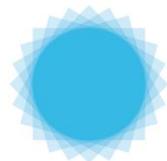


Frameworks for Innovation in Public Arts Funding

**Canadian Public Arts Funders (CPAF)
Strategic Development Meeting for Executive Directors**

Meeting Report – Executive Summary

June 4–5, 2012
Ottawa, Ontario



CPAF
Canadian
Public Arts
Funders

OPSAC
Organismes publics
de soutien aux arts
du Canada

Note to the Reader from the CPAF Secretariat

Please note that the following report summarizes the presentations and discussions at the Canadian Public Arts Funders (CPAF) Strategic Development Meeting on Leadership and Vision, which took place on June 4-5, in Ottawa, Ontario.

The views expressed by the presenters are based on their interpretations from a variety of sources of information and do not necessarily represent all points of view, or the current program structures and policies of the membership of CPAF.

The reader is invited to provide feedback to this report by contacting Melanie Yugo, Partnership and Networks Officer, Canada Council for the Arts and CPAF Secretariat, at melanie.yugo@canadacouncil.ca or 1 800 263 5588 ext. 5144.

For more information on CPAF, please visit www.cpafo-opsac.org.

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BACKGROUND

[Canadian Public Arts Funders \(CPAF\)](#) is a network that unites and serves the federal, provincial and territorial arts councils and equivalent public arts funders in Canada. There is a CPAF [member organization in each province and territory](#). The member at the federal level is the [Canada Council for the Arts](#).

Arts communities in Canada and around the world find themselves within rapidly shifting environments. Discussions at recent CPAF meetings, including the [2011 Annual General Meeting](#), have identified a range of social, technological, demographic, cultural, and economic factors that are creating “pressure points” on the current public arts funding system. This includes the changing role of gatekeepers; the digital transition; moving from growth as a measure of achievement to value; new art forms; new organizational models; shifting demographics; increased citizen engagement; varying priorities in public funding; the arts and learning deficit; and a new generation of arts administrators and succession planning. All of this is taking place during a period of sustained financial restraint and global economic uncertainty.

The complexity of challenges – and opportunities – faced by organizations, institutions and governments around the world requires different ways of thinking and adaptation. For public arts funders, more understanding is needed in terms of how to innovate, strategically shift and build relationships to support a thriving Canadian arts sector, and to provide opportunities for Canadians to participate in the cultural life of their communities, region and nation.

Building on the 2011 Annual General Meeting, CPAF member organizations convened in Ottawa in June 2012 for a two-day professional development meeting to discuss frameworks and strategies related to leadership, innovation and adaptive change for the arts sector. These “strategic development meetings”, held each spring, provide a forum for executive directors and senior staff from CPAF member organizations to meet and discuss common challenges and emerging issues related to the arts in Canada.

This report summarizes the presentations and discussions that took place at the June 2012 CPAF Strategic Development Meeting, while highlighting key issues. For further information, please contact Melanie Yugo, Partnership and Networks Officer, Canada Council for the Arts, and CPAF Secretariat, at 1-800-263-5588, ext. 5144, or by email at melanie.yugo@canadacouncil.ca.

DAY ONE: FRAMEWORKS FOR LEADERSHIP AND INNOVATION IN THE ARTS

Leadership and the Panarchy Cycle: A Conceptual Framework for Change

Major points raised:

- The *panarchy cycle*¹ is an eco-cycle metaphor of organizational change; the four phases may be experienced differently by institutions and individuals, but leaders are called upon to appropriately manage each phase to its fullest potential.
- It is important to recognize the value of experimentation and allow room to fail.
- The notion of cross-scale dynamics links the levels of the panarchy cycle—individual, network/group, organization, and sectors—with each other and informs thinking between levels; moving upwards and downwards produces new insights or possibilities.

On the first day of meetings, CPAF members examined the theme of leadership, adaptive change and innovation in the arts sector.

To begin, facilitator and guest speaker Stephen Huddart, CEO of [The J.W. McConnell Foundation](#), presented a conceptual framework for understanding change as it relates broadly to individuals, networks or groups, organizations, and the larger sector. This *panarchy cycle* consists of four key phases: *emergence* (or renewal), *consolidation* (or maturity), *creative destruction*, and *birth* (or exploration). Each phase requires different leadership characteristics, resources, personnel skill sets, and focus to achieve its full potential.

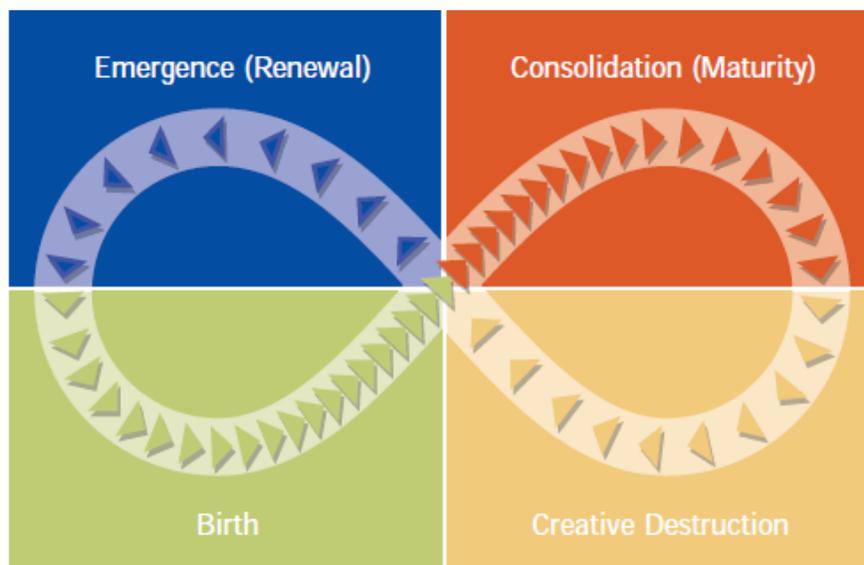


Figure 1: The Panarchy Cycle

Huddart encouraged participants to take advantage of cross-scale dynamics within the cycle that produce insights between different levels. Changes in heart and mind begin to change the

¹ The panarchy concept first described by the ecologist C.S. Holling is one thought-provoking way to look at the life cycles of social innovations (and often organizations) as they are invented, tested and spread, then decline and either disappear or re-emerge as new approaches or entities. See [Accelerating our Impact: Philanthropy, Innovation and Social Change](#) by Katharine A. Pearson (2007).

conversation, routine, or resource commitment and can introduce wholesale shifts into the system. Innovation happens at multiple levels simultaneously, creating continuous innovation where organizations stumble upon new opportunities and pathways.

Resistance to the model is common because people are accustomed to the status quo. Resilience rises from having investments in all four areas of the cycle. Funders, for example, may sometimes try to push organizations away from the creative destruction phase to maintain them in the maturity phase. How organizations react to creative destruction will see them evolve or cease operations. Failing to properly resource the new growth phase stalls progression towards the mature phase; however, organizations that remain too long in the mature phase risk losing creativity and dynamism.

One director asked whether arts funders have created historical funding patterns not only for organizations, but for artists. Funding systems have a finite lifecycle and infinite support to organizational life is unrealistic. While arts councils have a historical sense of responsibility for the entire sector, this broad, ongoing support may no longer be possible.

A New Era in the Arts: Frameworks for Innovation in the Arts Sector

Major points raised:

- The current funding system in the United States, and arguably in Canada, is based on the mid-century Ford Foundation approach. It encourages organizational growth in terms of audience numbers, budgets, and scale, and reflects a value proposition of excellence and scarcity; however, external changes such as technology and generational and demographic changes mean moving to a new era of resilience where the value proposition is abundance and intimacy.
- Organizational innovation for non-profits results from a shift in underlying organizational assumptions; is discontinuous from previous practice; and provides new pathways for creating public value.
- Maintaining a strong social media presence, using technology, diversifying funding, engaging the public in unexpected venues and ways: these actions are all part of expanding the role of the arts.
- Tolerance for ambiguity is an attribute of arts practice—alternative realities and simultaneous truths are part of the arts experience, but public arts funders find it difficult to advance notions of ambiguity within their environment of high accountability.

Building on the discussion around the panarchy cycle and his paper [Entering upon Novelty Policy and Funding Issues for a New Era in the Arts](#), arts consultant and guest speaker Richard Evans, President of [EmcArts](#), focused his presentation on adaptive change and organizational innovation for non-profit organizations. Recent research has revealed a vast amount of interest in the arts, but not much engagement with the professionalized arts sector: the sector is painting itself into a corner of creative endeavours and is in need of open and nimble structures.

Beginning in 1957, the Ford Foundation invested billions in arts infrastructure across the United States over 25 years. Evans noted the system was built for growth in terms of audience numbers, budgets, and scale; these were the measures of success. The National Endowment for the Arts (NEA) and state arts councils took their signals from the Ford Foundation and norms were established: endowments for stability, fundraising trustees, annual campaigns, and subscription selling. The essential value proposition that underwrote arts organizations was

excellence and scarcity. As organizations grew, there was one key element to make them effective: organizational stability.

However, external changes over time, such as technology, access, and generational and demographic changes, mean moving into a new era where organizations need to be structured for resilience. Organizations now need not only stability, but high levels of adaptive capacity and new approaches to engage with the community in order to sustain public impact and value.

Strategic planning is an effective tactic if the future looks like the past, but that is not how the world works these days. Innovation now requires people to work together to make connections within organizations, across organizations, and within communities. Non-profits should embrace innovation as a permanent core competency.



Figure 2: Critical Organizational Qualities for Arts Organizations in the New Era

Evans reviewed some implications for arts funding:

- Current operating support reinforces business as usual instead of innovation.
- Funders should think about how to move from stabilization to incubating organizational innovation and adaptive change.
- Funding alone will not enable adaptive change to take place: there has to be a set of incentives and a careful framework.
- Funders need to look at collaborative responses, working together within and across sectors to affect a paradigm shift. System change must be discontinuous and irreversible.

Participants further discussed assumptions, approaches, features, and structures that characterize a new era of the arts. What is the role of public arts funders? How can funders be bold in uncertain times to support innovation and vision in the arts? Evans discussed how much

of an organization's resources could be devoted to innovation capital. Using the hand as a model, he said four fingers go straight ahead—business as usual—and one goes off to the side—innovation. Using this example, he said the answer—or rule of thumb—is 20% for innovation.

DAY TWO: FRAMEWORKS FOR LEADERSHIP AND INNOVATION IN OTHER SECTORS

The second day focused on looking outwards from the arts sector and the broader context within which the arts operates, prompted by a discussion at the [2011 Annual General Meeting](#) on learning about other sectors'² narratives around professional and democratized practice, as well as ways to collaborate with other sectors.

The opening session on the second day focused on frameworks, initiatives and strategies that are used to support and enable the arts community and citizens; and narratives that are communicated to demonstrate the impact to the public. Additionally, the larger framework of cultural policy and governance in relation to a changing arts sector was discussed.

Looking Outwards: Perspectives and Frameworks on Innovation from Beyond the Arts Sector

Major points raised:

- The arts sector can learn from fields such as sport and health, sectors that have re-shaped public perception, reached out horizontally to other sectors, and focussed on means rather than ends to positively position the social benefits of their sector.
- Other sectors are creating new audience-specific, dynamic, and innovative approaches that promote and celebrate participation and excellence while building real outcomes, including the well-being of society.

A panel of experts from the fields of sport and mental health – sectors which have longer histories of public investment - provided perspectives on adaptation in their sector.

Guest panelist Dan Smith of [Sport Canada](#) spoke to the vision and collaboration driving the [renewal of the Canadian Sport Policy](#): a dynamic and innovative culture that promotes and celebrates participation and excellence in sport. The policy has been broadened to include not only competitive and high-performance sport, but introductory and recreational sport. As an end in itself, sport is important, but it also contributes to social and economic objectives such as health and well-being, skills development, social cohesion, and job creation. Sport is promoted as a public good, just as culture is a public good

Sport Canada's extensive [evaluation and consultation process](#) of the last two years included consultation and collaboration with sectors such as health, recreation, education, and community development. Some best practices learned from the sport policy renewal process were:

- Sustaining public engagement to build ownership and commitment to implementation
- Ensuring transparency in process, including open sourcing of data on website
- Working with experts and respecting federal/provincial/territorial interests and responsibilities
- Delegating responsibility.

² See IFACCA D'Art Report No. 41- [Creative Intersections: Partnerships between the Arts, Culture and Other Sectors](#) (2012) by Annamari Laaksonen

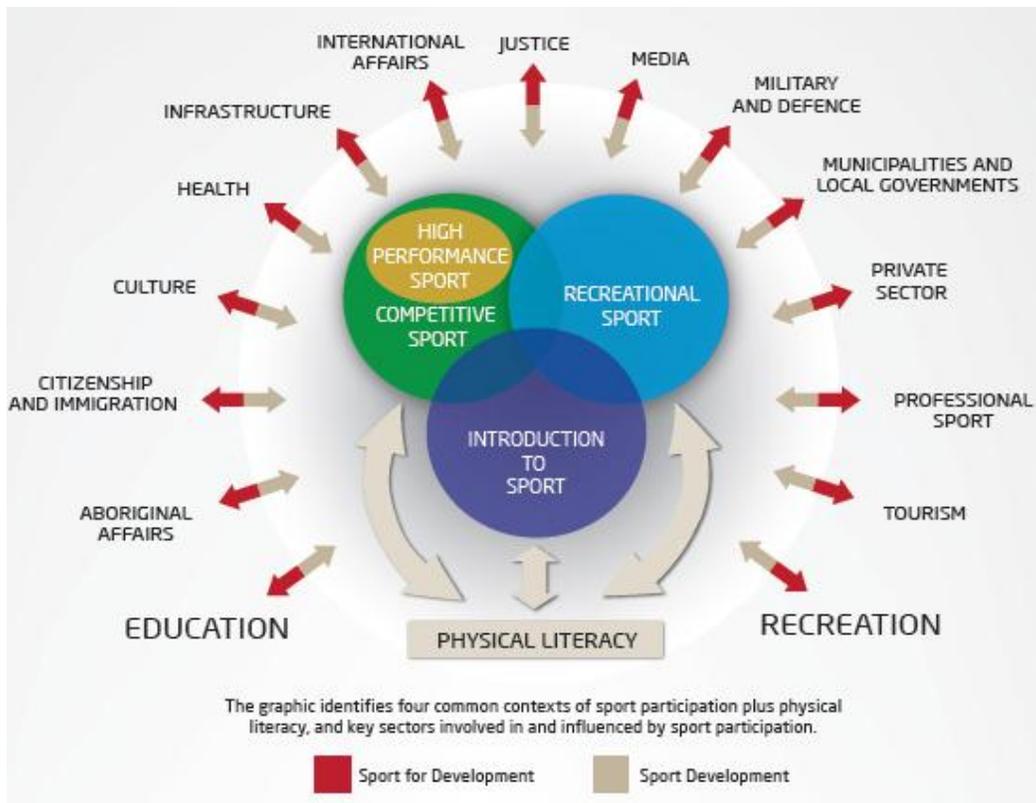


Figure 3: Canadian Sport Policy 2012 Policy Framework

Guest panelist Kwame McKenzie of the [Centre for Addiction and Mental Health](#) and the University of Toronto discussed the narratives utilized by the mental health sector. Psychiatry is not a monolithic sector; rather, it uses a variety of approaches and stories for different audiences, including innovation, social determinants of health, the economic argument, and fundamental values. Doctors want outcomes and change in their patients, policy people want process, and most politicians want a story.

Funding for mental health began to grow only when people realized the value-added of the psychiatric field. In the 1980s and '90s, the outcome metric of disability-adjusted life years (DALYs) demonstrated that very few other parts of medicine were as important as mental health when it related to the burden of disease.

Guest panelist Monica Gattinger of the University of Ottawa also highlighted research on provincial and territorial cultural policy, including an analytical framework developed to compare the diversity of cultural policies across Canada. In the 20th century, governments put in place a set of cultural policies across a range of sectors, including arts, heritage, cultural industries, and libraries. France, the United Kingdom, and the United States were key intellectual reference points, each with distinctive approaches to the cultural sector.

Over time, approaches have hybridized, with cross-fertilization of policies and practices, along with distinctive approaches in various jurisdictions. These approaches have implications for objectives and administrative arrangements. The French approach can be viewed as centralized and hierarchical, the British is decentralized, and the U.S. approach has a strong role for foundations and private organizations. In many jurisdictions, there has been a desire to distance political power from funding.

Gattinger noted some emerging themes from her research that may have implications for the arts sector: the increasing role of municipalities; the increasing extent of policy diffusion domestically and internationally; the rethinking of the fundamental rationale for government intervention in culture; and the rethinking of respective roles of government, communities, and the private sector.

Sport, health, and culture face similar issues: the relationship between professional and amateur, recreational versus professional, as well as special interest or public interest. CPAF members noted that one of the key questions they need to ask themselves is: how does the arts sector bring value to a broad spectrum of society? The arts can reconnect with communities—their energy, hopes and aspirations—and renew its social licence. Furthermore, social relevance is key: society may view sport and health as relevant to their everyday lives, but the arts may not necessarily be viewed that way.

Members also noted that impactful stories about the arts are often at the municipal level, but this community perspective is missing from the CPAF table, unlike sport, which has maintained the community-based concept of recreation. Furthermore, considering the different histories of intervention and public policy rationales, a sole approach that applies across the country may not be appropriate; CPAF may consider an approach of diversity and flexibility, allowing for responsiveness and innovation.

The panellists offered some closing comments. McKenzie said that while he was impressed to see the complexity from which the cultural sector is approaching the problem, he wondered whether it was possible to make the mission, vision, and planning simpler. It is easier for the narrative to last this way. Smith said it is critical to have opportunities to reach out to other sectors to see experiences and areas of commonality. Gattinger encouraged the group to move from thinking about the what, to the how, particularly when it comes to building constituencies. She suggested developing a shared language—coordination, collaboration, harmonization—as deeper and deeper levels of working together.

Closing Reflections

The final session on the second day of meetings offered participants the opportunity to reflect on the theme of leadership, adaptive change, innovation, the arts sector, the shift towards the notion of enabling *expressive lives*³, and the role of public arts funders.

Several themes emerged:

- The Canadian arts sector has the power, presence, and potential to innovate as the stewards of the creative capacity of the country and move society forward. Arts funders can help facilitate innovation, but they must involve the arts community in the process at the start.
- Organizations still need stability, but they also need high levels of adaptive capacity and new approaches to engage the community; this new balance between stability and adaptability will sustain public impact and value.
- It is important to recognize risk but embrace ambiguity and support experimentation.

³ See [Expressive Lives](#) (2009), edited by Samuel Jones.

- Using arts as the means, and not the end, can help organizations engage communities, create compelling experiences, and broaden the roles for artists within an organization
- There is a need to articulate the social relevance of arts, with a move from special interest to public interest.
- The loss of information on expenditures on culture and policy analysis by arts and culture think tanks will have an impact on the ways in which public arts funders can communicate the impact and relevance of the arts.
- CPAF should consider how to act and develop as a network in an environment of constant change, towards deep discussions of cultural policy and practice and stronger partnerships in specific areas.