

Three (short) detours back to public value

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It is such an honor to be with you today. I know many of you as friends and colleagues. I hope to add to that roster before we end this convening. But whether we're friends or strangers, I need to share with you right up front what respect and admiration I have for the work you do. You are all stewards and champions of the expressive lives of your states. It is a public service in the most noble and valiant sense. And on behalf of myself, my family, my community, and anyone else that is enriched by the currents of your work, I thank you.

[We did an opening exercise, where participants wrote their name and address, and then did the same thing using their OTHER hand. Lots of valuable learning was had by all.]

My topic today, ostensibly, is public value. But, before the color drains from your face and the air wheezes out of your lungs, let me assure you I'm here to attempt another tack on the subject.

I know many of you have been swimming in the question of the public value of arts and culture over the past years. Separately and together, you have put quality time and attention to the task. And the evidence of your work has been wonderful. For my own part in the challenge, it has been fascinating but exhausting. I've quite frequently felt like I do when I write with my non-dominant hand – even with a clear mental model or framework, I can't seem to successfully put pen to paper, to apply the theories of public value to daily work.

You have all seen models of the public value of the arts – how it's created, how you optimize it in your role as public servants. You've seen the strategic triangle from Mark Moore, the instrumental and intrinsic value grid from RAND, and perhaps the reinterpretation of RAND's model by Alan Brown. Fabulous and fascinating stuff, especially for the academics and works among us. But still I

struggle with what do you DO with these maps and models. How do you put them to paper so others can read them? In other words,

How can or does a state arts agency create public value?

And how do you align your governance, leadership, staff, and constituents to maximize that value over time?

Today, we're not going to hit that question directly at first. Rather, I'd like to take a series of detours and roundabouts. More specifically, I'd like to take *three* detours in the time we have, to see where we end up. I draw my inspiration for this circuitous route from the poet T.S. Eliot, and that fabulous stanza in his poem *The Four Quartets*:

“We shall not cease from exploration
And the end of all our exploring
Will be to arrive where we started
And know the place for the first time.”

So, my theme today is this:

Three (short) detours back to public value.

As with all detours, it might feel like we're heading in a wrong or unproductive direction. But since I have the wheel for the next little while, you'll have to come along for the ride. Just don't ask me if we're there yet. And don't MAKE me turn this keynote around.

DETOUR ONE: Writing with your non-dominant hand.

The anxious among you might be pleased to know that we have already taken the first detour, when you wrote with your non-dominant hand. There was something in there about feeling awkward and disconnected; something about working outside of your habits or dominant strengths; something about the difference between knowing a thing in your head and applying it toward some tangible goal. Again, hold those thoughts and feelings. They'll come in handy later.

The next detour is about structure and behavior. More specifically:

DETOUR TWO: Structure influences behavior.

I'm sure we all can recognize that physical structures influence our actions. The shape and layout of a building will lead people to use it in a certain way. We have bottlenecks in our kitchen during parties. We have lobbies or performance spaces that seem particularly suited to positive social interaction. We have

airports we love and airports we hate – either for how they facilitate the productive flow of people and of planes...or how they don't.

Winston Churchill had a particularly powerful quote on the subject (as Churchill inevitably does), when he said:

"We shape our buildings, and afterwards our buildings shape us."

We build these structures – whether by accident or intent – and they shape our behavior, our experience, our interaction, and our perspective.

But today, I'm talking about structure from a broader definition than bricks and mortar. I mean *anything* that encourages or discourages individual or collective action. Anything that blocks your path to one action or attitude – like a wall – or encourages and rewards you toward another – like an inviting hallway, or the cheese at the end of a maze.

Once you start looking for such invisible barriers and incentives, you'll find them everywhere. Let me give you a few examples of what I mean.

Financial Structures

The shape, distribution, and flow of financial resources have a dramatic influence on behavior by individuals, by organizations, and by communities. If you have a mortgage, consider how your own perspective and even behavior changed when you signed the paperwork. Did you become a little more cautious, a little more risk averse? If you've work with or for an organization with persistent, cyclical cash flow problems, you know the physical and emotional impacts it can have on staff and leadership. Choices become panicked. Vision becomes narrow and short term.

On the incentive side, you also know the drawing power of focused, contractual philanthropy – where the promise of resources can draw an organization off its original course, sometimes for good, sometimes for ill. Consider the kind of contribution my colleagues and I have come to call "the gift that keeps on taking," for the toll it extracts from the life and breath of the organization it sought to support.

In your own states and home cities, consider the financial mix of your cultural ecology – how much cash is flowing through and from what sources, how much energy is invested in physical structures, and how much is pooled in pockets of frozen resources like endowments or trusts. Then consider how that structure influences the behavior of the arts organizations around you, the artists, the audiences, the donors.

Statements of financial position or cash flows do very little to suggest the real and visceral impact of financial structure on behavior. But enough of financial matters, consider another structure that influences behavior:

Organizational Structures

In hierarchies, governance, reporting, and authority structures we can find another complex architecture of barriers and incentives to behavior. How we select, promote, recognize, and reward staff and volunteers, for example – whether through intent or tradition – often defines the boundaries and hallways of behavior. Do we chastise for bold mistakes, or encourage them? Do we foster honesty and learning, or do we reward frenzy and excess hours?

Many have found the structure required by nonprofit tax status to be particularly confusing and complex – with a governing board unsure of their allegiance to the organization or the community, and an executive leadership with more knowledge of the work to be done than those who hire and evaluate them. In your own work in the public sector, you all know the particularly complex barriers and incentives of representative government. These walls and hallways can lead even insightful and intelligent individuals to behave in odd and unpredictable ways.

Mental Structures

I'll also suggest to you that there are structures in your own head and among the professional and social groups you align with that influence your choices and behavior. We all have models or theories that shape our interaction with the world – some are obvious to us and accepted with intent, others are embedded so deeply we don't even see them. When you wrote your name with your non-dominant hand you felt the tension of working against these habits and propensities.

These mental structures are formed and informed by the structures around us, and the barriers and incentives we've experienced over a lifetime.

Policy

Finally – although we could follow this thread for a long, long time – policy, itself, defines structures that discourage or encourage collective behavior. We block and discourage certain behaviors as illegal, and attach punishments to make those barriers real. We encourage other behaviors – like philanthropic gifts – through incentives in our tax laws and fiscal privileges for our nonprofit organizations.

Policy, broadly defined, is constraint on behavior. Policy is an on-going effort to influence the flow and direction of human action, and to define a space where a productive society can function.

To be clear here, I'm not saying that structure *determines* behavior. All of us have choice and accountability. Despite our environments, we have free will. Furthermore, we all respond differently to the structures around us. I'm just saying that structure *influences* behavior. That, over time, these structures can encourage individuals and groups to make one choice more likely than another. It's in the aggregation of these millions of choices that communities and ecologies take their shape and tone.

So, structure influences behavior. That's our second detour. Now we can round the curve, and wander off on detour number three. This particular detour has become particularly important to me, and has come to define and challenge my own work as an educator and as an analyst of arts and cultural management:

DETOUR THREE: All value is co-constructed.

As our arts and cultural industries have evolved over the past decades, we have come to speak in a language of production and consumption. We build the supply side of the arts, or we focus on the demand side. We present, we educate, we produce, we develop outreach programs. All of these verbs imply a directional flow of value from one side that creates it to another side that receives it.

Yet, even the tiniest tug on this production/consumption metaphor leads it to unravel beyond repair.

Consider any powerful, transformative moment you've had with an act or artifact of creative expression. That moment required at least TWO lifetimes to form its value – your lifetime to that moment and the artist's. There was a resonance between your experiences or emotions and the expressive voice. The moment required them both. The value was co-constructed.

Of course, this idea isn't mine and it isn't new. A rather clever fellow named John Dewey went on and on about it to an audience at Harvard back in the 1930s – in a set of speeches that would become the class *Art as Experience*. And well before him, other cultures understood the invocational and communal qualities of expression.

To carry this concept of co-construction outside of the arts, consider another pervasive indicator of value – our currency. A dollar bill is worth a dollar only because we all believe it to be. It is a collaborative construction of value around a rectangular piece of paper. This is why “consumer confidence” is such an essential measure of our nation's economic health. Confidence about the future

influences the perceived value of a dollar, and provides a positive structure for transactions, for investment, and for creative risk.

To some, this idea may seem a matter of semantics – creation/co-construction, tomAYto/tomAHto. But consider the application of one metaphor as compared to the other. In a production and consumption metaphor of value, I choose to invest in one side or another. I can develop incentives to build a production capacity in arts and culture, or I can develop incentives to build a participatory capacity. But if all value is co-constructed, than BOTH sides are producers. Both are required for the final product to be achieved. And, in fact, they are not sides at all, but collaborators toward a common end.

Or, consider the different metaphors as they relate to the isolation or interconnection of separate arts organizations. If a theater work, sculpture, symphony performance, blues concert, or heritage craft class makes a meaningful impact on a visitor, who created the value? Certainly not the arts organization – although they were a catalyst and co-creator in that moment. But also worthy of credit is the individual, along with their family, their cultural heritage, their public and social education, their prior experiences with *other* arts organizations, the love and connection they held for the partner they came with, or the emotional memories from earlier in the day.

Don't get me wrong, the creative expression itself is crucial to the moment. But the expression didn't CREATE the value.

When I was wandering through the Museum of Modern Art years ago, I came across an expression that proved particularly valuable to me. It was a stone etched with the following phrase:

"All moments stop here and together we become every memory that has ever been."¹

In that phrase is the architecture of value. Together we become every memory that has ever been. We construct the moment together. We are all required to make it real.

All value is co-constructed. That's detour number three, which brings us back to where we started. Let's see if we can know the place for the first time, or at least a little differently. We've written with our non-dominant hand. We've explored how structure – in all of its visible and invisible forms – influences behavior. And we've touched on the idea that ALL value – public or otherwise – is co-constructed. So, back to our first question:

¹ Ugo Rondinone, Swiss artist, 1998, text on stone sculpture in MoMA

How can or does a state arts agency create public value?

Given our journey, I have two answers that you probably won't like:

1. It doesn't, and;
2. It can't.

If all value is co-constructed, state arts agencies can't create it. Neither can arts organizations, cultural facilities, or even artists alone. You can be party and partner to the creation of value. You can form and frame the many structures that make value more likely, and you can work to diminish the structures that discourage it. But, at best, you can only be half of the equation. More than likely, you are less than half.

Does this mean that all the tools and maps and models for creating public value are useless to you? Of course not. It just implies that you might consider using them in a different way. If value is co-constructed, and structure influences behavior, then perhaps your larger role, while you're being advocates, funders, advisors, researchers, and connectors, is to be architects – defining and refining the structures that foster the rich and textured expressive life of your state.

This idea goes to the second question that began our journey:

How do you align your governance, leadership, staff, and constituents to maximize that value over time?

I suggest that alignment comes from many parts, several of which you have constructed during your focused engagement with public value.

First, every architect needs a blueprint. For you, it would be a clear vision of success. If you were standing in the center of a state with a vibrant, inclusive, and rich expressive life, what would you expect to see? What mix of professional and amateur arts? What distribution of physical resources, put to what use? What level of artist participation would you expect to see in civic life? What interaction would you expect between the various sectors beyond the arts? Many of you have written these visions in clear and compelling prose. I've seen them, and they're great. Others could speak them aloud if they took some time to do so.

Once you have a blueprint, you need schematics and construction plans. Where are the walls and hallways that will encourage a thousand disparate individuals toward the success you described? What walls or hallways are already in place, and what influence do they have toward your goal? Are they moving your state, its artists, its audiences, its citizens in productive directions, or dispersing them in a thousand different ways? These walls and hallways may be constructed by policies under your control – grant guidelines, giving policies, incentive programs,

technical assistance. But most of them will be structures constructed by other architects with other goals – other actors in state government, counties, cities, foundations, corporations, donors, major cultural institutions, physical infrastructure, or federal law. How could you inform and align these other actors?

Finally, with blueprints and schematics in hand, you need a full and nuanced toolset. Every tool you have available will be required: convening, analysis, advocacy, policy, legitimacy, grass roots efforts, strategic partnerships, and on and on.

To make these ideas more tangible, let's take one specific structural challenge of the nonprofit world. It may be on your minds in many ways already. Most blueprints of a vibrant and inclusive expressive life would describe a wide range of organizations and collectives dedicated to creative expression. Such diversity makes for rich and interactive ecosystems. You would expect a vital and varied professional nonprofit cultural infrastructure, of course, but also a dense network of unincorporated, independent, commercial, temporary, and even highly informal groups driven to observe, preserve, support, interpret, and create expressive works.

And yet, for the past forty years, our schematics and our toolsets have been a bit less nuanced and diverse. While we all recognize the value of richness and variation, every structure in our system seems to nudge organizations toward a single form – the 501c3 nonprofit. Our granting guidelines require it. Our reporting requirements presume a level of stability and professionalism suggesting growth. And our partners and colleagues among foundations drive it home through similar policies.

I'm not suggesting that the 501c3 nonprofit is the wrong model. It's just not the RIGHT model for every endeavor. A vibrant and sustainable ecology would encourage a range of structures and types – permanent and temporary, corporate and informal, large and small, professional and amateur.

Paul DiMaggio once noted that the primary goal of cultural policy over the past generation has been stability, "encouraging small organizations to become larger and large organizations to seek immortality." These policies have distorted our system. And our structures need an architect's eye to set things right.

In wrapping things up, the good folks on the NASAA staff encouraged me to include some questions or charges that might inform the rest of our time together. I suggest four questions that might be useful in your formal sessions and social time:

- 1. What is your blueprint?**

Have you defined and described what success would look like for your

- state? If your state had a rich and textured expressive life, what evidence would you expect to see? Is that vision widely shared?
2. **How do the structures under your control serve the blueprint, or sabotage it?**
What barriers and incentives within your direct control seem most powerful and productive toward your goal? What well-intentioned structures might be working against you?
 3. **What larger structures might be supporting or distorting your vision?**
What activities or policies of *other* governmental agencies – from transportation to zoning to tax law to tourism – are resonant or dissonant with your blueprint? How can you inform and align their work to yours, and your work to theirs?
 4. **Finally, how do you foster a culture of architects?**
How can you encourage your agency’s board, executive leadership, and staff to become collaborative architects in the endeavor? How do you know you are all working toward the same world, and learn together how that world behaves?

As you talk about your work in the sessions at this conference, and in the social moments between sessions, consider the architecture or the ecology of the challenge you seek to solve. It may feel like writing with your non-dominant hand. But you may find it to be another path toward becoming an even more effective co-constructor – with all the citizens of your state – of public value through the arts.

I’d like to close with a quote from the late Donella Meadows, an avid and eloquent advocate for an ecological view of the world, and a sustainable interaction with it. To me, she phrased the challenge and opportunity ahead better than I ever could. She said this:

The future can't be predicted, but it can be envisioned and brought lovingly into being. Systems can't be controlled, but they can be designed and redesigned. We can't surge forward with certainty into a world of no surprises, but we can expect surprises and learn from them and even profit from them. We can't impose our will upon a system. We can listen to what the system tells us, and discover how its properties and our values can work together to bring forth something much better than could ever be produced by our will alone.

I thank you for your time and attention, and I look forward to our conversation.