

CORPORATE SOCIAL RESPONSIBILITY

Burning Man: Social Responsibility in a Changing World

by Priscila Aoki



In a climate where demand for Corporate Social Responsibility continues to grow, can Burning Man keep up with demand without losing sight of their core principles?

✔ **INSIGHT** | NOTE 17 Apr 2018

There's been a swelling consumer trend in America that may just be cresting; increasingly people have begun to demand things unheard of fifty years ago. Corporate social responsibility has become expected, an alleged symbol to consumers that companies care about more than the bottom line. According to Forbes, more than 88% of consumers think companies should try to achieve their goals while improving society. Corporations can

appear to support and build a culture around them that is beneficial to their workers, consumers, and the planet, or they can wither within the market where the demand for socially conscious services continues to increase.

Burning Man, an organization that prides itself on its culture of communal effort and self-expression, meets the demand of individuals who have grown tired of consumerist society. Their core principles of decommodification, gifting, and participation are key reasons for why they have grown from a small get together on a San Francisco beach to an international organization that hosts an annual 70,000 people art festival in the middle of the desert.

Small Beginnings to Big Profits

“The nascent institutions we’d invented, sometimes half in jest, became realities. Our city, many of us felt, had acquired a soul.” -Larry Harvey

It was 1986 when Larry Harvey first burned a wooden man with a couple of friends on the beach. Ten years later after a series of unfortunate accidents, the founders of Burning Man saw the need for organizational structure, better safety guidelines, and a way to fund the now-annual event in the desert. They created Black Rock City LLC, turning their group of desert festival goers into a limited liability company.

Though this technically worked in allowing Burning Man to grow in size with organizational support, it also led many people to question the principles of the corporation. How could people who truly believe in decommodification run a for-profit corporation? As Burning Man and those who wanted to try and expand its principles beyond the event in Black Rock City grew, the founders realized they once again had to make a change.

Twenty-eight years after the first burn, Burning Man transitioned to a nonprofit, encompassing the arts festival, Black Rock Arts Foundation (which provides arts grants), Burners Without Borders (a disaster relief and grassroots program), and a global network. UC Berkeley Social Impact Fellow, Jennifer Walske, analyzes the change from LLC to nonprofit and the struggle within the nonprofit to continue growing in her latest case study “Burning Man: Moving from a For-Profit to a Nonprofit, the Ultimate Act of Gifting.”

Does this mean every company that truly values social responsibility is on a path to the nonprofit sector? Not necessarily. According to Forbes, most consumers think companies should support nonprofits with financial donations, not become the nonprofits themselves. However, Burning Man’s decision reflects its key principles of inclusion, gifting, and participation. Staying an LLC would have undermined its goals because it hindered their ability to cultivate its culture worldwide and its ability to ensure it could outlast its founders.

Now, as a nonprofit, Burning Man can continue to spread their ideas and community while being almost entirely funded by their community through donations and ticket sales. Despite this, as they expand, they must decide how to keep their principles alive and centered. Can they truly become a global movement when 80% of their attendees are white and from the US? Can they be “radically inclusive” when ticket prices automatically exclude a portion of the population? And how can they justify the millionaire tech gurus who use the festival to party, use their capital to build luxury camps, and directly neglect the decommodification principle of Burning Man?

As companies grow, their leaders constantly choose between the economically profitable path and the socially optimal one. Burning Man founders not only make their Form 990s and annual reports easily available online, they also explain why they are choosing to fund each project. Their transition to a nonprofit—made possible by the founders donating their shares of the company—their devotion to their civic, educational, community and artist support, and their decision to not hike ticket sale prices even though their 2017 festival sold out in 35 minutes, shows that they are trying to be more socially conscious.

Yes, demand for their expensive tickets are high, but within that is the demand for a culture that focuses on its people. In Burning Man's FAQ page, they answer the question "What makes Burning Man happen?" with a short and simple "You." What Burning Man teaches us is that whether nonprofit or corporation, the spirit lies within the people. Whether this spirit will last will depend on what the organization chooses to focus on. For now, the choice to go nonprofit has added sparks to the burning spirit of Black Rock City.



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