Thought Paper: Supply to Demand, Transaction to Relationship and Volume to Value

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Introduction

As the Canada Council approaches the mid-point of its sixth decade, it continues in the best organizational tradition to renew and reinvent itself, both to stay in step with changes in the external environment and to use what it has learned from past experience to do better in the future.

What form is this renewal taking? How does the Council see itself now and in the future, and what difference will it make for Canadians?

Generally speaking the Council can be said to be undergoing three fundamental shifts – a shift in orientation from supply to demand, an operational realignment from transaction to relationship, and a change in measuring performance from volume to value.

Supply to Demand

Since its founding in 1957, the Council has been charged with addressing both the supply and demand side of the artistic equation. The Council's mandate – "to foster and promote the study and enjoyment of, and production of work in, the arts" – puts equal weight on artist and audience and throughout its history the Council has consciously prioritized strategies to link the two.

In build-up to the Council's creation, there was a clear sense that more needed to be done to stimulate supply – to train more Canadian artists, both in Canada and abroad (in Council's first years, many artists were funded to study abroad, given the perceived lack of quality arts training in Canada at the time); to support artists in launching professional careers and laying down the foundation for the organizational infrastructure (with open-ended programs like Explorations); to provide project and operating support to create , produce and disseminate art (to increase the availability of arts activity in all parts of the country).

These interventions reflected a belief that more "product" was needed to meet an already existing demand, principally met in the past by foreign product from the US, the UK and Europe. At about the same time, CBC/Radio-Canada launched its first television service, the National Film Board became less a voice for government and more a cultural flagship, and a range of purpose-built art facilities (including Confederation Centre in Charlottetown and the National Arts Centre in Ottawa) were built across the country to mark the centenary of the Canadian Confederation.

The success of these interventions is demonstrated by the wealth of theatre and dance companies, orchestras and artist-run centres, publishing houses and art galleries in place today, and the abundance of distinctly Canadian artistic content now on offer from coast to coast to coast. But with time, the circumstances that drove the need for more product have also changed. Digital and internet technology has enormously expanded that availability of arts access to the average citizen, and whatever unmet demand exists is tied more closely to geographic, economic, and special niche markets than to lack of supply generally.

Another contributor to this shift is the decline over the past two decades in arts education in the public education system. Fifty years ago a demographic surge flooded the secondary school system in Canada, with strong public support for a curriculum that pushed arts and humanities with the same vigor as science and math. New schools were opened in unprecedented numbers, each with its music and art rooms, libraries and auditorium. Students were as likely to join camera clubs and marching bands as they were to play hockey or join a 4-H club.

In the last two decades this has all changed. The arts have lost the profile they once had in the school curriculum, and today's graduates simply do not have the same hands-on experience as their predecessors in throwing a pot, playing a musical instrument, or writing and performing a play. The result is a decline in the audience growth for live arts activity enjoyed in the 1970s and 80s, and a new cohort of young adults whose cultural tastes are largely shaped by commercial product imported from abroad.

Today the Canada Council finds itself in an ironic position – it is facing many of the same pressures that led to its creation in 1957, especially the need to address what one might call the imbalance of trade between domestic and imported products, but now the driving factor seems to be a need for more demand and not more supply. And while the Council has several levers that have proven effective over half a century in addressing supply issues, it is at a clear disadvantage on the demand side, especially given the critical role of public education, a provincial responsibility outside the Council's mandate. Yes, the Council can support the arts community in extending community outreach and audience education, and its prize celebrations make an important contribution to raising awareness of creative excellence in Canada, but this can only go so far in making up for gaps in the public system, especially when resources are so limited.

The Council is facing another irony in its work that makes a good segue into the second shift, transaction to relationship. The granting programs the Council created in its early years to stimulate supply have evolved over time to support the supply infrastructure it helped to put in place. Older organizations and practices have relatively more support than younger ones, and some activities, especially those from equity seeking communities like visible minorities, Aboriginal peoples, and the Deaf and disabled, find it hard to get into the system at all. Simply responding to applications from established practitioners is not enough; the Council must also address underserved communities and practices if it is to fulfill the equity agenda that it holds out as a central priority of its work.

Transaction to Relationship

In recent years the Council has adopted an approach to its work that views the organization within a series of interconnected social systems. This conceptual framework is imbedded in the Council's 2008-11 strategic plan, *Moving Forward*, and is reinforced in its latest plan, *Strengthening Connections 2011-16.* This approach assumes the same kind of interdependence in the arts and cultural area as we have come to accept in the environmental sector – that is, that the well-being of the overall system is dependent on inputs from its constituent parts, and that changes in any one of these constituent parts will impact all other parts of the system. We use the terms ecology and ecosystem to describe these inter-relationships in the environmental field, and it's just common sense that we adopt comparable language in talking about the arts.

Half a century ago society knew a lot about the natural sciences, but it was difficult to accept that uncontrolled industrial expansion could put the future of the planet in jeopardy. Today we know a lot about the social sciences, but it is equally difficult to accept that developing the mathematical and scientific part of human intelligence without a balancing investment in spatial, musical, and emotional intelligence could put the future of humanity in jeopardy.

The need for balance in the development of humanity is very much in the consciousness of the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the Canada Council's capacity to stay at the forefront of thinking in this regard is greatly advantaged by its having the Canadian Commission for UNESCO included in its mandate.

The Council is also undergoing a shift in its approach to the competitive granting programs that it operates. Some government programs operate on the principle of right. If one applies for Employment Insurance or Old Age Security, there is an assumption that if all eligibility requirements are met, a benefit or payment will be approved. This is not the case with Council programs. Regardless of how one interprets the cultural rights of citizens, artists and arts organizations have no right to funding from the Council. Instead, they have access to competitively assessed funding programs to help them create, produce, and disseminate art that will in turn contribute to meeting the cultural needs and aspirations of the public at large.

In comparing these two kinds of programs, we can see that one is designed to be more transactional than the other. While an assessment of the first is based solely on eligibility, in assessing the second, one must include not only eligibility but also the relative merit of each application in a competitive context. Each application must be viewed in relationship to the objectives of the program as well as to the relative merit of all other applications, and the more the Council expands its vision to embrace all Canadians as the ultimate beneficiaries of its programs, the more relational the decision-making process becomes.

A parallel shift in orientation is taking place within the arts sector. While there is nothing new about collaboration in the arts, there has been a definite move towards more collaborative structures in recent years. In the past this is the result of the more resource-heavy and competitive practices of the past hitting a resource wall. For many decades it was standard practice for talented individuals to incorporate not-for-profit companies to support their artistic practice. To survive, these companies required significant investments of time and money – volunteer boards of directors, formal business plans and financial statements, increased scrutiny by funders and regulators – but the light at the end of the tunnel was their potential eligibility for funding from public bodies like the Canada Council. And if accompanied by charitable tax status, these organizations were able to issue charitable tax receipts to individual, corporate and foundation donors.

Over time, these small organizations grew larger and more numerous, to the point where it is now arguably impossible for funders to meet the legitimate resource requirements of the bodies already on the books, let alone those about to emerge or waiting in the wings. Both artists and funders are questioning whether the institutional practice we have been following for the past half-century is any longer the best strategy for supporting artistic talent going forward, and like the supply-driven granting model referenced above, has led to a search for alternate models of arts practice and resourcing.

Volume to Value

This search for new approaches may be a consequence of the normal limitations of all Malthusian models of growth, but for the Canada Council it is all the more severe in light of other resource limitations. The Council's per capital parliamentary appropriation is constant dollars is lower today than it was two decades ago - $5.34 per capita in 2010 compared to $5.57 in 1990. Over the same period the artistic work grew faster than the labour force as a whole, and the Council raised the bar on its own ambitions by more aggressively advancing priorities like equity, new technologies and public engagement.

No wonder, then, that the Council is undergoing a fundamental change in its approach to measuring achievement. In the past, growth was assumed to be the highest measure of success – essentially, the Council was successful if it could award more and larger grants. And at a time when increasing supply was the major focus, what could be wrong with that? Well, several things actually. Measuring growth resulted in a self-referential tautology, using different words to describe the same thing. And in times of constrained resources, defining success in terms of growth becomes virtually meaningless, masking the legitimate added value the Council brings to the sector – value based on its knowledge and relationships and capacity to strategically intervene to effect positive change.

Today we are in one of those periods of constrained resources. It is not clear what the Council's budget will be in five years time, but it is sheer folly to imagine that the global economic downturn will not have an impact on both the Council and the sector it is mandated to support. Council must set objectives for itself that are ambitious and visionary but not conditional on continuous growth in resources. And it must shift its measures of success from volume to value.

Bigger Vision

The Council has many strengths that make such a change in orientation both realistic and achievable.

It has a long commitment to empowering artists to pursue independent practice, to develop their own voice, and to move the arts forward in a distinctive and unique manner.

It has a clear sense of accountability to the people of Canada, seeing them as the primary beneficiaries of its public investment in professional arts practice.

It has a strong record of promoting equality and diversity in all its dimensions.

It has a dedicated Board that relishes the challenge of moving the organization forward in both capacity and performance.

It has an experienced and knowledgeable staff fully committed and engaged in the mandate of the Council and reflective of the demographic diversity of the country.

It has a peer assessment process that builds on the talent and vision of virtually hundreds of arts practitioners every year.

It has a range of programs that impact people's lives not only at the community level but nationally and internationally.

It has independence from political interference, and a legislatively defined arm's-length relationship with the government.

It has formal and informal relationships with other art funders at the federal, provincial, territorial, and municipal levels, as well as ongoing communication and exchange with funding counterparts around the world.

It has a commitment to artistic merit that makes it a national leader in supporting creative excellence.

Together, these strengths help to propel the Council forward in its larger mission – to advance arts practice in Canada, including both the making and experiencing of art in all its forms.

Just as sports engage the emotions and exercise the body, the arts engage all known human intelligences, including verbal intelligence, mathematical intelligence, spatial intelligence, kinesthetic or neural-muscular intelligence, musical intelligence, and emotional intelligence.

The arts embody knowledge and, at their best, wisdom. They engage feelings as well as thought, and reinforce creativity through their endless striving for new ways to interpret the world.

For the Canada Council for the Arts, advancing arts practice ensures that Canadians can engage in a global conversation through the various aesthetic languages we call arts disciplines- music, dance, film, literature, theatre, visual arts, architecture, and countless other modes of communication that make up the repertoire of artistic expression. By prioritizing artistic quality, the Council reinforces Canada's positioning as an advanced society at the cutting edge of creativity and innovation. It brings together and fosters a sense of pride and identity on every level, from the smallest community to the nation state itself. It helps to bring ideas to life, expanding the horizons not only of the arts practitioners it funds but virtually all who engage in the artistic life of a community, providing new insights into the self and opening windows on the outside world.

A former head of the National Endowment for the Arts in Washington, Bill Ivey, has coined the term expressive life to describe the part of human experience addressed by the arts. I can't think of a better way of capturing the goal of the Council than to say it addresses Canadians' need, and indeed their right under the Universal Declaration of Human Rights, for an expressive life.