Membership of churches, political parties, and labor unions has taken a tumble, and the traditional dividing line between right and left holds little meaning anymore. All we care about is "resolving problems," as though politics could be outsourced to management consultants.

Sure, there are some who try to revive the old faith in progress. Is it any wonder that the cultural archetype of my generation is The Nerd, whose apps and gadgets symbolize the hope of economic growth? "The best minds of my generation are thinking about how to make people click ads," a former math whiz at Facebook recently lamented.

Lest there be any misunderstanding: It is capitalism that opened the gates to the Land of Plenty, but capitalism alone cannot sustain it. Progress has become synonymous with economic prosperity, but the 21st century will challenge us to find other ways of boosting our quality of life. And while young people in the West have largely come of age in an era of apolitical technocracy, we will have to return to politics again to find a new utopia.

In that sense, I'm heartened by our dissatisfaction, because dissatisfaction is a world away from indifference. The widespread nostalgia, the yearning for a past that never really was, suggests that we still have ideals, even if we have buried them alive.

True progress begins with something no knowledge economy can produce: wisdom about what it means to live well. We have to do what great thinkers like John Stuart Mill, Bertrand Russell, and John Maynard Keynes were already advocating 100 years ago: to "value ends above means and prefer the good to the useful." We have to direct our minds to the future. To stop consuming our own discontent through polls and the relentlessly bad-news media. To consider alternatives and form new collectives. To transcend this confining zeitgeist and recognize our shared idealism.

Maybe then we'll also be able to again look beyond ourselves and out at the world. There we'll see that good old progress is still marching along on its merry way. We'll see that we live in a marvelous age, a time of diminishing hunger and war and surging prosperity, and life expectancies. But we'll also see just how much there still is for us - the richest 10%, 5%, or 1% - to do.

The Blueprint

It's time to return to utopian thinking.

We need a new lodestar, a new map of the world that once again includes a distant, uncharted continent - "Utopia." By this I don't mean the rigid blueprints that utopian fanatics try to show down our throats with their theocracies or their five-year plans - they only subordinate real people to fervent dreams. Consider this: the world utopian means both "good place" and "no place." What we need are alternative horizons that spark the imagination. And I do mean horizons in the plural: conflicting utopias are the lifeblood of democracy, after all.

But before we go any farther, let's first distinguish between two forms of utopian thought. The first is the most familiar, the utopia of the blueprint. Great thinkers like Karl Popper and Hannah Arendt and even an entire current of philosophy, postmodernism, have sought to upend this type of utopia. They largely succeeded; theirs is still the last work on the blueprinted paradise.

Instead of abstract ideals, blueprints consist of immutable rules that tolerate no dissension. The Italian poet Tommaso Campanella's The City of the Sun (1602) offers a good example. In his utopia, or rather, dystopia, individual ownership is strictly prohibited, everybody is obligated to love everybody else, and fighting is punishable by death. Private life is controlled by the state, procreation included. For instance, smart people can only go to bed with stupid people, and fat ones with skinny ones. Every effort is focused on forging a favorable median. What's more, every person is monitored by a vast network of informants. If someone commits a transgression, the sinner is verbally browbeaten until they are convinced of their own wickedness and freely submit to being stoned by the rest.

With the benefit of hindsight, anyone reading Campanella's book today will see chilling hints of fascism, Stalinism, and genocide.

The Return of Utopia

There is, however, another avenue of utopian thought, one that is all but forgotten. If the blueprint is a high-resolution photo, then this utopia is just a vague outline. It offers not solutions, but guideposts. Instead of forcing us into a straightjacket, it inspires us to change. And it understands that, as Voltaire put it, the perfect is the enemy of the good. As one American philosopher has remarked, "any serious utopian thinker will be made uncomfortable by the very idea of the blueprint."

It was in this spirit that the British philosopher Thomas More literally wrote the book on utopia (and coined the term). Rather than a blueprint to be ruthlessly applied, his utopia was, more than anything, an indictment of a grasping aristocracy that demanded ever more luxury as common people lived in extreme poverty.

More understood that utopia is dangerous when taken too seriously. “One needs to be able to believe passionately and also be able to see the absurdity of one’s own beliefs and laugh at them,” observes philosopher and leading utopia expert Lyman Tower Sargent. Like humor and satire, utopias throw open the windows of the mind. And that’s vital. As people and societies get progressively older they become accustomed to the status quo, in which liberty can become a prison, and the truth, lies. The modern creed - or worse, they believe that there's nothing left to believe in - makes us blind to the shortsightedness and injustice that still surrounds us every day.

Utopias offer no ready-made answers, let alone solutions. But they do ask the right questions.

This is a book for everyone living in the Land of Plenty. For everyone with a roof over their head, a reasonable salary, and the opportunity to make the most of life. Because it’s us, the happy campers in Cockaigne, who need some fresh perspectives. The time has come to imagine new utopias, to build them up from solid foundations and to begin cautiously experimenting. After all, history is not determined by machines, apps, and algorithms, nor is it predicted by trendwatchers. It is steered by humanity and its ideas.

“Man needs, for his happiness, not only the enjoyment of this or that, but hope and enterprise and change,” the British philosopher Bertrand Russell once wrote. Elsewhere he continued, “It is not a finished Utopia that we ought to desire, but a world where imagination and hope are alive and active.”

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The City of Burning Man

By Rod Garrett
Burning Man Journal

We might view Black Rock City as a great machine, efficiently providing the many hundreds of functions needed to help sustain us in a wilderness almost devoid of life. However, it seems more appropriate to consider it an organism, much more than simply a sum of its parts.

Our city is dynamic, adaptive and reactive. The streets stream with people like arteries seen under a microscope. It's organic structure milling with the movement of information and materials, with organizing and building, nourishing and removing wastes, finally breaking down and disappearing. Additionally, it references the mythological Phoenix in symbolically burning and being reborn from itself each year.

The metaphor is enhanced by the general plan, where we speak of Center Camp as the heart of the city. Although that is central to the population, the soul or spirit of the city resides outside the physical body, but central to the whole. The Man presides on the axis from which the entire plan is drawn, and serves as a physical and social guidepost from every direction.

Set off by nearly a half a mile, the streets radiate outward, allowing self-orientation to the figure of the Man at every intersection. The cross streets arch to create a grid equaling two thirds of a circle, this third inviting the desert vastness and starred universe to intrude on our seeming self-importance. The roads are the life-blood of our city, allowing unfettered access and egress for people, as well as to the logistics of supplies and maintenance.

Life thrives on cooperation, all parts mutually sustaining one another. We see sculptors and theme camp builders working through the year to share a grand visual or participatory experience with us. For most of us, it means simply sharing our food and drink, a conversation or a smile. Whether large or small in its manifestation, we are made aware of our communal body, every part being equal.

People do require a certain minimum density and scale of neighborhood turf to feel comfortable. A few years ago, in addition to growing too large in one single mass, we had also inadvertently allowed an entitlement of insiders to evolve, physically displacing the others toward the outside of the city. Though there is no direct proof of connection, the issues quite evaporated as soon as the city was specifically re-zoned to ease those conditions. With the city still growing, it remains an ongoing challenge to anticipate problems stemming from perception of isolation within a crowd too large.

Often referenced as a “beautifully zoned tentopolis, designed with a precision of which the Renaissance city-state idealists or Haussmann would approve” (London Observer), Urban Planners come to our city each year to study it as a Petri dish of human culture. The observed interactions between our citizens and our ever-evolving design are applied in planning new communities around the world.

Although Black Rock City exists for only a moment in time each year, we know from “changed my life” statements that Burning Man is much more than a fleeting experience. Our city is more than its parts; it is an analog to a microcosm of life.

* * *

The Potential for a Rural Renaissance

From Village 3.0

Since the industrial revolution, cities have pulled people in from the countryside with the lure of jobs, education, culture, shopping and the promise of a better life. As a result of this mass urbanization, we have seen an exodus from the countryside, leaving a plethora of abandoned rural villages. Overall, Europe has eleven million empty homes, with Spain taking the lead, largely as a result of the 2000's real estate bubble. Paradoxically, across Europe we are seeing a dramatic rise in housing prices within major cities. Urban life is hard for young families, the elderly, freelancers and entrepreneurs. These empty homes, many of which are inspiring nature filled settings, await a new dream and a new entrepreneurial energy to rebuild and repopulate them.

Why don't we use this housing crisis as an opportunity for a creative renaissance? Why not transform these abandoned properties into cultural and entrepreneurial hubs? What if some of the best and brightest decided to invest in building new communities?

With Village 3.0 we learn from history, positive psychology, anthropology and decades of intentional communities experimentation. Village 3.0 leverages communication and collaboration possibilities created by the Internet to create a new model of a village for the 21st century. We base our thinking on a holistic understanding of health and wealth, the next-stage organizations movement, free-learning, as well as permaculture, natural and ecological building, and more. We believe that there is a growing demand for Village 3.0's where we can design our ideal balanced lives. Places where we can live in harmony with nature, where we can create a safe and happy home for our families. A place we can create, build and participate in virtual companies, occasionally travelling to cities for important meetings or conferences.

Rural Hubs

Village 3.0 is not exclusively about the returning to the rural life, as we believe Village 3.0 is scalable to essentially any environment, but we do see rural return as one of the most compelling use cases. As work and life becomes increasingly digital and mobile, an opportunity emerges for a radical transition. Rather than buying property in crowded high-price cities, we believe many families and professionals will choose to move out of cities and build their own villages and communities from the ground up. This is an inspiring vision and intention. However, there are also many practical realities and challenges to consider. How can we ensure the financial resilience and independence of the community? How can we attract the best talent? How can we create local work opportunities? How can we incubate local businesses and establish a healthy local economy that is able to sell products and services across the world? How can we effectively integrate with the existing local community and culture in mutually beneficial ways?

Ultimately, just like the urbanization movement, a new wave out of the city will be driven by a combination of push and pull factors:

19th & 20th century rural migration to cities

Push Factors

Jobs: due to population growth there were not enough jobs in rural areas. Rural work was seasonal so people became unemployed out of season.

Low wages: farming jobs were poorly paid. Despite working hard and long hours farmers still only received just enough money to survive.

Control: some landowners and squires treated their tenants badly.

Housing: housing was of poor quality with thin walls, windows with no glass and leaking roofs.

Pull Factors

Jobs: there were thought to be lots of jobs in towns, which would pay all year. Men, women and children could all work in factories, while women could also get jobs as domestic servants.

Education: children could get an education at Sunday school, which was less likely in the countryside.

Housing: houses were thought to be of better quality in the cities. People usually knew that they would not be able to rent a whole house but believed that a few rooms would be better than what they currently had.

Culture & Shopping: cities provided a rich access to a growing wealth of entertainment, culture and information

21st century entrepreneurial/creative-class migration to the countryside

<u>**Push Factors**</u>

Work/livelihood: business is global, one is more likely to be working on a daily basis with someone on the other side of the world then a next-door neighbour

Housing: city housing costs are growing rapidly & disproportionally from incomes.

Control: A 20–30 year mortgage demands a life of steady monthly income not compatible with the an entrepreneurial life

Time: With long commutes and travel to see friends, cities waste our time

Health: The biggest threat to our wellbeing today is an unhealthy lifestyle: stress, lack of exercise, poor diet—all promoted by modern city life

Children: Raising children in the city puts great pressure on parents there is little opportunity for children to roam outside leaving them constantly dependent on parents or TV/games for stimulation.

<u>**Pull Factors**</u>

Work/livelihood: The Internet enables participation in global business irrespective of location.

Entrepreneurship hubs: newly emergent entrepreneurial hubs provide ready-to-join community of like-minded peers

Cost of living: Cheap housing, low food costs make cost of living much lower in the countryside.

Nature: Life in cities greatly limits the time we can spend nature, but latest research clearly shows how beneficial time spent nature is for health & happiness

Education: Internet enables access to great amount of knowledge and world-wide peer connection. Free-to-learn movement enables families or communities to support children and youth in self-learning without the need for institutional schools.

Housing: greatly depressed prices in rural areas mean it is possible to buy a modest house for what a down payment on small apartment would be in the city. Interest is rising in natural building which enables anyone to build their own house investing months of work instead of decades of bank payments.

Culture & Shopping: an Internet connection gives access to world's culture and unlimited shopping opportunities

Low cost travel: Rise of low-cost travel makes it reasonable for knowledge workers to travel to spend a few days of every month in a big city for work or entertainment

* * *

Surviving a Life of Radical Self-Expression

Burning Man's culture has inspired hundreds of thousands of people to try to live more authentic lives focused on creative expression, civic responsibility, and community engagement. But do they have the tools they need to leverage authenticity into prosperity? The cost of living this way can be devastatingly high. Must independent creative individuals and communities always exist on the economic margins? Can they make the "new economy" work for them? What tools, resources and approaches can they leverage? What practices can we offer them, as individuals and collectives, to help sustain the creative work that is the lifeblood of our culture?

What We’ve Learned About Art, Money, and the Renaissance

By Caveat Magister

Burning Man Journal

It’s not true that every culture gets the art they deserve. But they get the art they’re willing to sacrifice for.

If Burning Man is an artistic powerhouse today, it is because over its 30-year history, its community has been willing to make heroic sacrifices for art.

Many of you are probably making one right now.

For most of our history every theme camp, every art car, every sculpture and installation, was not only a gift but a sacrifice: people who were not rich sacrificed their own money, people who were struggling against the clock sacrificed their time. People threw themselves at not just their own efforts, but into each other’s projects, offering everything they had to make them succeed. Not just willingly, but passionately.

Their passionate sacrifices, freely offered as gifts, made “Burning Man art” exceptional.

Over time, we have found ways to mitigate the need for sacrifice – art grants, in-kind support, a community of active crowd-funders – and we have attracted the kind of people for whom hiring a team to build something big is not a sacrifice, which allows some people to be compensated for (or at least assisted with) their time and energy.

These are good developments: artists shouldn’t have to be heroes to make art.

But make no mistake – that spirit of sacrifice is inspiring new heroes every year. The fact that sometimes they don’t have to sacrifice as much only makes them more ambitious. Burning Man is the greatest participatory art experience on Earth because our community will not let it be anything less. And when we make it easier, they take on harder tasks.

Burning Man has great art because we are a community that not only values art, but sacrifices for it. Over and over again.

The Paradox of Convenient Art

The issue we have encountered in this series is not that the world we live in does not value art. On the contrary: we are happy to look at it, download it, and access it anywhere. Never has a culture had more convenient access to all manner of art, from the classics of antiquity to the latest from across the globe, delivered in real time. And we love it. This is a good thing.

But that convenience creates its own challenge, as we now expect art to come to us like water from a tap. We have come to think of art as a utility: we grab artists' work without attribution (let alone payment) for our blogs, post other people's music up on sharing sites, pirate movies, search through digital libraries that don't compensate authors. Modern culture demands art as a right, insists that it be convenient, but scoffs at the notion that anyone should be inconvenienced, let alone sacrifice, for it.

That makes a huge difference.

Old Problems are New Again

In a 1996 paper on art funding in what he calls "The Ford Foundation Era" (1957 – 1996), John Kreidler made a staggering point: that with the exception of a few massively endowed academies, no structured arts organization has ever thrived without significant "discounted labor" – that is, without artists working on a volunteer or underpaid basis.

There is no other way this has ever happened. What the fuck?

This may put Burning Man's own use of so much volunteer created art into context, but it is also a humbling and disturbing fact. Something seems profoundly wrong about it.

It only gets worse.

"Artist" has never been a stable upper-middle-class profession that is compensated adequately for the time, energy, and education levels artists put in. Kriedler noted that "Although median household income for performing artists is not out of line with the median for the nation as a whole (and in fact was slightly higher), considering the educational attainment of the performing artists, it was very much out of line with income received by other groups with similar education and training." He quotes studies showing that historically artists spent more of their income than their peers in other professions on education and training; were unemployed more often than the general population, with their periods of unemployment lasting longer; and that they earn less over the course of their lifetimes that equivalently qualified colleagues in other occupations.

If the sacrifices people make for art at Burning Man are heroic, sacrifice may at some level be what artists do in order to advance their passions at all. In which case it may not be possible for us to ever come up with an arts funding system that guarantees artists a comfortable life.

If this is true, it's true both for cultural/economic reasons and because artists are constantly pushing the boundaries with what they have. Give them a barren patch of desert, and they'll turn it into a global happening. Artists are exactly the people who are willing to say "I don't care if it's good for my bottom line, this is worth doing!" They create an astonishing amount of value in their communities with whatever tools they have, and whether that's the contents of a junkyard or the costume shop at the Met, they're going to want to push new boundaries of the possible.

Artists are, in many ways, analogous to what start-up founders would be if there were no venture capital system.

Why ya gotta make things so *complicated*?

So yes, they're going to sacrifice anyway, but it's much easier for people to sacrifice for their art in times of relative income equality: they're not giving up access to mainstream economic life, even if they're giving up "winning" at it. But in times of mass income inequality – like the current era – going into the arts can be an economic death sentence. That's a dangerous state.

Kreidler's paper shows that this it can be mitigated: for all that the tools of the "Ford Foundation" era no longer work as advertised, while they worked they demonstrated that is possible to leverage resources and new approaches to support artists in ways that require them to sacrifice less just to live – which both makes them more integrated into society and encourages them to make their art be more ambitious.

Similarly, Renaissance Florence had an ethos of art and money that kept enormous sums of wealth flowing through its public arts. It made very few artists rich, but it provided a more stable base for them to live and work, and instead of taking it easy they famously used the wealth that passed through their fingers to create even more ambitious projects.

It can be done. And when it is done, communities, cultures, and even civilizations flourish.

It's not about the Benjamins

But the issue is not simply "more money." One of the first things we discovered in this series was that just adding money to an arts budget doesn't create a vibrant art scene – and that there are even ways that pumping money into an art scene can kill it. What matters is the way the resources available are utilized: do they create personal relationships between artists and communities? Do they connect artists to other artists? Do they encourage the taking of risks and the exposure to new ideas? Do they create meaningful social bonds between artists and potential patrons?

To the extant that money does these things, it helps; to the extent that it blocks these things, creating walls and divisions between artists, communities, and funders, then a scene is better off without it. So the fundamental question is not: how much are we funding, but what kind of connections and relationships are we making? Focusing on that first, and then letting the funding follow, is the fundamental switch from "patronage" to "matronage" that we have come to see as at the soul of a compelling art scene in the 21st century.

New Models

We have proposed a number of promising experiments in matronage that we believe can support artists by developing relationships. Broadly speaking, there are three different kinds of approaches, each with two specific strategies that our community could engage in right now (and in some cases already are), without asking anyone's permission:

1) The development of new kinds of art and patronage communities:

- Artist workshops focused on teaching and production outside of the "star system" (perhaps exemplified by The Flaming Lotus Girls)
- Theme camps as a new force of citizen patronage

http://journal.burningman.org/2016/07/philosophical-center/tenprinciples/are-theme-camps-the-new-renaissance-guilds/

2) Enhancing "Burning Man Art's" value in the existing commercial market through the use of community to generate provenance:

- Fundiversify – an arts funding model in which investors fund art specifically for purposes of being in our community, with the time spent in the community enhancing its value, eventually leading to a greater profit (and enhanced creative independence) for artists.
- Outreach Database – wherein we use our community to create a comprehensive database of places, communities, and contacts potentially interested in hosting Burning Man art throughout the year.

3) Finding new ways to connect local artists to local communities of all kinds – form neighborhoods to retirement homes to businesses:

- Creating Community Currencies to support local artists
- Embedding artists in new kinds of communities

What has hopefully become apparent is that while all of these approaches have increasing arts funding as a goal, they are not fundamentally about money – they are about community. **The goal is not to get money in order to create the kinds of communities that support art, but to create those communities and eventually leverage them to enhance arts funding and support what they were going to do anyway.**

These models are less important, then, for their specifics – although we think these are good and worthy experiments that have the potential to do a great deal of good – but vitally important to establish what kind of approach helps us resolve the paradox of "art" and "money" in a way that is consistent with our values. At the end of this year of investigation, we are ready to conclude that "community" is the bridge and between "art" and money" we are looking for. "Patronage" funds art. "Matronage" uses arts funding as an opportunity to build connection and community.

In the introduction to this series, we suggested that artists might need a Declaration of Independence. In fact they are better served by a Declaration of Interdependence.

There are no shortcuts

While it is vital to Burning Man's future, and the future of any healthy civilization, to find new ways to support arts and artists, we believe that to be truly successful those new approaches must have community at their core. When art is about community, and community about art, the two can reinforce each other and create a healthy whole that is greater than the sum of its parts. But when art is about money, or money about art, the two corrode each other, bringing out the worst in each.

This is not – absolutely not – to say that money must be kept away from art. Only that this is a case where money functions best when it is in service to other values. Our approaches to art funding must never be **about** the money. But increasing the connections between art and community creates additional value and prosperity. It's a virtuous cycle – if we don't take shortcuts. When we take shortcuts to make money, community suffers, and a decline in art follows. But when we are focused on creating art first, rather than creating art for the sake of money, then we will always have something around which to form community.

We may never be able to make "artist" a stable, reliable, safe job. The artists themselves may not allow it – and it's that spirit that makes them so crucial to communities everywhere. But we can create communities in which their value is recognized, and support the sacrifices they make. We can stop taking advantage of their eagerness to make sacrifices on behalf of our communities, and instead celebrate it in meaningful ways. We are confident that they will take any stability we can give them, and turn it into risks worth taking.

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Culture Crash

By Scott Timberg

[excerpt]

When Culture Works

"I'm referring to that special moment when a creative flowering seems to issue forth from a social nexus – a clump of galleries, a neighborhood, or a bar that doubles as a music club. I've often asked myself why such efflorescence happens when and where it does, rather than in some other time, in some other place." – David Byrne, *How Music Works*

Before grappling with what has gone awry in our culture, it will be helpful to look at what has worked in the past.

What does it take to make great art or music or literature happen? Here's one overlooked element: a car so old and broken down it has to be parked facing downhill so you can get it going again. It's something we hear about in both the Los Angeles art scene of the 1960s and the outlaw country subculture of Austin in the '70s. "I was driving a 1937 Pontiac Phaeton with a blown clutch and no starter," the L.A. artist Billy Al Bengston recalled. "I couldn't afford a battery so I parked on a hill. It didn't have a top. The upholstery was tuck and torn. But it was wheels." Early in his career, selling vacuum cleaners and Bibles, Willie Nelson did the same thing. In both California and Texas, the topography allowed the car's respective drivers to get their vehicles started without spending the money to fix them. It may be only because of the prevalence of public transportation in Boston that we don't hear about this kind of thing happening there.

In previous eras, artistic production was often a top-down affair: the Catholic church assembled a chorale group, a Florentine merchant prince commissioned a painting. Later, Romanticism and nineteenth-century bohemia insisted on the artist's distance from society – whether dwelling in an exalted hyper-aware state or an absinthe-soaked demimonde – and modernism took this character even further into the realm of alienation. The twentieth-century creative personality had its own defiant, individualistic ethos, but artists did much of their best work laboring together, in cities and the subcultures they made possible. There were brilliant fiddlers in the mountain hollows, skilled painters laboring in the deserts, but the creative class and its institutions had become heavily urbanized. We got what economists call *agglomerations*.

It's tempting to say that something inevitably, organically happens when great artists are assembled. But sometimes, even when talent exists, something remains stillborn. In the 1950s, for instance, Indianapolis had not only substantial jazz artists – Wes Montgomery, Freddie Hubbard, Leroy Vinnegar, pianist Carl Perkins – but its players offered a distinct relaxed, gently swinging sound that Gunther Schuller praised as "a caliber of jazz quite superior to the often blasé big-name jazz of the metropolitan centers." And the city had nearly half a million residents during the '50s – more than twice as large as London during Shakespeare's heyday and significantly larger than Austin during its '70s flowering. But after Wes Montgomery was discovered at the after-hours club at the Missile Room, he left town. The others did too. Partly, it was because a supporting and thriving creative class – record labels, music journalists, club owners – didn't exist in sufficient numbers.
Encounters between artists – including figures in different genres – can also have lasting transformative effects. *A Chance Meeting*, Rachel Cohen's book (subtitled "Intertwined Lives of American Writers and Artists"), gets at how this can occur: "A careful arrangement after long admiration, a friend's casual introduction, or because they just happened to be standing near the drinks." In some cases, nothing takes place except a fleeting conversation or a brief friendship. In other cases, "strong and altering loyalties emerged, permanent conditions of influence were established, and acts of rebellion were set in motion." A whole new body of work can be brought into being.

Some of what makes an urban arts scene cohere has little to do with the artists involved, but instead relies on existing structures. Jane Jacobs, the great writer on the history of urbanism, argued that for cities to thrive and innovate, they need short blocks (leading to frequent streets and pedestrian traffic) and aged edifices. As she wrote in *The Death and Life of American Cities*: "For really new ideas of any kind – no matter how ultimately profitable or otherwise successful some of them might prove to be – there is no leeway for such chancy trial, error and experimentation in the high overhead economy of new construction. Old ideas can sometimes use new buildings. New ideas must use old buildings"

Recently, David Byrne has boiled down what kind of chemical reaction made the New York punk scene around DBGB possible. "Our days (and even nights) were often routine, boring," he wrote in *How Music Works.* "It wasn't like a movie, where everyone's constantly hopping from one inspirational moment or exciting place to the next and consciously making a revolution." But the quality of the great bands that developed around that little world – Patti Smith, Television, Blondie, the Ramones, Byrne's Talking Heads – makes it clear that something seismic was taking place. He argues that this sort of thing comes very much from institutions, in the case of rock music, a venue f the right size in the right place to offer new music, since "not every space works for every kind of music." The musicians who perform there should be allowed in free on off nights (and, ideally, given beer), they should be allowed to play their own songs, and they should also be a bit estranged from the musical mainstream. ("A successful scene," he writes, "presents an alternative.") Last, and not least: "Cheap rent allows artists, musicians, and writers to live without much income during their formative years. It gives them time to develop, and it gives creative communities that nurture and support their members time to form." Variations on Byrne's model apply to virtually every artistic genre.

By taking a close look at several distinct cultural scenes from the past, we can tease out several key factors that are critical for a flourishing larger culture. Throughout this chapter, my abiding questions are: What do these heydays of the creative class tell us about the most fruitful relations between commerce, the state, the academy, and the artists themselves? And what is the role of a bohemian fringe that tries to keep its distance from all centers of power and influence?

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For all the differences between Boston, Los Angeles, Austin, decades and genres, a few common denominators stand out. We can view them in a kind of X-ray that ignores the coincidences of talent and personality and exposes their respective common skeletons.

First is what we may call the day-job principle. "It helps to have a business – L.A. has the movie business, and Las Vegas has the casino business – that is vaguely related to art making," said Hickey, who has lived in Las Vegas for decades. During L.A.'s art explosion, movies and print shops and architecture provided temporary or full-time employment; it was true in the city's 1950s "cool jazz" scene, when many of the musicians toiled by day for studio orchestras, but followed their own muse at night. These associated businesses also generate an audience and potential patrons.

Austin's music scene operated similarly. The University of Texas and the statehouse drew people to the city, and provided employment – some of the city's songwriters and first-wave punk-rockers made their living proofreading bills in the legislature. Many musicians and audience members were students or former students. For all its protests of its maverick status, outlaw country was made possible by public funding.

Boston, of course, is an archipelago of academia. Universities play a strong role in all three of these scenes. "The perfect combination," said UCLA musicologist Robert Fink, who studies cultural life through the ages, "is a slightly decaying urban core, and a university that gives you an interested public. And a reasonably convenient way to move between them, at least at night. The key thing a university brings is a constantly changing cast of eighteen-to-twenty-two-year-olds: A few drop out or stick around to become artists themselves, but the rest can provide the audience for whatever weird, cheap stuff is happening 'downtown.'"

And it's not just true for music. Sixties L.A. was the least academic art scene imaginable – at times it was resolutely anti-intellectual – but art schools brought students and teachers to the city. The Chouinard Art Institute attracted figures as different as Ed Ruscha, from Oklahoma, and the dealer Riko Mizuno, form Tokyo. UCLA drew Vija Celmins to town from New Haven. This process became even more pronounced in the decades that followed.

"Usually the people in college-town scenes are not formally associated with the colleges," said David Blake, a young scholar who has done significant work on universities and their non-academic impact. But a university shapes the culture produced nearby. It fosters institutions – record stores, art galleries, bars with bandstands, coffee shops with readings or music series, and so on – that would not exist in the same density otherwise. And a concentration of colleges does something to the local sensibility: its ethos sees culture as an exploration rather than a purely moneymaking activity, encourages journalistic criticism, and works out a crucial paradox. "The liberal arts idea is about being disinterested – you pursue the best thinking, the best art, whatever, without any considerations of utilitarian or careerist advantage," Blake noted. "But you go to college so you can get a job. So there are pressures underneath the disinterestedness. One of the things a college town scene does is focus them." The artists who best negotiate that contradiction – a band that sticks to its principles but also makes a living, for instance – typically become heroes to the scene, becoming part of the city's canon, its sense of itself. Canons, of course, reinforce the culture that grows up around them.

Second, such creative scenes contain discernible stylistic movements. "One thing you need to have is young people of the same generation," said Adam Kirsch. "It helps if they are rejecting old ideas. They start feeding off each other, and pretty soon you have a 'school.' Sometimes that's just a way of saying, 'Pay attention to me.'" The artists sometimes drift away from restrictions of an aesthetic school as they get older, but it's often essential in establishing them. "Look at London in the 1920s, where you had Pound and Eliot; Frost was there for a while." No one at the time would have taken them for the most prominent writers in town. "They were thought of as pretty obscure – but they became the modernists." A corollary is the interplay of progressive and conservative, or artistic centers and "backwaters," and of rival establishments – Nashville, New York City – which encourage the churn of culture. If everything is flat and even, the winds don't blow.

Third, and most important: the first phase of artistic flowering can often come from disparate, anarchic sources, but it fades out – no matter how brightly it burns – without institutions. We saw this with L.A. in the '60s – the flame sputtered, but didn't entirely go out. (Portland, Oregon, followed a similar path – a large density of artists in a wide range of fields, but, until recent decades, few organizations to bring them together.) Sometimes the process happens the other way around: the institutions come first, but then independent artists need to show up. This is how it worked in Minneapolis, where civic leaders bet on the arts.

"Minneapolis decided that art and culture was going to be part of its strategy, said Kristy Edmunds, who has run performing arts festivals o programs in Portland, New York, Melbourne, Australia, and Los Angeles, and collaborated with institutions in numerous cities. "So it attracted a number of Fortune 500 corporations because of the quality of life in the '70s, and included in that definition were the arts." But initially, even as foundations and *kunsthalles* like the Guthrie Theater and the Walker Art Center rose from the ground, the artists did not initially materialize. "You got an institutional infrastructure. But after that, you have to find a way to attract, engage, and support independent artists. Otherwise, you'll start important Broadway; your city is a roadhouse." England found itself in a similar predicament for much of the nineteenth century, when it had perhaps the most highly developed classical music audience in the world, beautiful concert halls, and almost no composers and players. The Germans began to refer to it as "the land without music."

In Boston, Los Angeles, and Austin, we see these principles at work in stark relief. All three cities drew and – for at least a while – maintained a group of formidable artists. Lost Angeles saw its gallery scene flag for a few difficult years, but other institutions – art schools, museums, and an art press – filled in the art world eventually. Similarly, Austin caught fire around the 1970s, because of clubs, and even while the city and the surrounding music industry changed – and clubs opened and closed – the institutions held steady and the ecology of venues and festivals grew denser and more complex. It was only in Boston that the institutions faded out. When the Poets' Theatre burned down, no replacement grew up around it. The magazines that poets published in gave less and less space to verse; some of them folded. When churches and television stations stopped inviting poets in, there was only one outlet for them: universities became the only game in town. The academy was a necessary but insufficient condition.

Neither talent nor structures are quite enough – they need to come together in the right way. One useful way of looking at cultural scenes is actor-network theory, developed by the French sociologist Bruno Latour and typically applied to the history of science and technology. "There are a number of crashed-out cities where art can happen," said Find, an admirer of Latour's work. "But not every one of them is going to have the right network of actors. An actor without a network can't do much – but a network is not a system you can just plug anybody into. If the right actors aren't there, nothing happens."

* * *

Organizational and Governance Strategies for Sustainable Leadership

The larger and more successful an organization is, the more vital questions of organizational and governance structures become. Not just "how" decisions get made, but "why," and "who" gets input "when." To succeed, a governance structure must be wise enough to make good decisions, nimble enough to act on them, and inclusive enough that the people charged with doing the work - whether employees or volunteers - identify with the process and the goals. This is as hard as it sounds. Worse, there may not be a "one size fits all" approach to governance that works for every organization. How can organizations make good decisions about their structures and governance that will advance their missions and avoid unnecessary crises? As we restructure ourselves as a nonprofit entity, what lessons can we learn from other independent organizations with a participatory, empowering mission and a global constituency? Which governance models should we borrow from, and which should we avoid?

Rediagnosing “Founder’s Syndrome”: Moving Beyond Stereotypes to Improve Nonprofit Performance

By Elizabeth Schmidt
Nonprofit Quarterly

Francine Founder is a visionary with a concrete and unique approach to solving a problem in her community. She hopes to start a new 501(c)(3) organization to implement her ideas. What can we tell her about the journey upon which she is about to embark? Like all entrepreneurs, she faces an uphill battle. She will risk time, money, relationships, and reputation to get this idea off the ground. Unlike most entrepreneurs, though, she has no financial upside to balance the risks she will take, a lesson she will learn quite quickly from anyone working in the nonprofit sector. What Francine is less likely to learn, however, is that once she gets the organization off the ground, she will likely be considered the root of all present, past, and future problems in the organization.

This is because it has become fashionable in governance literature to assume that a disease called “founder’s syndrome” can explain every challenge that nonprofits face once their founders have done the heavy lifting. This literature diagnoses founder’s syndrome in four different situations, which I have dubbed the “four symptoms” of founder’s syndrome. This article will begin by examining these so-called symptoms and explaining why they lead to a harmful misdiagnosis. It will then suggest that, instead of pointing fingers, a board should address each of these symptoms, if they exist, from a mission-centric point of view. This approach will lead to a better result for all involved.

The Symptoms

The literature uses the term “founder’s syndrome” inconsistently, but a common thread is that this is a psychological illness, and the blame for this illness falls squarely on the shoulders of the founder. The label seems to be applied if one or more of the following symptoms are present. The first is a sense of *grandiosity*—that the organization is the founder’s, and it exists to serve his or her ego (or pocketbook). The second is an *inability to delegate*—poor management on the part of the founder. The third is an *inability to make a smooth transition* from the founder to new leadership. And the fourth is an *unwavering dedication to the original vision* for the organization.

Each of these symptoms—grandiosity, poor management, poor succession planning, and rigidity—can, of course, be harmful to an organization, but they are hardly confined to founder-led organizations, nor are they universal. Most accounts of the

Smithsonian crisis in the mid-2000s paint Lawrence Small, the Secretary at that time, as exhibiting the first two symptoms of founder's syndrome: grandiosity and an inability to delegate. He was neither the founder nor such a long-term manager that he could be considered "founder-like," however. In fact, the accounts of this crisis indicate that the imperious style showed up as soon as he took the helm. A nonprofit with a founder at the helm who exhibits these two symptoms is in the same situation as the Smithsonian was, and this pejorative label does not help it address its personnel or governance issues.

The third symptom, a failure to make a graceful exit when others think the founder should leave, also obscures the real problem, which is an organizational failure to create and implement a transition plan. Transition difficulties are hardly restricted to organizations with founders as managers or board chairs, however. Bank of America was caught flat-footed in 2009 when its president announced his retirement, and a 2010 survey by Stanford University found slightly more than half of all companies would be unable to name a successor if they needed to do so immediately. Transitions from a founder to a successor may present unique challenges, but it is inappropriate to label these problems as "founder's syndrome" when they are prevalent throughout the business world.

The final symptom, a founder who clings to the original vision of the organization when others are ready to move on, also hides the real issue and fails to recognize that non-founder led organizations also face internal discord about the future direction of the organization. This symptom is particularly disturbing, however, because it has the potential to squelch necessary dialogue among the stakeholders of the organization. To say, as soon as a disagreement arises, that the party who conceived of the initial mission suffers from founder's syndrome, severely handicaps that party's standing in the discussion.

The literature about these four symptoms also implies that all founders have psychological problems. Admittedly, it usually gives lip service to the idea that some founders escape this problem, but the rest of the work tends to undermine this message. My favorite quote is from a booklet on the subject, with a title that includes the term "founder's syndrome." The authors promised to avoid the term because it suggested a clinical disorder a mere two sentences after the following statement:

> The world of executives is filled with founding chief executives whose domination, petulance, stubbornness, shortsightedness, and other flaws are routinely overlooked because, well, most of the time they're right. That doesn't make their exasperating style or puzzling choices defensible.
>
> —Thomas A McLaughlin, Adele Nelson Backlund, *Moving Beyond Founder's Syndrome to Nonprofit Success*

Among the many ironies with this type of thinking is the widespread belief that denial is a major part of Founder's Syndrome, much as it is with alcoholism. This belief makes it almost impossible to defend oneself without simultaneously exhibiting a symptom of the disease. As Henry Lewis wrote in his article for *Charity Channel* in 2002, "I would be remiss not to say…that there can be exceptions—but the exceptions are so rare that anyone assuming that their situation is different is most likely wrong."

Such hyperbole would be less offensive if empirical evidence backed it up, but I have found only one study that has sought empirical evidence of founder's syndrome in the nonprofit sector. (Stephen R. Block & Steven Rosenberg's *Toward an Understanding of Founder's Syndrome: an Assessment of Power and Privilege Among Founders of Nonprofit Organizations*, Nonprofit Management and Leadership, Vol. 12, pp. 352-368 [2002]). The authors of that study asked Colorado nonprofits about their organizations' governance practices and attitudes, and then compared the results between the founder-led and non-founder led organizations. I believe their results were inconclusive.

The survey discovered the following:

- Founder-led organizations tended to have smaller budgets.
- Term limits for board members existed in 31 percent of founder-led organizations and 49 percent of non-founder organizations.
- Eighty percent of founder-led organizations held at least quarterly meetings, compared to 87% of non-founder organizations.
- Three-fourths of the respondents in both groups thought either the executive director or the board chair was the most influential person during a board meeting, but founder-led organizations were more likely to say the executive director was the most influential.
- On the other hand, founder-led organizations were more likely to have reviewed the mission in the past year than organizations led by non-founders; they were more likely to attract full board participation at meetings, and they were more likely to set and mail the board agenda ahead of time.

Plenty of conclusions could be drawn from these survey results, but one conclusion I find unsupported by these data is the authors' contention that they found "considerable truth to some of the rumors and stories about founder's syndrome."

One does not always need empirical evidence to draw conclusions, of course, and the founder's syndrome literature draws from common sense notions and anecdotes. At the beginning of an organization, the founder and the organization are, by necessity, so closely aligned that some founders may be psychologically unable to see that they are separable from the organization. Common sense also tells us that the early boards, which are chosen by the founder, could have a tendency to defer too much to the founder, and that the first leader may not be the person who is able to lead when circumstances change. As with all stereotypes, some founder situations will fit the diagnosis. Even in those situations, however, the organization will have multiple stakeholders who have played and will play a part in the organization's successes and failures. Once again, the founder's syndrome diagnosis is so overly broad as to reach the level of stereotype.

The simplification, exaggeration, and blame that result from thinking in stereotypes can be harmful to the individuals and institutions involved. The founder's reputation is sullied, even if he or she has none of the symptoms. If any of those symptoms is present, none of the other stakeholders is asked to share in the blame. And virtually no one questions whether one or more of theses symptoms could actually be strengths. The institutions suffer as well, because stereotypes allow them to avoid addressing real problems by placing blame on the founders. And this distrust of founders discourages the founders, and sometimes prevents them, from implementing ideas that could solve society's most intractable problems.

Nonprofit Governance as the Issue

The common element in each of the symptoms described above is a breakdown in governance. The authors of the founder's syndrome literature recognize this breakdown at some level, but their focus on blame prevents a more nuanced view of governance. In my opinion, their thinking reflects two worrisome trends in modern nonprofit governance—a "one-size-fits-all" mentality and blindness to the importance of the mission in nonprofit governance. An emphasis on the mission instead of on blame could cure the symptoms we are discussing without adding the harm of a founder's syndrome diagnosis.

Nonprofit governance has received much emphasis in the last few years. Recent surveys of nonprofit practices shows that boards are increasingly implementing and making changes to a variety of governance policies, including investment, records retention, conflicts of interest, whistleblower, gift acceptance, and Form 990 review policies. (Board Source, *Nonprofit Governance Index* from 2010 and 2012. See also Grant Thornton's *National Board Governance Survey for Not-for-Profit Organizations* from 2008 and 2009.) Unfortunately, revised policies do not necessarily lead to better governance, as some boards spend so much time on administrative reforms that they forget they must also actually govern the organizations.

Compounding this trend is the emphasis on "best practices," which often translates to a "one-size-fits-all" assumption. That assumption underlies the founder's syndrome literature, and it can paralyze an organization when the facts do not fit the assumption. It can be especially damaging if these "best practices" translate to the "ordinarily prudent person standard." In other words, a board that does not look at its founder with suspicion may well be violating a standard of care.

Focus on the Mission

The governance emphasis, in my opinion, should instead be on the mission. The primacy of the mission should, at the least, be a large part of the board's fiduciary duties of care and loyalty. I would also recognize the board's fiduciary duty of obedience to the organization's mission.

With this approach in mind, let's examine again the four symptoms described in the founder's syndrome literature. First, some founders do place their personal agendas ahead of the mission. The most appalling recent example of this is Jerry Sandusky, who started the charity Second Mile in order to "protect" at-risk youth, and is now serving a 30–60 year sentence for child molestation. The sooner the board or the authorities recognize such a situation and remove the founder, or anyone else who is taking advantage of the organization, the better.

Most founders are dedicated to the mission and vision of the organization, however. After all, they conceived of the idea and found a way to implement it in an ongoing venture. A board that focuses on this mission will realize that one way to further it is to determine how best to use the founder's visionary skills.

If the founder does not, for example, have strong managerial skills, the second symptom we discussed earlier, a mission-centric board will hire people to fill gaps in the founders' skills. It will also institute financial and other controls to protect the organization, because the leader may be concentrating more on the mission than the details. This is counter to the founder's syndrome approach, which would automatically remove the founder, and it leaves open the possibility that the organization can retain the inspiration and vision that energizes the organization.

By all accounts, Greg Mortenson of *Three Cups of Tea* fame made a huge contribution to educating girls in Pakistan and Afghanistan through the organization he founded, Central Asia Institute (CAI). In 2011, however, allegations of financial irregularity at CAI surfaced. Although Mortenson was required to repay $1 million to CIA, the evidence suggested that he was a poor manager, not a criminal. If that is the case, the board did a disservice to both him and the organization by not determining how best to complement his skills before the scandal erupted. Instead, both Mortenson and CAI may have been injured beyond repair, a tragic outcome for a worthwhile cause.

Mission-centered governance will also make a difference if the transition from one leader to another is difficult, as in the third symptom described above. Transitions are never easy, but if all parties recognize that they have the mission in common, the emphasis switches from blaming individuals to reaching a common goal, and thus increases the increases the chances for reaching the goal.

A mission-centered approach will also lead to a better conclusion when controversy arises over the direction of the organization and the mission itself. This final symptom is the most dangerous, in my opinion. Although organizations do need to react to changing realities, and missions should not be static, the founder's opinions will not be heard if the founder's syndrome label is automatically attached when controversy arises.

Silencing the person with the original vision is counterproductive, even if that person's vision is no longer that of the other stakeholders. Nonprofits are not immune to mission creep. In fact, the Smithsonian's unraveling began when the board hired Larry Small to make the institution more businesslike. If Mr. Smithson were still alive, my guess is he would have pointed out this divergence from the mission. In today's world, he would probably have been accused of founder's syndrome.

This hostility to founders is not without ironies. Much of my current research concerns social enterprises, those entities with a social or environmental mission as well as a profit motive. Legal scholars are searching for ways to preserve the mission when the profit motive is also at play. Ironically, they tend to assume the founder will protect the mission and worry about what happens when new ownership takes over. Why for-profit social enterprises trust founders to protect the mission but nonprofit social enterprises distrust them is beyond my understanding. It is also ironic that donor intent has been accorded so much legal protection over the last few years, but founder intent is ignored.

The biggest danger of this type of thinking is that the founder's influence will disappear too early, before his or her vision is engrained in the organization. Although founder's syndrome literature implies that founders usually outstay their effectiveness for the organization, I suspect the opposite may well be true.

Can you imagine what the world would the world look like if Steve Jobs, who fit every stereotype of founder's syndrome and was in fact fired in 1985 for these qualities, had never returned to Apple? As *Time Magazine* noted after he died:

> Jobs was so obviously fundamental to Apple's success that many feared the company's amazing run would end the moment he was no longer calling every shot. Instead, Apple prospered during his illnesses and absences. By 2011, the vast majority of its revenues came from products that hadn't existed when Jobs took his first medical leave. He had accomplished one of his most astounding feats: teaching an entire company to think like Steve Jobs.

We need this in the nonprofit sector, too. We need to keep founders with a true and workable vision in place until they have taught the entire organization to think like they do. In my opinion, we have allowed the pendulum to swing so far in the direction of preventing founders and others from taking advantage of an organization's nonprofit status that we have lost sight of the equally strong need to encourage people to take the risks necessary to solve seemingly intractable problems. We need to stop paying lip service to innovation in the nonprofit sector and start thinking of ways to encourage it.

In the words of Steve Jobs, "Don't be trapped by dogma." Let's allow Francine Founder to risk her time, money, relationships, and reputation on her new venture. But let's also give her the possible upside of receiving credit for her success instead of the blame for everything that happens. Tossing out the concept of founder's syndrome and focusing instead on the mission should give her that opportunity.

* * *

How the Hub Found its Center

By Michel Bachmann

[excerpt]

When the Hub first started to expand around the globe, it did so in the spirit of an open *movement*. It offered a powerful narrative of change, and it sparked an enormous response in people who wanted to replicate the model elsewhere. To sustain momentum and to cope with the demand for replication, Hub leaders then adopted the idea of a social franchise. In other words, they decided to develop the Hub as a *business*.

What ensued was a clash of expectations. Movements are built around a shared vision and thrive on the voluntary engagement of their participants. One can't control a movement—much less own it. A business, by contrast, has a clear ownership structure, and a franchise system in particular depends on a rule-based transactional relationship between local franchisees and a parent company. Each mode of organizing creates different expectations and different power relationships: Who owns what? How do decisions get made? How does everyone work together? Among Hub stakeholders, not surprisingly, significant tensions emerged when one model conflicted with the other.

The effort to resolve such tensions led Hub leaders to a crucial insight: Along with being a movement, along with being a business, the organization that they had created over the years was fundamentally a *network*—a community of like-minded peers who have a common purpose and a commitment to collaborate with each other. The network model differs from the other two organizational models in important ways. Whereas a movement is open to anyone who will follow its core vision, a network has boundaries that reflect more or less explicit principles regarding how people will work together. Unlike a business, meanwhile, a network involves relationships that are collaborative rather than transactional. Simply put: A movement attracts passion-fueled activists, a franchise attracts transaction-oriented managers, and a network attracts peer-driven entrepreneurs.

Which model is most effective when it comes to scaling up an organization for global impact? The case of the Hub suggests that a hybrid model may be most workable. But which sort of hybrid? For Hub leaders, the answer was to combine the spirit of a movement and the mechanics of a business within a co-owned network that allows for entrepreneurial freedom. The result is a distributed power structure that thrives on the self-organizing capacity of its members.

Whatever model people choose, they need to make sure that relationships within their organization are transparent. Otherwise they won't be able to build trust. "My biggest learning? We needed to have much smarter expectation-setting upfront," says Robinson, who now serves in an advisory role for the Hub Association. "The downside of our rather emergent process has always been that we did not do enough to define our relationship with each other."

Yet the Hub organization had, and still has, core strengths that kept it together. "Ultimately, it's all about cultivating personal relationships around a shared intent," Hansen says. "There are hundreds of Hub makers around the world who hold the network ethos very dearly and are ready to fight for it. It's this strong personal connection—our having built something together—that unites us."

Freundlich, who now serves on the Hub Association board, echoes that view: "We're a mix of crazy people who have a shared vision and want to collaborate to enhance our impact in this world. But we have yet to figure out how to unleash our full potential. I think everybody should take responsibility here. It's not the company's problem. It's not the board's problem. It's not the members' problem. It's our shared problem. We are it. The answer is in the network."

* * *

Sustainable Finance: Giving, Receiving, Engaging, and Growing

The culture of gifting is deeply ingrained in the Burning Man ethos, but any community, organization, or network seeking to achieve sustainable long-term impact needs to be grounded in solid financials. In the Burning Man ecosystem, the emergent model is that of the hybrid organization, combining for-profit revenue streams with the more traditional nonprofit philanthropic elements of gifts, grants, and volunteer time. How do we scale this model to the increasingly global scope of our community's intentions? What can we do to ensure that this economic activity is in service to a culture of generosity that is valued, appreciated, and nourished? Are there lessons we can learn from the capital structures and financial models of other successful organizations? How can we work collaboratively with our creative allies to avoid competition for philanthropic gifts and create a climate of abundance that benefits us all?

Following the Money: The Florentine Renaissance and Black Rock City

By Larry Harvey
Burning Man Journal

Sometime in the year 1490, Lorenzo de' Medici, the de facto ruler of Florence, took notice of a young man working in a trade guild workshop. This, in itself, was not remarkable. Lorenzo was an architect, poet and banker, as well as a politician: he was what is now called a renaissance man. His interests extended to painting and sculpture — nearly all of the civilized arts — and as a connoisseur, he had a knack for spotting talent. What is remarkable, however, is that the precocious young man he befriended was really a child; a boy of 15, and his name was Michelangelo di Lodovico Buonarroti Simoni. Lorenzo offered Michelangelo's father a position at the palace and proposed that the apprentice join Lorenzo's family, to be raised as a son and educated with the Medici children.

From 1490 to 1492, Michelangelo attended the Humanist academy the Medicis had founded. More importantly, his newfound status now allowed him to consort with poets, scholars, artists, scientists, and philosophers. During his residency in the Medici household, the young Michelangelo kept a journal that he filled with poetry, and he was known to avow that these were the most important years of his life. Lorenzo had created a salon, a scene which formed the epicenter of a new Italian culture, and there is little doubt that this was fueled by money; the Medici were masters of an international banking network, and Florence's emergent middle class, organized around a system of art and craft guilds, sponsored competitions that rewarded artists for their work.

Money sluiced through the streets and piazzas of Renaissance Florence, and yet the sheer hydraulic force of capital did not determine every outcome. Money was a means, but not an end. What mattered most was social interaction in the context of a networked culture driven by ideals, and Burning Man may be regarded in a similar light. One way to fathom this phenomenon is to follow the money. In 2016, Black Rock City will distribute 1.2 million dollars to artists in the form of honoraria. In so doing, it is like the Wool Guild, the Arte della lana, the premier trade guild of Florence. Along with banking, it was one of the two great pillars that supported the Florentine economy, and a significant portion of this wealth was lavished on civic art that was available to every citizen.

There isn't any doubt this institution's funds derived from the manufacture and sale of high-end luxury goods. Florence's wealthiest families spent up to forty percent of their income on apparel worn at social gatherings and popular public events. They did this out of family pride and to secure prestige among their peers. That pride, however, overlapped with public spirit — it led to the production of creative work that cradled widespread social interaction; it sustained and enlarged the identity of an entire people, and it is fair to say that without this flow of money there would have been no Renaissance, no quickening of knowledge, no spread of humanist ideals.

In the case of Burning Man, such quasi-governmental patronage does not exhaust resources that are devoted to art. As with competitions sponsored by the Wool Guild, Black Rock City's honoraria are awarded by a small committee, but this curatorship, as practiced by a few, is counter-balanced by a radically populist patronage. Each year many artist groups will subsidize their projects through community fundraising events and crowd-sourced campaigns on the Internet. Some critics say that Burning Man should shoulder all of these expenses, but we have found that self-initiated efforts create constituencies, loyal networks that support these artists on and off the playa.

This has produced a flow of art that's issued out of Black Rock City in the form of privately commissioned work, civic installations, and exhibitions subsidized by festivals. Now this surge of money in support of art is going global. One example is the work of the Temple Crew as led by David Best, with help from the Artichoke Trust, the Burning Man Project, a robust crowd-sourcing campaign, and contributions by a host of public institutions. David's 21-person crew joined with 98 local volunteers to create a temple in the heart of Derry, an Irish city long-torn by violent struggles between and Protestants and Catholics. According to Artichoke's website, "Up to 60,000 visitors wrote personal messages…filling the inside with pictures of loved ones, handwritten messages, and symbols of peace". This was a culture-bearing effort that embodied all of Burning Man's Ten Principles.

Private philanthropy also plays a role in the elaboration of Black Rock City's culture. As stated in this year's art theme text, "Over many years, private donors, with a remarkable lack of fanfare, have quietly funded some of the most beloved artworks that have honored our city". When Lorenzo de' Medici adopted the young Michelangelo into his family, he did much more than hire on a hand to serve his needs. Private patronage is personal; it is immediate and intimate, and what is true of Florence and our temporary city is also true of every celebrated art scene ever known. One example is the relationship of a famous heiress, Peggy Guggenheim, and Jackson Pollock, a struggling painter. Peggy paid the painter's daily bills, bought his work when no one else would, and organized his first art show. At a soirée held in her home, she even let him pee in her fireplace (though not on the carpet).

Some critics label wealthy Burners as outsiders, but Burning Man has always attracted outliers, adventurers from every walk of life. Amid the ranks of moneyed patrons, many people understand that the essential value of a work of art cannot be charted on a balance sheet. Instead of clutching at a fetishized commodity, they contribute to the ongoing life of art as it moves through society. Moreover, this behavior isn't limited to rarified salons, such as the scene created by Lorenzo in the Medici Palace. Examine industrial districts inhabited by modern-day bohemians. Here, amid graffitied walls and dumpster treasure troves, one is likely to detect the presence of a trustafarian — a benefactor with a trust fund — who discretely funnels money into artist's pockets.

These varied streams of income moving through our city irrigate a fertile social field. Burning Man is an enormous art school, and in this it very much resembles the Republic of Florence and its system of guilds. We ask participants applying for an honorarium to describe their involvement in our community, and these accounts reveal a now familiar pattern. They speak of experience gained from creating art at events within our regional communities. And just as frequently, they describe an informal and spontaneous apprenticeship system. People volunteer to work with more established artists on the playa, and almost inevitably there occurs a seminal moment in these narratives when these applicants declare that they are now prepared to graduate and step out on their own, hastening to add that they have gathered a qualified group of collaborators around them.

This churning scene of interaction is fed by one last flood of money, since more than half of the art that appears in Black Rock City is self-funded by participants who don't receive a subsidy. Expand this category to include Theme Camps, art cars and thousands of impromptu performances, and it is clear that in a society devoted to the giving of gifts, anyone at any time can be both artist and philanthropist. The flowering of Florence in the 15th century produced a new society that valued initiative and creative expression, even as it stressed communal effort and civic engagement. Most of all, this was a movement animated by ideals that citizens of Florence had retrieved from the past. And if we examine our own ideals, as described by the Ten Principles, it is apparent they express this same dynamic balance between individual action and collective identity.

Many people think of Black Rock City as a moneyless utopia. By forswearing money during one week in the desert, they feel they've found redemption in a fallen world. This ignores the obvious fact that in coming to the desert and preparing to participate, they have spent at least as much in the marketplace as the Burning Man organization spends in creating our city. As evidenced by Florence, civilization isn't possible without widespread commercial activity. We retreat into the desert every year to contemplate those things in life that are beyond all price, that kind of immediate experience that has an unconditional value: this is why we have suspended commerce in our city. But if Burning Man is to be more than a refuge, and if we believe that it is destined to do work in the world, we should invest our efforts in creating a society that conditions how money behaves.

If there is a moral here, it is that money isn't moral. It is not inherently good, it is not irretrievably bad; it is like water as it tumbles in its pell-mell progress through our world. But money can be canalized by culture; it can be made to serve non-monetary values in a way that's self-sustaining. This is well illustrated by the history of Florence. Over a span of three generations, a city no larger than our own, with a population comparable to that of Black Rock City, produced a staggering number of geniuses: Giotto, Ghiberti, Brunelleschi, Michelangelo, Leonardo da Vinci — this alone was enough to influence the course of Western civilization for five hundred years. It can be claimed that this was adventitious, the result of historic circumstances that can never be replicated, but it may be that Florence simply got things right. We often say our city is a Petri dish, an experiment devoted to creating culture and community. Perhaps it is now time to take this audacious experiment one step further and begin to imagine a greater and more civilized world.

* * *

Hidden in Plain Sight: Understanding Nonprofit Capital Structure

By Clara Miller

[excerpt]

The notion that "programs" differ from "businesses" is not widely understood in the sector. Nonprofits, reasonably enough, are typically grouped, evaluated and funded based on their programs—such as social services, arts, education, health, etc.—because program and mission are primary.

Funders, however, don't give mission or program; they give money, which is converted into program accomplishments via operations.

Their grants necessarily have business implications (sometimes unanticipated) that shape capital structure and, ultimately, programs.

Organizations that have common overall goals in one field of practice may choose diverse program tactics and therefore diverse business strategies. For example, several organizations may share the mission of "protecting the health of low-income children." One program goes door to door to deliver immunizations; another establishes a walk-in family health clinic; a third creates preventive public health curricula and advertising to educate parents and children; and yet another advocates for expanded health care funding by government. While they claim the same ultimate goal—and might even be funded by the same foundations or government agencies— their underlying "core" businesses are quite diverse. Each implies a different capital structure.

Conversely, organizations can have varying missions but very similar core businesses: an arts organization, a school and an airline, for example. Even though they have widely divergent missions, they have in common the business of filling seats. That fact drives their core business and is required to create the revenue that is earned by fulfilling their missions. Ticket sales or tuition essentially buy the right to sit in a seat.

While it is highly relevant to mission that the theater is presenting the finest repertory theater in the world or that the airline eventually will fly its seats to Paris (with you in them sipping champagne and nibbling pate), or that the school has the best chess team in town, these are all, from the core- business point of view, simply means to get people to sit in the seats and pay money.

What is relevant to capital structure, at the business operation level, is that these three organizations always need to figure out how to buy or rent those seats, to pay for them, keep them relatively comfortable, expand them, contract them, charge more for them, and sell more of them. In addition, they have to adequately pay and support great artists, pilots, teachers and other related program people to fulfill their missions.

Restricted Assets

In both the nonprofit and the for-profit worlds, assets consist of familiar balance sheet items: plant and equipment, receivables, cash, etc. In both worlds, assets have varying degrees of liquidity or illiquidity inherent to the nature of the asset. In the business world cash is highly liquid; receivables are less so, with their liquidity dependent on how quickly they are collected and become cash. Buildings, which require sale to realize cash, are even less liquid.

In the nonprofit world, however, both assets and income can be restricted by donors. This creates a situation where their essential nature is altered or emphasized. Cash can become non- fungible, or hard to move around and use—essentially illiquid. Substantial cash net assets, such as permanently restricted endowments, are in this category. This state of illiquidity also applies to increased receivables, yielding cash that can be used only for a certain purpose, and to a building, particularly one whose use or sale is restricted. This "super-illiquidity" is depicted on the "Nature of Assets" chart.

In "The Rime of the Ancient Mariner," Coleridge wrote, "Water, water, everywhere, nor any drop to drink." This states the problem of illiquidity well. We can restate it thus: "Assets, assets everywhere, and we can't make our payroll this week."

Donor restrictions on either assets or income, coupled with the nature of the asset, create risk and expense because they are more likely to create demands on capacity and program beyond what the donor originally envisioned and what may have been planned for by the nonprofit.

For instance, most nonprofits have some experience with restricted grants and contracts creating expenses that they do not fully cover. Often such restricted grants may be for new or expanded programs, and they rarely provide for the totality of additional staffing and operational costs that accompany program growth. Equally rarely do they provide for the attendant expansion to the balance sheet in the form of cash reserve, additional plant and equipment, and the like.

Growth through temporarily and permanently restricted revenue and assets, as well as through the expansion of assets that are illiquid simply by their nature (buildings or computers, for instance), creates greater organizational risk because it drives increased demand for the unrestricted income that is needed to add to program and organizational capacity.

The Paradox of the Poor Little Rich Organization

The notion that money and investment create expenses when donated is counterintuitive for most people, and the idea that an endowment challenge grant could be destabilizing is especially so. Let's look at how a $1 million contribution to an endowment for a theater company does both.

Let's say a certain Mrs. Glitterbosom makes a $1 million cash contribution to create a permanently restricted endowment for the HelioTroupe Theater Company with the stipulation that the recipient must raise a similar amount to match it. She restricts the gift to new program development in a particular area—say, for the production of "living theater"1 (in which she is somewhat of an expert). The HelioTroupe Theater has excel- lent programs, is lean but well managed and pretty well capitalized. It has annual revenue of $1 million—60 percent of which is earned, mainly between October and March—and a cash reserve of $200,000, which is used to fund pre- production costs for shows. It employs 12 people, eight of whom work roughly full-time on program and production and the other four of whom raise money and run the support operation. This addition has the added value of extending their mission of presenting artistically path-breaking, socially relevant material.

Who would turn away $1 million to support something their organization is committed to? No one in their right mind! But there are real potential threats to HelioTroupe's capital structure in this situation. An endowment, like a capital building project, imbalances the capital structure and puts pressure on the other two points of the nonprofit management triad— mission and capacity.

How does this happen?

Matching the $1 million endowment creates an immediate demand for fundraising efforts— and of course the match will also be restricted. This requires a draw on unrestricted cash (to pay for increased fundraising capacity) while diminishing its future availability, since fundraising will focus on restricted cash for endowment. The program restrictions will create other pressures. Artistic staff will be expected to develop new works and present them, which will require draws on the existing cash reserve (now used to front about $600,000 in revenues from shows). If the calendar of shows is expanded, the cash reserve will need to be permanently expanded as well to cover cash flow, receivables and the like. This requires more fundraising and management capacity. Moreover, the new shows are more likely to be risky with respect to revenue, so the wise course would be to ensure that the cash reserve can be replenished if necessary.

But won't the Glitterbosom Endowment for Living Theater produce revenue in the form of interest income to defray some of these costs? The immediate projected income of about $50,000 (an estimated 5 percent realized return, which is optimistic in these times and probably too much to ensure growth of the endowment itself) will allow the organization to expand by about one-half a fully supported person. This amount is arguably inadequate for the development of new programs and to also pay for the increased program and administrative toil that will accompany the creation and rollout of new works, and it definitely is inadequate to fund the ongoing cost of increasing and maintaining reserves, beefing up fundraising and adding sup- porting administration. Even the eventual $100,000 in "new money" from interest on the matched endowment will be restricted to new works, requiring more unrestricted cash rather than filling the need for it.

The point is not that endowments are a bad idea, nor that the challenge grant described here is an opportunity to be avoided. The point is that this endowment created a significant change in capital structure that neither management nor the donor took into account. And any change to one point in the triad—even the addition of thrillingly large amounts of capital in the form of endowment—requires adjustments in the remaining two.

The Quandary of Nonprofit Growth

In the business sector, profits are used to fund working capital and other growth needs. During growth or startup, businesses budget for unprofitable years, sometimes several of them, and have tools to plan for and fund these deficits. With these planned deficits, the business is investing to build the market and infrastructure it needs to succeed. Among nonprofits, profit margins are frequently thin, discouraged or simply prohibited. Both government contracting rules and nonprofit culture discourage the development of operating surpluses (If you have a surplus, why should we give you a grant?) or induce nonprofits to hide them.

The truth is, not only is it difficult to afford the management improvements that must accompany growth, it is difficult even to afford the ongoing improvements necessary to maintain effective and efficient operations without growth. As a result, management (as opposed to program) is frequently staffed too thinly and under-supported in relationship to program. Financial systems often are rudimentary, and while small and medium-sized agencies have staff with sophisticated, specialized program expertise, they frequently lack the increasingly specialized fundraising, planning and financial management skills that become crucial during growth. The irony is that a technique meant to control costs and focus efforts on mission actually undermines efficiency and harms program.

There are many such trap doors associated with the largely unrecognized issue of capital structure. For instance, programs meant to build capacity in nonprofits very often don't address the need for attention to capitalization, ultimately limiting what they can accomplish in terms of promoting sustainable organizational health. Organizational depth and sophistication require capital planning and organizational slack. This means we should encourage in the organizations we care about occasional periods of time when capacity exceeds what is required simply to operate current programs. Without such foresight, even the most promising nonprofits are sentenced to the purgatory of marginal improvements, usually after a lag time during which inadequacies are glaringly apparent.

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The Power of Altruism

By David Brooks

Western society is built on the assumption that people are fundamentally selfish. Machiavelli and Hobbes gave us influential philosophies built on human selfishness. Sigmund Freud gave us a psychology of selfishness. Children, he wrote, “are completely egoistic; they feel their needs intensely and strive ruthlessly to satisfy them.”

Classical economics adopts a model that says people are primarily driven by material self-interest. Political science assumes that people are driven to maximize their power.

But this worldview is clearly wrong. In real life, the push of selfishness is matched by the pull of empathy and altruism. This is not Hallmark card sentimentalism but scientific fact: As babies our neural connections are built by love and care. We have evolved to be really good at cooperation and empathy. We are strongly motivated to teach and help others.

As Matthieu Ricard notes in his rigorous book “Altruism,” if an 18-month-old sees a man drop a clothespin she will move to pick it up and hand it back to him within five seconds, about the same amount of time it takes an adult to offer assistance. If you reward a baby with a gift for being kind, the propensity to help will decrease, in some studies by up to 40 percent.

When we build academic disciplines and social institutions upon suppositions of selfishness we’re missing the motivations that drive people much of the time. Worse, if you expect people to be selfish, you can actually crush their tendency to be good.

Samuel Bowles provides a slew of examples in his book “The Moral Economy.” For example, six-day care centers in Haifa, Israel, imposed a fine on parents who were late in picking up their kids at the end of the day. The share of parents who arrived late doubled. Before the fine, picking up their kids on time was an act of being considerate to the teachers. But after the fine, showing up to pick up their kids became an economic transaction. They felt less compunction to be kind.

In 2001, the Boston fire commissioner ended his department’s policy of unlimited sick days and imposed a limit of 15 per year. Those who exceeded the limit had their pay docked. Suddenly what had been an ethic to serve the city was replaced by a utilitarian paid arrangement. The number of firefighters who called in sick on Christmas and New Year's increased by tenfold over the previous year.

To simplify, there are two lenses people can use to see any situation: the economic lens or the moral lens.

When you introduce a financial incentive you prompt people to see their situation through an economic lens. Instead of following their natural bias toward reciprocity, service and cooperation, you encourage people to do a selfish cost-benefit calculation. They begin to ask, "What's in this for me?"

By evoking an economic motivation, you often get worse outcomes. Imagine what would happen to a marriage if both people went in saying, "I want to get more out of this than I put in." The prospects of such a marriage would not be good.

Many of our commitments, professional or civic, are like that. To be a good citizen, to be a good worker, you often have to make an altruistic commitment to some group or ideal, which will see you through those times when your job of citizenship is hard and frustrating. Whether you are a teacher serving students or a soldier serving your country or a clerk who likes your office mates, the moral motivation is much more powerful than the financial motivations. Arrangements that arouse the financial lens alone are just messing everything up.

In 1776, Adam Smith defined capitalism as a machine that takes private self-interest and organizes it to produce general prosperity. A few years later America's founders created a democracy structured to take private factional competition and, through checks and balances, turn it into deliberative democracy. Both rely on a low but steady view of human nature and try to turn private vice into public virtue.
But back then, there were plenty of institutions that promoted the moral lens to balance the economic lens: churches, guilds, community organizations, military service and honor codes.

Since then, the institutions that arouse the moral lens have withered while the institutions that manipulate incentives — the market and the state — have expanded. Now economic, utilitarian thinking has become the normal way we do social analysis and see the world. We've wound up with a society that is less cooperative, less trusting, less effective and less lovely.

By assuming that people are selfish, by prioritizing arrangements based on selfishness, we have encouraged selfish frames of mind. Maybe it's time to upend classical economics and political science. Maybe it's time to build institutions that harness people's natural longing to do good.

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