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New models of Public-Private Partnership in cultural heritage sector: Sponsorships between models and traps

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Abstract

Nowadays the cooperation between industry and culture is a well-known practice in several countries. However, in Italy the number of initiatives is still insufficient related to its cultural heritage dimension. Italy presents the higher number of UNESCO World Heritage Sites and also over the 60% of world's cultural heritage. This huge quantity of heritage is an element that certainly point out the national identity and it contributes to the collective daily-life quality. Also the ownership of the Italian cultural heritage is collective or public, and due to the dimension of the phenomenon it is hard to guarantee a proper and comprehensive conservation. Facing this missing the contribution of public-private partnership in cultural sector must be improved, to promote - and sometimes assure - the heritage safeguarding and conservation. This paper will explore the experiences of Mecenatismo, or cultural patronage, and Sponsorship as successful or questionable application cases.

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1. Introduction

With its 51 UNESCO sites, Italy has been called the greatest cultural treasure of the world. But in addition to this treasure - subject of attention from the large audience - there is another submerged which dots our country with cultural deposits and resources that make it unique and characterize it in every aspect. A huge asset, then, that is an

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integral part of our identity and of the identity of our nation, as stated in art. 9 of the Constitution: “The Republic promotes the development of culture and of scientific and technical research. It safeguards natural landscape and the historical and artistic heritage of the Nation”.

This is a critical step (Settis, 2010), which requires a deep reflection on landscape and artistic-historical heritage protection as essential elements to promote the development of culture and research. Precisely safeguarding implies a commitment to the maintenance of the heritage in all its forms and meanings. In fact, the combination of “landscape and cultural heritage” embraces as a whole the extraordinary material legacy of Italian history, from the wealth of artworks up to cultural diversity.

Perhaps more than in other countries, this heritage - immense and universally recognized for its uniqueness - is a foundational element of national identity and contributes to the quality of individual and collective life of Italians. Its ownership is public good, however it is yet hard to recognize and protect it, ensuring the conservation and proper promotional activities of which can benefit the whole community to which this heritage belongs.

Nomenclature

WHL	World Heritage List - UNESCO
MIBACT	Ministry of Cultural Heritage and Activities and Tourism
TUIR	Testo Unico delle Imposte sui Redditi - Income Tax Code

2. Italian Cultural Heritage Dimension

Still in 2015, Italy has the world’s highest concentration of recognized “World Heritage” sites, registered in the UNESCO World Heritage List. Thanks to its 51 sites, it precedes China, with 48 sites, and Spain, with 44. The areas of particular value, subject to constraint of protection by the Code of cultural heritage and landscape, cover close to the half of the national territory (46,9%) (SITAP, 2011). Yearly the MIBACT census italian heritage properties and to ensure their protection a catalog - Risk Map - is annually enriched (Grossi, 2015). This tool is designed to allow programming of maintenance and of restoration works.

Nowadays the notion of cultural heritage has been extended to sociological and economic analysis and embraces the enormous variety of markets of goods and services for people. The paradigm has shifted and cultural heritage is now best seen as cultural practice (Harvey, 2001; Smith, 2006) rather than as merely technical matter, only understandable in a complex system made of economic social and political factors.

At the heart of the Italian cultural heritage dimension is the bond between creativity and cultural production with history and the local regions. Time and space are the historical dimensions of the extraordinary waves of creativity running through the history of Italy (Santagata, 2009). Cultural Heritage is an idiosyncratic asset, specific to a spatially defined place and able to communicate its content to the whole world. The issue of cultural resources consumption, heritage authenticity and mass-tourism impact have been the subject of much debate (Adorno, 2001; Jokiletho, 1999; Sharpley, 1999). Cultural heritage consumption continues to expand with an increasingly diversified demand. Competition is growing and the supply is also becoming more specialized, generating new sub-markets, increasingly enable places apparently less well-endowed with historic attractions to enter cultural destinations redeveloped and their offer enhanced.

In 2013, according to the tabs contained in the catalogue, in Italy there are on average more than 33 heritage properties per 100 km² (compared to 11.4 in the UK and 10 in Germany). The equipment is conspicuous in every Italian region, with prevalence of archaeological sites in the South and of the architectural heritage in the Centre-North. Liguria is the region with the highest density of surveyed properties (over 120 to 100 km²), but high values (between 40 and 50 properties for 100 km²) characterize also all the regions of the Centre and even Veneto and Lombardy (Grossi, 2015). In addition there are 17,000 libraries, of which 80% are publicly managed. In large part these are very small: over half have less than 10,000 volumes. The 46 state libraries have inventoried over 35 million pieces. Finally, there are 5,600 archives, of which just the 100 National Archives conserve 22 million documents.

At a time of economic crisis, in which the cultural heritage sector - central in a country like Italy - was severely affected by the cuts in public spending, a mutual enrichment between public and private sectors could be the

solution to “rescue” from the decay several heritage site. In this context, in order to fund conservation plans for the protection and promotion of cultural heritage, Government has been trying to attract private funds primarily through two donation systems.



Fig. 1. SITAP Protected heritage by D.Lgs.42/2004 artt.136 and 157.

3. Mecenasismo and sponsorships as experienced practices

Since many centuries, it becomes more and more indispensable the contribution of privates in the field of cultural heritage, compared to a so wide heritage size as to make difficult a accurate calculation. Especially given the lack of public resources for the sector, it is now impossible to advance initiatives for the acquisition and utilization of part of the Italian heritage without the involvement of private operators.

In many countries the cooperation between the business and culture worlds is now an established practice. However, recently in Italy the sponsorship of the Colosseum restoration by the Tod's Group has raised a great public attention.

The Italian Government has provided the fund management procedure related to donations and especially for sponsorship, through the Decree of the Ministry of Heritage and Culture of 19 December 2012. But the relationship between the actions of individuals in support of safeguarding and promotion of historical and cultural heritage has very deep roots and far in time, taking us back to the various forms of Mecenasismo - or patronage - that characterized many periods of our history.

The term was inspired by the figure of Gaius Maecenas Cilnio (68 BC - 8 AD), an influential adviser to the Roman Emperor Augustus, who established a circle of intellectuals and poets (e.g. Horace, Virgil and Propertius) that he personally protected, encouraged and supported in their artistic production. During the humanistic age, the main novelty item resides in the birth of the intellectual-courtier from noble patronage. Thus we have in Milan, Ferrara, Mantua, Rome and Naples the courtier Humanism - promoted by the lord and expression of his patronage -, while in Venice and Florence civil Humanism developed - promoted by the high urban bourgeoisie that holds power and promotes first person's statement and the spread of the ideals of cultural renewal.

Coming back to present time, there are numerous cases of intervention of distinguished entrepreneurs in connection to heritage restoration. It is worth mentioning the participation of Olivetti in 1982 to the restoration of the Last Supper by Leonardo, when the Minister for Cultural Heritage, Vincenzo Scotti, addressed the company from Ivrea requesting an intervention not limited to pure sponsorship, but also to collaborate in seeking technical solutions to best solve all the problems related to a project of this calibre.

The Olivetti ltd. become then the sole sponsor of the conservation, as well as ensuring financial support, the company also assured the technological expertise sharing. As evidenced by several publications², the works were accompanied by numerous studies and researches aimed at deepening both the historical and artistic knowledge of the Leonardo's masterpiece, as well as restoration and conservation techniques applied to the complex case of the Last Supper. Since 1987, in Turin, is active the Council for the development of artistic and cultural heritage, which includes the Piedmont companies which with private funds have financed numerous projects, including the bell tower of the Turin Cathedral.

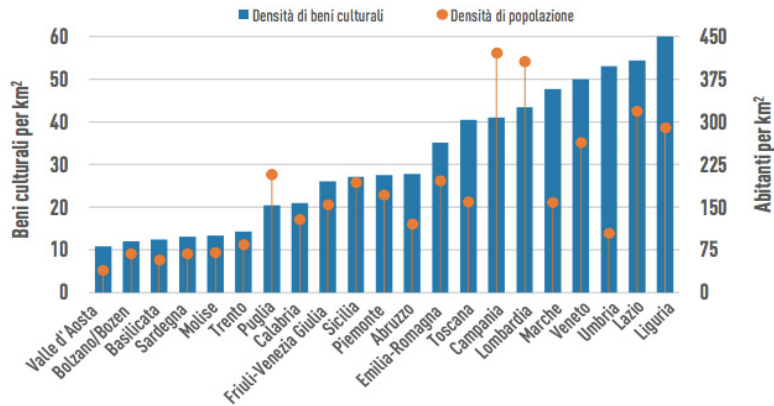


Fig. 2 Density of the Cultural Heritage and the resident population by region – Properties surveyed for 100 km² and population per km². Year 2013.

4. Brief legal overview

Regarding taxation on cultural sector investments, the Italian law provides various possibilities for private stakeholders wishing to invest in this sector. Unfortunately, these opportunities are surrounded by several complicated process and sometimes smoky procedural process that certainly do not facilitate the expansion of this practice (Calabrò & Della Spina, 2014). In 2000 (Law n.342, art.38), a comprehensive reference standard was fixed to encourage cultural patronages by establishing tax breaks. With the entry of the Legislative Decree 42/2004 two alternative legal solutions have been outlined regarding the “funding or liberal donation” for restoration works. The first, called *Mecenatismo* or Cultural patronage, is essentially a donation dispensed by a private entity in a system of exemptions and tax breaks. This was created to encourage individuals to participate in the restoration and enhancement of cultural heritage. It is therefore based on the deductibility instruments and tax deductibility.

The second, called *Sponsorship*, is in effect a corresponding service contract through which, a private, in the face of a certain sum, acquires the right to take advantage from the image or the name of a cultural property as object of the contract. Both instruments still provide for a clear distinction and defined roles between public and private role. So that the public receives a loan from a private person who is just handing it, while the public keeps the governance over the cultural property regarding its protection, enhancement and management.

Sponsorship instead lies in the marketing discipline as an opportunity for the exclusive visibility through the approach to the world of culture. The compatibility of the sponsorship with the protection of the property is guaranteed by art.120 - which implies the application of art.20 and 21 of the Code - providing that in every case, upstream of the sponsorship, there is an evaluation about the content of the contract to be signed which will be translated in an enabling decision.

The “compatibility test” as requested art.120 has a very broad parameter, and yet the value of intangible cultural heritage escapes from the intervention from the public supervisory body (Ungari, 2014). In the approach of cultural

² See the series “Quaderni di Restauro”, published in collaboration with the Ministry for Cultural Heritage, which reports three studies on the influence of the Last Supper by Da Vinci on Art history.

property to a marketing campaign there certainly is an evolved form of property “use” subject to the discretionary penetrating power of authorization by the Superintendence.

5. The volume of liberal donations in Italy

According to data from the 11th Annual Report by Federculture, until 2013 the trends on the private investments in the cultural sector were still mostly negative, with a decrease over the previous year of 19%. But in the medium term, data are even more significant. In 2008 they were donated to cultural sector – thanks to the art. 100 and art. 15 of TUIR - about 60.9 million Euros, but in 2013 the amount decreased to 36.8 million or 40% less. The most noticeable decrease is registered in donations from private and non-commercial entities that in just one year (2013/2012) decreased by 11 million, 65% less.

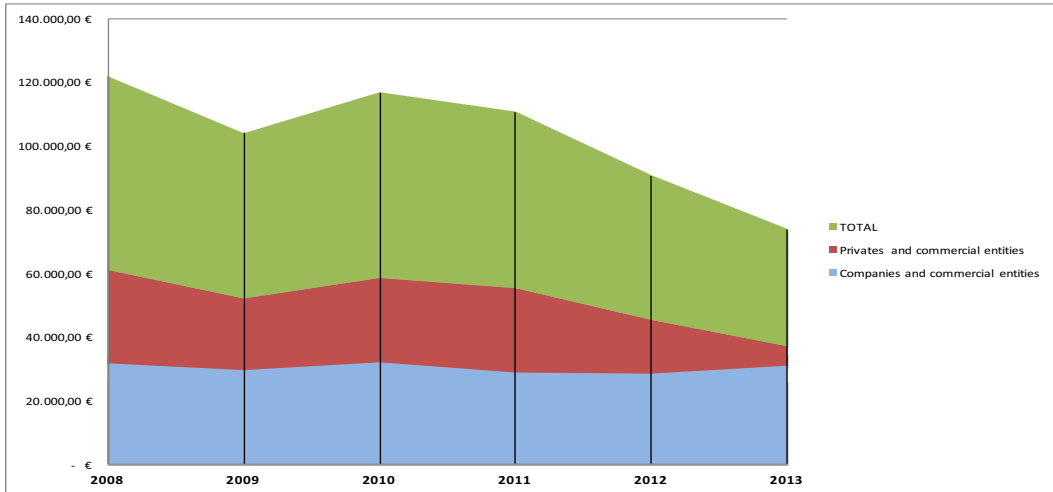


Fig. 3 Donations in cultural heritage and performing arts (art. 100 and art. 15 TUIR) - Time series 2008-2013. (Source: Elaboration based on data from the 11th Annual Report by Federculture 2015)

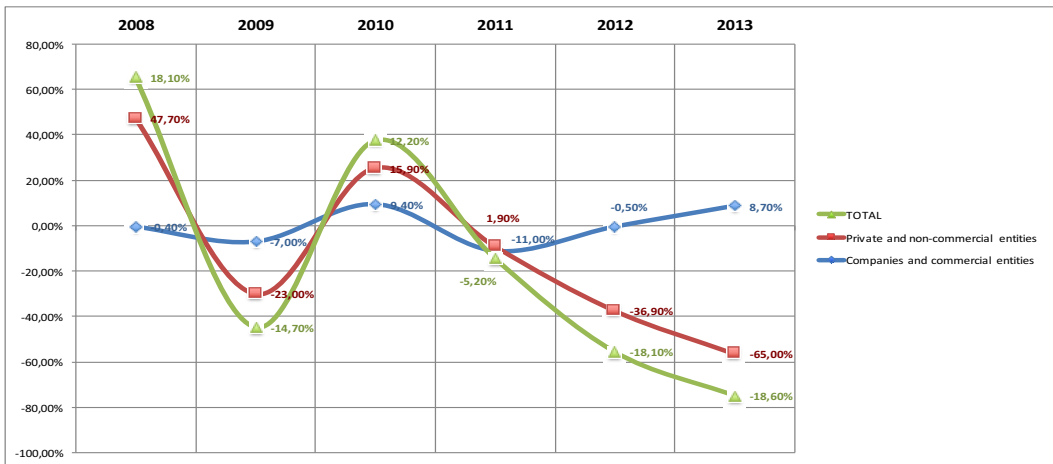


Fig. 4 % Variation of donations in cultural heritage and performing arts (art. 100 and art. 15 TUIR) - Time series 2008-2013. (Source: Elaboration based on data from the 11th Annual Report by Federculture 2015)

6. Emblematic and acrobatic sponsorships

Public-private partnerships have gained in popularity over the last twenty years as a means for governments to manage the increasing costs and responsibilities of services or ventures traditionally delivered by the public sector. These partnerships have been commonly employed in the core infrastructure areas of energy, water, transportation, and telecommunications to deliver necessary public services (Macdonald & Cheong, 2014). Nowadays also conservation of cultural heritage requires the involvement of multiple players across the public, private and nongovernment sectors, not only to initiate and carry out conservation but also to sustain the place. However, the practical means and mechanisms to achieving this are only recently becoming the subject of literature. The conservation of the historic urban environment poses specific and urgent challenges that require a multidisciplinary approach, where conservation actions are embedded within economic, social and environmental development strategies. The private and third sectors are increasingly playing a pivotal role in these processes (Macdonald, 2011). The most significant sponsorships experiences have recently contributed to the birth of new rules, especially highlighting traps and dangers inherent the existing regulations and common practices (Piperata, 2005). There are many interesting case studies of sponsorship contracts, which have not enjoyed the wide media clamour - such as the case of Herculaneum - but that have created a new public-private partnership model.

In 2001, it was founded in Campania the *Herculaneum Conservation Project* by David W. Packard, President of the Packard Humanities Institute – a philanthropic foundation with the aim of supporting the Italian State, through the Superintendence for Archaeological Heritage of Naples and Pompeii, in its safeguard action of the archaeological site of Herculaneum. The agreement, lasting three years, had as main objective to assist the Superintendence in the conservation of the entire archaeological site, as well as promoting a series of smaller projects and emergency works aimed at stabilizing the areas at risk of the site. The data prevailing - that deserves specific attention - is the the pioneering and challenging willingness to standardize interventions by treating the site as a whole and not as a series of specific restoration actions. To ensure this goal, in 2003 the British School at Rome was involved in the project. In 2004 this resulted in the signing of a sponsorship contract allowing the sponsor to directly intervene in the restoration works under the supervision and control of the Superintendence “*through the implementation at sponsor’s own expenses, of conservation, restoration and enhancement of the Herculaneum site*”. The takeover by the sponsors of the various charges listed above, to which is added in 2009 with the renewal of the contract also the design of the works, has enabled the Superintendence a considerable saving of time, compared to cases when those duties are just in the public burden.

The forms of image return provided for the sponsor in this case are limited to the publicity of the contribution made by the American Foundation and the British School at Rome in peer-reviewed scientific journals and with plaques modest size exhibited in situ. It is also provided the possibility to organize private visits - but during closing hours - for groups of people invited for academic or promotional purposes. In this study case stands out, once compared the contractual conditions, the cultural interest of the patronage, far from promotional or commercial interests.

Antithetical situation in the relationship between the public authority and the private entity is the case Flavian Amphitheatre in Rome/Tod’s. In 2010, following a “public notice” to search for sponsors for the financing and implementing the restoration works according to the Colosseum’s Conservation plan, the tender process was concluded with “not appropriate” proposals. Following a phase of negotiations started, which allowed to conclude the contract for the financing of the work with Tod’s ltd in January 2011.

The contract involves “the financing only” of the restoration works - amounting to 25 million Euros inclusive of VAT and administrative expenses - against the possibility for the Della Valle’s group to exploit the image of the Colosseum for two years following completion of the project. While for the association that Tod’s has established pursuant to art. 4 of the Agreement, this possibility has been extended to a maximum of 15 years. A contract of this type manifests the assertion of a “return” right in proportion to the investment made for financing the restoration of the Colosseum.

In addition, there are heavy doubts about the nature of this sponsorship deal, mainly for what affects the amount and duration of the rights granted to the sponsor. Despite the call for tenders had expressly provided that the rights are only for the duration of the work, the contract (as a result of a negotiation) established that:

- The rights of the sponsor go on for two years following the end of the works (without entailing additional fees compared to the contribution)

- The rights granted to the Association of Friends Colosseum³ will have a term of fifteen years from the date of its constitution, which may be extended
- These rights, however, are granted “in exclusive”. This means that, for the duration of the contract, the Ministry can not authorize third parties to use, in any capacity, brands, names, images, or other distinctive marks relating to the Colosseum, of which the sponsor owns the rights - exploitable for personal advertising purposes.

7. Conclusions

The legal concept of sponsorship is now a popular tool and sometimes necessary for the safeguarding of cultural heritage. However, what in recent years has occurred as a result of experiences such as those related to the restoration of the Colosseum, certainly requires a reflection and a legislative adjustment with more sharply defined edges. Sponsorship contracts have raised many doubts, especially in Rome, but the situation becomes even more acrobatic following the candidature of Rome as hosting city of the 2024 Olympic Games. In fact, the president of the Olympic Organizing Committee Roma 2024 is Luca Montezemolo, a former partner of Della Valle in the creation of Charme fund, NTV - *Nuovo Trasporto Viaggiatori* and who sits on numerous management boards including Tod's.

Obviously the Colosseum appears as brand/logo in the submitted application, guaranteeing - in case of approval - good investment returns not only from the brand exploitation perspective, but also from any images and TV rights. In order to size the return of the use of the brand image, years ago the Chamber of Commerce of Monza and Brianza, through the Economic Reputation Index (ERI) extracted by Simon Anholt studies, has analysed some Italian cultural heritage and natural beauty (Anholt, 2003). The brand of the Colosseum would be worth 91 billion euro, the brand of the Vatican Museums 90, the Milan's Duomo 82, the Trevi Fountain 78. These exorbitant values, calculated for heritage sites that, sometimes, have not so far experienced a proper commercial consideration. But if today in Italy the value of this kind of brand is still something ethereal, the Legislative Decree n.131/2010 innovates the Industrial Property Code, allowing local administrations to obtain the brand registration and to exploit it for commercial purposes, including by the licensing and merchandising activities (Ventura, 2014).



Fig. 5 Logo and Brand of the Candidature of Rome for the 2024 Olympic Games (Source: Promoter Olympic Committee - Rome 2024).

Also, just in August 2015, the Minister of Culture Franceschini announced with a tweet “A commitment maintained: the Colosseum will have its arena back. Funded the project for reconstruction”. The Colosseum's arena will in fact be restored by an operation whose cost will amount to 18.5 million euro, reevaluating the idea of the archaeologist Daniel Manacorda of a wooden reconstruction of the pavement in order to make the arena again viable and to realize a subterranean museum. The opening and closing ceremonies are scheduled for the 2024 Olympic Games in the amphitheater. So what is the value produced by the exclusive right of the Colosseum image use in view of the Olympic Games transferred to Della Valle's group? Is it patronage or pure financial transaction? The

³ The Association of Friends of the Colosseum is a non-profit organization established by the Tod's group to promote and give at national and international level public visibility to the initiative.

concerns persist, especially towards a vision of public-private partnership focusing only on investments and budget while ignoring cultural results. The dangerous confusion created between the private management of services heritage related and then of the same cultural heritage, opens the debate to the dichotomy between conservation and promotion, which in perspective means to let to the public the losses and to private the profits (in the absence of which we can only wait for a decrease in the quality of heritage experience, in conservation, in accessibility).

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