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COUNCIL FOR CULTURAL CO-OPERATION

**EUROPEAN PROGRAMME
OF NATIONAL CULTURAL POLICY REVIEWS**

**NATIONAL CULTURAL POLICY
IN ITALY**

Interim Report of a European group of experts

by
Christopher Gordon

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European Programme
for the Evaluation of Cultural Policies

CULTURAL POLICY IN ITALY

Report by a panel of European Examiners

prepared by
Christopher Gordon

Culture Committee

Strasbourg 1995

Open my heart and you will see
Graved inside of it, 'Italy'

- Robert Browning (1812-1889)

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Membership of Examiners' Group

Augustin Girard, Chairman (France)

Christopher Gordon, Rapporteur (Great Britain)

Theodoor Adams (Netherlands)

Vesna Čopič (Slovenia)

Cornelia Dümcke (Germany)

For the Council of Europe:

Gabriele Mazza (Head of Cultural Policy at Action Division)

Ritva Mitchell (Programme Adviser)

Interpreters in Italy

Lisa Clark

Serena Concilio

Chronology of Examining Group's Activities

8/9 February 1994

Preliminary meeting in Rome of Chairman, Rapporteur and Council of Europe officials with Italian officials and Censis, co-ordinated by the Ministry of Foreign Affairs.

8 September 1994

Full meeting of Examiners' Group in Paris with representatives of the Italian Ministry of Foreign Affairs and Censis, concerning the national report.

3/8 October 1994

Visit of the Examiners' Group to Rome. Meetings and interviews with Government Department officials, the Senate Committee, national organisations, expert individuals and artists and representatives of the city of Rome.

3/7 December 1995

Visit of the Examiners' Group to the Regions of Piedmont and Emilia-Romagna. Meetings and interviews with officials of the two Regions, and of the cities of Turin and Bologna. Discussions with the private sector, independent agencies, directors of cultural institutions, and individual artists.

8/14 January 1995

Visit of the Examiners' Group to Sicily, Naples and Rome. Meetings and interviews with officials, soprintendenti and representatives of the autonomous Region of Sicily, and of the cities of Catania, Palermo, Naples and Rome. Also with a range of private sector, academic and cultural institutions, as well as artists, curators and RAI.

9/10 February 1995

Meeting of Examiners' Group in Paris. First draft of Report discussed.

9/10 March 1995

Meeting of Examiners' Group in Paris. Final discussions on Examiners' Report.

13 March 1995

Submission (in English language) of Examiners' Report to the Council of Europe.

26 April 1995

Meeting of the Council of Europe's Cultural Committee in Strasbourg with the Italian authorities and the Examiners' Group.

Note: During the period of their three full visits to Italy, the Examiners' Group visited museums and exhibitions and attended a number of opera, dance and theatre performances. A full list of people interviewed and/or consulted within Italy follows.

List of Informants met by the Examiners

A. Preliminary meeting in Rome

Min. Enrico Pietromarchi	Ministry of Foreign Affairs
Sig.ra Guerra	Dept. of Information & Publishing
Sig.ra L Troccoli	Department of Performing Arts
Sig.ra M V Clarelli) Ministry of Cultural Heritage
Dott.sa A M Campagna)
Sig.ra A Micocci	Ministry of Education
Sig.ra A Cammisa	Ministry of Universities & Research
Dott. C Rocca	Dept. of Performing Arts
Dott. G De Marchis	Ministry of Heritage
Dott. Stefano Rolando	Dept. of Information & Publishing

B. Rome

Arch. Scoppola	Soprintendenza Archeologica di Roma
Dott.sa De Angelis	"
Col. Roberto Conforti	Carbiniero (Art Theft Division)
Prof. Bruno Cagli	Accademia di Santa Cecilia
A N Other	"
Dott.sa Sapelli	Palazzo Massimo (Museum Director)
Dott.sa Livia Velani	Galleria Nazionale d'Arte Moderna e Contemporanea
Dott.sa Carla Bodo	Researches, ISPE, Rome
Prof. Giovanni Beccheloni	University of Florence
Dott. Ugo Bacchella	Management Consultant, Turin
Dott. Giovanni Scichilone	Soprintendenza Archeologica per l'Etruria Meridionale
Dott.sa Borea	Central Institute for Restoration
Sen. Ortensio Zecchino) Senate Committee on
Sen. Luigi Biscardi) Education, Heritage,
Sen. Anna Maria Bucciarelli) Arts and Sport
Prof. Paolo Leon	Associazione Economica della Cultura
Dott.sa Maria L Polichetti	Central Institute for the Catalogue (Heritage)
Dott. Giuseppe Proietti	Soprintendenza Generale per gli Interventi Port-Sismici
Dott. Eugenio LaRocca	City of Rome, Director of Antiquity & Fine Art
Dott.sa Claudia Terenzi	City of Rome, Dept of Antiquity & Fine Art
Dott.sa Maria Elisa Tittoni	Director, Palazzo delle Esposizioni
Maestro Maurizio Scaparre	Commissario ETI (Italian Theatres)
Dott. Ettore Scola-Regista	Film maker
Dott. Luca Ronconi	Director, Teatro di Roma
Dott. Enrico Di Mambro	Director-General, AGIS
Dott. L Prato	Association for Cultural Sponsorship
Ministro Domenico Fisichella	Minister of Cultural Heritage
Dott. Manlio Mallia	SIAE (Performing Rights Society)
Sig. A Francioli	Actor (representing Actors Union)

C. Turin/Piedmont

Dott. Alberto Vannelli	Director, Dept. of Heritage, Piedmont
Dott. Daniele Jalla	Administrative Director, Civic Museums, Turin
Sig. Francesco De Biase	Head of International Cultural Relations
Sig.. Francesco Maltese	Neighbourhood Cultural Programmes, City of Turin
Sig. Aldo Garbarini	Director of Culture, Grugliasco Municipality
Sig. Saggion	Cultural Animator, City of Turin
Sig. Stefano Piperno	Deputy Director, IRES (Regional Research Institute)
Dott.ssa Luciana Conforti	IRES - Cultural Research Expert
Dott. Luigi Bobbio	Museums Expert
Dott. Davide Barella	Expert in Cultural Evaluation
Dott. Ugo Bacchella	Fitzcarraldo
Dott. Luca Dal Pozzolo	Fitzcarraldo
Dott. Dario Disegni	Compagnia di San Paolo (Head of Cultural & Scientific Projects)
Sig. Giovanni Roggero Fossati	Compagnia di San Paolo (General Secretary)
Prof. Giuliano Soria	President, Fondazione Grinzane-Cavour Teatro Regio, Turin:
Maestro Carlo Mayer	Artistic and Musical Director
Sig. Roberto Boslo	Production Director
Dott. Carlo Carra	Head of Finance & IT
Dott. Ugo Sandroni	Head of Marketing, Press & Information
Sig. Piero Robba	Head of Public Relations
Prof. Ugo Perone	Assessore for Cultural Policy, Turin
Sig. Graziano Melano	Director Teatro del'Angolo, Turin Teatro Stabile
Prof. Guido Davico Bonino	Artistic Director
Dott. Beccaria	Administrative Director

D. Bologna/Emilia Romagna

Prof. Ezio Raimondi	Instituto Beni Culturali Emilia Romagna: President
Dott. Nazareno Pisduri	Director
Dott. Francesco Gencarelli	Head of Tourism & Culture, Emilia Romagna
Arch. Monti	Architecture/Beni Culturali Emilia Romagna
Dott.sa Luisa Stanzani	Performing Arts, Emilia Romagna
Dott. Michele D'Agostino	Head of Public Relations, Teatro Comunale di Bologna
Prof. Andrea Emiliani	Soprintendente, Emilia Romagna
Dott. Paolo Messina	Head of Library & Cultural Services, Bologna
Prof. Massimo Ferretti	Director of Mediaeval Museum, Bologna
Prof. Giuseppe Gherpelli	Director, AICER
	Director, Cinetheque, Bologna

E. Autonomous Region of Sicily

Prof. Michele Trimarchi	University of Messina
Dott. Antonio Panzera	Managing Director, Taormina Festival
Antonino Di Grado	Assessore for Culture, Catania
Dott. Giuseppe Maimone	Executive Director, Maimone Editore (Catania) and Vice President, Italian Association of Small Publishers
Sig.ra De Martinis	Bookseller, Publisher and Cultural Entrepreneur, Catania
Dott. Antonino Scimemi	Director of Cultural Policy, Region of Sicily
Dott.sa C A Di Stefano	Soprintendente, Palermo
Dott.sa Rosalia Scorazzo	
Camerata	Soprintendente, Trapani
Dott. Guido Meli	Director of Landscape Architecture and Town Planning, Palermo
Dott. Vincenzo Abbate	Director, Palazzo Abatellis
Dott. Antonio Scarlato	Director Vincenzo Bellini Conservatoire
Sig. Emilio Arcuri	Deputy Mayor, Palermo and Assessore for Restoration of the Historic City 'Salvare Palermo' Trust
Prof. Roberto Calandra	Artistic Director, Teatro Massimo
Maestro Marco Betta	Managing Director, Teatro Massimo
Maestro Roberto Guicciardini	Director, Teatro Biondo Stabile, Palermo
Prof. Gioacchino Lanza	
Tomasi	President, Taormina Festival
Sig. Mimmo Cuticchio	Actor, Puppeteer and Impresario
Prof. Antonio Gulloti	Rector, University of Palermo
Prof. Salvatore Nicosia	Dean, Faculty of Law and Letters, University of Palermo
Prof. Francesco Raimondo	Director, Botanic Gardens, Palermo
Dott. Alfio Mastropaolo	Assessore all'Informazione, Palermo
Dott. G Bonanno	Assessore alla Cultura, Palermo

F. Naples

Dott. Nicola Spinoza	Soprintendente, Fine Art and Heritage
Prof. Mirella Barracco	President, 'Napoli '99' Foundation
Dott. Guido D'Agostino	Assessore, Education
Dott. Renato Nicolini	Assessore, Culture and Performing Arts
Dott. Francesco Canessa	Soprintendente, Teatro San Carlo

G. Rome

Dott.sa Di Palma	Department of Performing Arts
Prof. Carlo Sartori	Director of External Relations, RAI
Dott. Vittorio Panchetti	Head of International Relations, RAI
Dott. Angelo Sferrazza	Deputy Director, Educational & Cultural Programmes - 'Videosapere', RAI
Prof. Sabino Acquaviva	Managing Director, Cultural Pro- grammes, RAI
Dott. Giuseppe Neri	Head of Cultural Programmes, RAI
Prof. Gianpiero Gamaleri	International Relations, RAI
Dott. Antonio Bruni	International Relations, RAI
Dott. Antonino Cascino	Member, CDMM, RAI
Dott.sa Alessandra Paradis	International Relations, RAI

G. Rome (cont'd)

On. Francesco Rutelli
Prof. Giandonato Caggiano

Mayor of Rome
International Relations Adviser to the
Mayor

Dott. Sergio Angeletti
Sen. Luigi Covatta

Diplomatic Adviser to the Mayor
Former Undersecretary

H. Individuals interviewed by the Rapporteur

Prof. Francesco Villari

Director, Italian Cultural Institute,
London

Mr Keith Hunter, OBE

Director, British Council, Italy

Preface

This review of cultural policy in Italy is part of the programme of country evaluations being undertaken under the auspices of the Council of Europe. Italy is the sixth country to go through the full process, reviews having already been completed (and published) on France, Sweden, Austria, The Netherlands and Finland. Others are currently in preparation. According to the review programme's methodology, which is loosely modelled on that of the OECD for reviewing national education policies, the key stages are:

- ◆ the preparation of a background report by (or for) the national authorities of the country concerned (descriptive and self-evaluative);
- ◆ visits by the Expert Examiners to the country in question to collect direct evidence, to interview key informants, and discuss goals and methods with politicians, officials and people working in the cultural sector;
- ◆ preparation of a report and conclusions by the Examiners; and
- ◆ a discussion between the national authorities and the Examiners at a Council of Europe Review Meeting, structured on the basis of issues and questions formulated in the Examiners' Report.

The period over which the Italian review took place saw both the election and the demise of the Berlusconi government. The new Dini administration began to be formed on the final day of Examiners' concluding visit to Italy. Consequently, the political and administrative background to our work was one of considerable uncertainty, encompassing hope, anxiety and expectation in varying degrees.

The Italian authorities commissioned Censis, the Rome-based research foundation, to produce the National Report. Censis' Report went through several revisions during the period of the Examiners' review. The third version was made available to the Team only on the final day of their visits, and not in either of the working languages of the Council of Europe. A fourth version, in Italian only, has just been produced. Lack of objective self-evaluation was felt by the Examiners to be a significant shortcoming in the National Report.

Visits by the Examiners took place in October and December 1994, and in January 1995. We were given a great deal of interesting research material by government officials, consultants and cultural institutions, but there was no single source which the Examiners felt they could use as their Baedeker in Italy. The comprehensive 'Rapporto sull'Economia della Cultura in Italia 1980-1990' with its useful statistical data was only published as this Report was being finalised.

The Examiners regret that in the time available they were only able to scratch the surface. Within the limited time available, it was quite impossible to cover all the various areas of cultural policy, let alone other aspects of cultural life in Italy in all their rich diversity. The highly complex issue of the media, and its role in Italian cultural life, had to be put to one side apart from the more narrowly defined cultural remit of the national public broadcasting system.

Confronted with such a complex system, and only very limited time and resources available, our conclusions can only be tentative. Nevertheless, there were a number of key points which struck us so forcibly and consistently wherever we went, that we feel the clarity of an external view could be of assistance in confronting very real dilemmas within Italy. By concentrating our thoughts on a limited range of topics within cultural policy, and confronting the problems on a practical level, we hope that our external view can lend clarity and courage to assist with the necessary reforms. Because of the abundance of the Italian cultural heritage and the pervasiveness of problems in its management, we felt a sense of frustration at most people's (understandable) inability to 'see the wood for the trees'. Identifying key objectives, setting priorities for action and finding the means to implement are urgent national tasks.

So far as the vitality of a culture and the strength of its language (and dialects) is concerned, it is society rather than the State which is the decisive factor. At the risk of descending into cliché and abusing Italy as (in the words of Hans Magnus Enzensberger) "the rest of the world's favourite Arcadia", our time spent in the country was, as ever, life enhancing and exhilarating. We are enormously grateful to all our interlocutors and hosts who gave so generously of their time, and provided us with so much information and opinion on aspects of the Italian cultural system. In particular we have to thank Dr. Ugo Bacchella, who generously took it upon himself to organise all our visits in Piedmont, and Professor Michele Trimarchi, who was a crucial contact and facilitator in Sicily. Dott.ssa Adele Maresca Compagna of the Ministero per i Beni Culturali e Ambientali was indeed our constant companion and adviser, but above all we owe a debt of gratitude to Ministro Giorgio Radicati of the Ministero degli Affari Esteri (ably assisted by Preside Silvia Andolina) without whose belief in the project, tact and Herculean drive, it would never have come to fruition.

Grateful thanks are also due to the English Regional Arts Boards who generously agreed to allow the Rapporteur a period of sabbatical leave in order to produce this Report.

The views expressed in this report are, of course, those of the Examiners alone, and should not be attributed to any of our informants. We hope that our criticisms will be taken in a constructive spirit, as they are intended, and that our efforts can be instrumental in bringing about some positive improvements in a country which we all deeply love.

Winchester, 13 March 1995

Section 1 - GENERAL BACKGROUND

1.1 According to UNESCO, over 40% of the world's cultural heritage is to be found in Italy. Continuity of civilisation and traces of the past are major factors which still influence the Italy of today. Indeed, they are so abundant that they can almost be taken for granted. Italy in 1945, outside the larger cities, was a country little changed from the time of the Risorgimento - a peasant country of breathtaking natural beauty, unspoiled small provincial towns, and enduring poverty, particularly in the south. Today, half a century later, Italy is for the most part transformed out of all recognition, and has become one of the six most economically powerful nations in the world. The process of wealth-creation (with all the urban and secular changes that inevitably accompany it) has seen Italy undergo the most profound social revolution in its entire history compressed into a fifty year period. This first section of the Examiners' Report briefly sketches some of the key points which establish a context for understanding our themes and conclusions on present-day cultural policy in Italy

1.2 Geography and Demography

Italy with a population of 56,960,000 ranks as one of the four largest nations in Western Europe with Germany, France and Great Britain (to whose GDP it is approximately equal). For a country that is over one-third mountainous (35% of the land mass is categorised as mountainous, 42% as hilly), population density at 194 per square kilometre is quite high.

	Italy	France	Germany	G.B.	Spain
Total population (millions)	57	57	79	57	40
Density (per sq.km.)	194	104	202	235	78
Urban (%)	65	73	81	92	76
Rural (%)	35	27	19	8	24

The land now called Italy is the result of amalgamation of many smaller territories, politically united from 1861, with a few later peripheral additions. The present twenty administrative and political regions correspond approximately to historical territories, but it is also possible to think of the country as four quite distinctive entities: the north, the centre, the south, and the islands. Five of the regions have autonomous political status - the northern border region of Valle d'Aosta, Trentino Alto-Adige and Friuli-Venezia Giulia, and the two large islands, Sicily and Sardinia. At the time of unification (26 million inhabitants) 70% of the active population were employed in agriculture. Of that population, 78% were illiterate. Agricultural potential was the greatest reason for colonisation or invasion of Italy in the Ancient World - the country is not rich in natural mineral resources. Traditionally, the component parts of Italy had a strong base of folk culture in the rural areas matched by the high peaks of civilisation centred on the prosperous cities. Unification, industrialisation and urbanisation have inevitably played their parts in levelling down, with consequential losses in linguistic and cultural diversity. Loss of roots, within a country, often implies loss of clear cultural identity.

Transformation from a primarily rural and agricultural to a predominantly urban and industrial economy has been rapid, particularly in the twenty-five years immediately post-war. The tensions and social problems created through this process of urbanisation (especially through migration to the industrialised north, but later in the centre as well) have found artistic expression in some of the major works of the Italian neo-realist film school. Whilst in 1950, towns with a population of over 100,000 accounted for 20.1% of the national total, the conurbations of eight principal cities now contain over one-third of the population of Italy. According to the 1992 Censis 'Italy Today' report there are signs that this trend may have peaked with, as elsewhere in Western Europe, commuter movement back to smaller towns.

Italy still abounds in medium-sized towns, with forty-five of them having populations of over 100,000 (eight in the Region of Emilia-Romagna alone). These have always been, and to a great extent still are, the backbone of cultural production and expression in Italy. The six largest cities, with population alongside are:

Rome	2.80 million
Milan	1.45
Naples	1.20
Turin	1.00
Genoa	0.75
Palermo	0.73

Net emigration from Italy seems to have ceased, and internal migration is now much less significant, having peaked in the 1950s and 1960s. Census data shows there are about 1.4 million immigrants resident in Italy, mostly economic migrants from less developed countries. The birth rate has fallen slightly since 1980 and, in common with other Western European countries, the ageing population is increasing steadily as a proportion of the total. The Government aims to prolong compulsory full time secondary education. Currently 72 Italians per 1,000 (between the ages of 22 and 24) have succeeded in achieving a Higher Education degree qualification (Great Britain equivalent 148). These levels are only comparable to Greece and Portugal within the European Union.

Italy in 1861 was a land with many dialects. Unification has led to the situation where the official language of government and the media is the Tuscan dialect, although many regional variants still survive at the vernacular level. RAI as the national public service broadcasting organisation recognises certain minority languages in its local output - French in the Valle d'Aosta, German in Alto-Adige/Bolzano and Ladino in a few valleys in the Dolomites.

1.3 Economic Situation

Nowadays, agriculture accounts for only 10% of Italy's GNP, with industry at approximately 40% and services in the public and private sectors at about 50%. Compared with other developed economies in Europe, the public sector plays an exceptionally large role in the life and prosperity (or otherwise) of the country.

The structure of the Italian economy is unique amongst the industrialised European nations in two particular respects - (i) the concentration of industrial muscle within a rather small number of large companies organised in hierarchical groups and (ii) the vast and well-diversified pattern of small family run (private) enterprises. The country lacks the customary (e.g. as in France, Germany or Great Britain) spread of middle-sized companies which are stock market listed, and have access to medium- or long-term financing to underwrite expansion plans.

The nineteenth century 'peasant' culture has been largely displaced by a single urban-led culture, particularly following an unprecedented migration of country-dwellers to the cities, and of southern Italians to the north. Nevertheless, as a cultural and social process, it could be maintained that 'unification' is not yet complete. The 1980s saw a new era of prosperity in Italy with a solid growth pattern from 1984 when GDP grew by well over 2.5% per annum over several successive years. The falling value of the US Dollar, reduced oil prices, and the devaluation of the Lira in 1992 were all turned to Italy's economic advantage. However, whilst over this same period the south shared in the trend, it has not been at anything like the same rate as the centre and the north. Economic prosperity has in fact accentuated the importance of the historic 'southern' question (the Mezzogiorno, including Sicily and Sardinia, accounts for 40% of Italy). Unemployment in the south, approaching 20%, is almost double the national average (stabilised in recent years at around 10%/11%), with traditional agriculture contracting, industrial output stagnant and a concentration of jobs in the service sector. Agriculture is still, nevertheless, twice as important a factor in employment as compared with the centre and north.

The traditional strong sectors of Italian industry have done well nationally and internationally, but they are heavily concentrated in the north (and to a lesser extent in the centre) where consumption is on a par with the richest regions of Europe. The strong network of small enterprises in traditional goods sectors have benefited from the synergies of industrial districts. This has given rise to an ability to adapt quickly to changing technologies and market trends, but an increasing concern at government level about the small size of the majority of these enterprises, and their continuing ability to compete internationally within the Single Market, has led to some banking reforms, especially in the area of corporate financing (Amato Law of 1990).

The basic structure of employment in Italy may be summarised as follows:

- ◆ Enterprises with fewer than 500 employees account for 56% of the total labour force.
- ◆ Enterprises with over 5,000 employees account for 16.5% of the total labour force (but in a concentration of only 0.3% of the total number of registered companies).

Fiat, which has restructured recently, in 1989 employed 278,550, and there is a similar concentration in the other giants such as Olivetti, Pirelli, Benetton, Ferruzzi, etc.

Share of Employment	Millions	% Total
Agriculture	1.508	7.45
Industry	6.737	33.28
Services	<u>11.999</u>	<u>59.27</u>
	<u>20.244</u>	<u>100.00</u>

Unemployment Rate	(%) 1990	(%) 1993
North	5.1	6.2
Centre	9.7	8.8
South	19.7	17.7
	11.00	10.4

(Source: OECD/ISTAT)

The rate of unemployment amongst young people under the age of 25 is the third highest in Western Europe (recorded at 30% in 1993 - the highest percentage being in (1) Spain and (2) Finland), and the rate of female unemployment is almost double the European average.

Public sector debt by 1993 had risen to 123% of GDP, having exceeded 100% in each year following 1990. The large percentage of employment in the service sector includes Italy's public sector as well as 'non-tradable' goods. The historic inefficiency of, and waste in, Italy's top heavy public sector - whose tentacles spread widely throughout the economy - led to some initiatives by the Amato Government in late 1992 to introduce an ambitious programme of privatisation. Public consumption as a percentage of GDP runs at 17.9%, with general government at 46.8% (1993 OECD figures). The longer term continuation of Italy's economic renaissance is threatened by this massive debt and much of what it rests upon.

Tourism is an important sector in the Italian economy, with a large seasonal effect, and over 1.7 million available beds. Whilst its contribution to the balance of payments with reference to the economy as a whole is not so great as (amongst the Mediterranean countries) in Spain, Greece or Turkey, 1993 earnings have been estimated at US Dollars 21.9 billion. Each of Italy's 95 Provinces has its Tourist Board (E.P.T.). There is some overlapping with tourist offices run by municipalities and others. In both 1992 and 1993 well over 50 million foreign tourists visited Italy. The internal Italian market for seaside and mountain/lake vacations tends to be restricted to fixed national holiday periods - notably between 15 July and 31 August. Cultural tourism, relying on Italy's artistic and archaeological heritage, is therefore a vitally important means of spreading and extending the economic benefits. At the same time, changes are occurring in tourist patterns from abroad. The very detailed statistics on visitors collected by the police show that the relatively easy pickings of mass tourism are driving away the more cultivated and respectful visitors. Thus, unfortunate stereotypes are reinforced both ways, of both natives and tourists.

1.4 Political and Administrative Conditions

1.4.1 Central authority

The 1947 Italian Constitution gave rise to a governmental system based upon the supremacy of Parliament. The Constitution provides for the separation of powers between the Executive (entrusted to the President of the Council of Ministers or Prime Minister), the Legislature (assigned to the Chamber of Deputies and the Senate, both elected by universal suffrage for five year terms), and the Judiciary. The President of the Republic is elected for a seven-year term by a college of the two chambers of Parliament in joint session together with three representatives of every region. The Constitutional Court comprises 15 judges serving individual nine year terms, with five members nominated respectively by the President, Parliament and the ordinary and administrative supreme courts. The Constitution is divided into two sections: the first dealing with the rights and duties of ordinary citizens, the second with establishing the legal, political and administrative apparatus of the state. Cynical commentators have observed that the real division is between those parts of the Constitution which deal with concrete proposals and those dealing with pious hopes.

Cabinet government of a sort exists, but power tends to be rather fragmented. It is important to bear in mind that no government in Italy since 1948 has been other than a coalition, such was the concern of the Constitution to establish a system which prevented any individual assuming autocratic powers. Coalitions have not infrequently involved quite antagonistic parties, and there is a plethora of near-untranslatable terms for the spectrum of possible political alliances.

The average life expectancy of national governments is short, a situation which renders the Executive peculiarly fragile and has given room for a degree of immobility which is surely unique in Europe. Urgently required reforms are delayed or lost altogether because of the political need to satisfy so many and such disparate partners. Political uncertainties have, inevitably, transferred the habit of stasis to the bureaucracy, which shares a reputation for unresponsiveness and imperviousness to the requirements of good modern administration along with many other European countries with developed welfare systems. It is important to note the amount of power which the central political weaknesses put into the hands of the bureaucracy through its very continuity.

Commissions set up by the Government to institute reforms fall victim to the very processes they are established to eradicate. At the same time, a system of political appointments to all manner of public and semi-public posts has flourished throughout Italy.

A closely related problem is the notorious lack of efficiency in the majority of state services. Whilst there can be no doubt that from the 1970s onwards the state has intervened more effectively in the provision of welfare and services (regional government having furthered this process), many of the fundamental structural problems have not been adequately addressed. So far as cultural policy is concerned, the fragmentation of competences both within central government and at regional, provincial and municipal level, further adds to these general background difficulties.

Following the end of the Second World War, central government was strongly motivated by the need to consolidate national unity. This was still fragile on account of the marked differences between north and south. Although the principles of regionalism are quite explicitly set out in the 1947 Constitution, they have still only been partly implemented with the powers of the fifteen regions with 'ordinary' statute rather limited. Resistance to greater devolution of power would seem to have been prompted by the desire of political parties centrally to maintain control of their networks of power.

1.4.2 Regional and Local authority

The present pattern of regional and local government in Italy is the product of its history. Rather like the country's cultural policy, its system of territorial government has evolved, rather than having been designed or planned. At each stage of that evolution when new structures were put in place, the older ones tended to survive, which makes for a certain degree of crossover, duplication and confusion. The present system has accumulated in the 125 years since unification but still has strong Napoleonic undertones.

The independent city states of the north and centre, many of which were quite small, offered a tempting prize for would-be invaders, while the southern part of the country became much more centralised under the autocratic rule of the Spanish Habsburgs (1503-1707), terminated by Austrian conquest but replaced in 1734 by the Spanish Bourbons, reviving the 'kingdom of the two Sicilies'. Following the completion of territorial and political unity in 1870 under the House of Savoy, the French system of public administration served as the model, although it is obvious from Italy's history since the end of the Roman Empire that the country does not share the French tradition of powerfully centralised government.

Nowadays, Italy, for administrative purposes, comprises 20 regions (5 of them autonomous, with 'special statute', in recognition of a strong cultural identity), 95 provinces, and 8,066 municipalities.

The 'ordinary statute' regions, which emerged with powers transferred in 1972, were provided for in the 1947 Constitution as an antidote to the excessive centralisation which had taken place. (Friuli-Venezia Giulia, not in the original 1947 list of autonomous regions, was added later.) Their establishment reduced the role of the provinces, but these still exist and function also as decentralised administrative units of central government, besides retaining certain functions specifically entrusted to them by law.

The former provincial responsibility for general supervision of the activities of the municipalities within their area has been transferred to the regions, although the prefect of the province still retains the power to suspend a mayor.

The legislative powers of the regions are determined according to their status as special (autonomous) or ordinary. Those of the five special regions can be described as a combination of exclusive, additional and integrative - with regard to national laws, while the ordinary regions are restricted to the latter two categories. In cases of conflict, the national law assumes precedence. Both, and all three

in autonomous regions, may have relevance to the cultural field. The additional power permits a region to legislate over cultural provision, tourism and environmental protection for its territory. The integrative power allows the region to adapt national legislation to specific local requirements.

According to the 1947 Constitution, the regions were to assume political and administrative responsibility in three main areas:

- ◆ Community and social services.
- ◆ Urban and rural planning and land use policy.
- ◆ Economic development.

These include health, public works, agriculture, libraries, museums, cultural provision generally and tourism, together with some defined roles in education. The role of central government was, within this clear construct, to be restricted to areas of genuine and indisputably national concern. The resulting pattern, after almost 50 years of foot-dragging and tinkering, is an ad hoc mixture of unitary and federal systems, in which all tiers have concurrent powers, making for huge confusion and scope for interference.

Regions and municipalities have three organs of government, plus their professional administrations. Under the president (or mayor in cities - directly elected since a reform of 1990 to make local government more responsive) there is a council (consiglio) of directly elected members with five-year terms of office, and a board (giunta) personally appointed by the mayor and acting as the council's committee of management, overseeing policy implementation and proposing new ideas.

Councillors, other than a president or mayor, are legally permitted to serve at both tiers, but in practice this rarely happens. The actual size of the council depends upon population: in regions it can vary from 30 to 80, and in municipalities from 15 to 80. Central government has a role in the appointment of the chief executives of the municipalities. Both tiers of authorities are heavily reliant upon central government for their income and expenditure approval with little fiscal autonomy or genuine revenue raising power. Capital expenditure is financed from bonds and capital sales and receipts, allowing slightly more flexibility, but the bulk of revenue spending depends on formulaic allocation by central government taking account of population and a variety of demographic factors. The regions with special status expect to receive back the income tax revenues levied by central government from their citizens, plus some redistributive element taking account of local needs.

Municipalities all have the same basic structures and competences. Their boundaries go back to 1861, although the actual current number was arrived at in the 1960s. The most striking characteristic amongst the group is not so much their number as their wide geographical and social diversity. Around 8% of these comuni have populations of under 500 whilst, at the other extreme, Milan, Turin and Naples contain over a million inhabitants apiece, with Rome approaching three million. These councils do not possess a fiscal capability which is commensurate with their tasks. In the case of the smaller comuni, their very limited resources obviously make it quite impossible for their professional structures to reflect non-essential services, which puts culture at a local disadvantage.

Despite their lengthy and honourable history, the comuni within the national administration system have long been marginalised by the ingrained tendency of governments to allocate large numbers of administrative functions to their own centralised agents.

One of the major difficulties facing the regions is the fact that at the time they were created, central government failed to reform municipal government in order to provide a coherent administrative framework with clear competences. Nor was the issue of the provinces and their residual powers addressed. Regions are therefore faced with the dilemma of how to devolve planning and service functions to comuni of widely varying size. Lombardy was confronted with an immediate need to forge constructive relationships with over 1,500 local government units. Inevitably this process has led to the creation of yet more intermediate administrative units.

The tension between the role and strengths of the comuni as the traditional source of Italian culture, and the late 20th century media-based urban culture which has exploded over the past forty years is one of the key factors in Italian cultural policy today.

Section 2 - CULTURAL POLICY FRAMEWORK

2.1 The Constitution

The National Report describes the development of cultural support and policy since the end of the Second World War. Very considerable emphasis is laid upon the complex and dense legislative framework, about which the Examiners heard much in the course of their visits. Despite the current complexity of systems and confusion over competences, at least the constitutional basis is clear:

The Republic shall do all in its power to promote the development of culture and of scientific and technical research. It shall also protect and preserve the countryside and the historical and artistic monuments which are the inheritance of the nation.

(Article 9)

There is a further article of the 1947 Constitution which is directly relevant to cultural policy:

The Republic, while remaining one and indivisible, shall recognise and promote local autonomy, fostering the greatest possible decentralisation in those services which are administered by the State, and subordinating legislative methods and principles to the exigencies of decentralised and autonomous areas.

(Article 5)

2.2 Division of Competences within Central Government

It is historically wholly understandable that, following the suppression of the former Ministry of Popular Culture in 1943, fears in Italy led to an outright rejection of the idea that there should be a single, unified Ministry of Culture. The result, however, is that today the various competences are scattered amongst several entirely separate Government Ministries and Departments, quite apart from the further complications which have arisen as a consequence of the delayed regionalisation of the country, particularly in the early 1970s. So far as central government policy is concerned, this means that there is no effective overall policy which encompasses the various elements ranging from heritage, museums and archaeology through the performing and visual arts to the cultural industries, publishing, film and broadcasting. Consequently, and in spite of the external world's perception of Italy and what it represents universally, culture is perceived as having a low political and financial priority within the various governmental systems.

There are at least eight separate departments of central government which have a legitimate and major interest in cultural policy. They are as follows:

- ◆ Ministry of Cultural Heritage (archaeology, fine art, museums, libraries, archives).
- ◆ Ministry of Public Works (restoration of national monuments).
- ◆ Ministry of the Interior (administration of heritage, maintenance of religious building, copyright).

- ♦ Ministry of Foreign Affairs (cultural relations and institutes abroad).
- ♦ Ministry of Education (education, cultural exchanges).
- ♦ President of the Council of Ministers (cultural promotion, press publishing, broadcasting)
 - also involving the Treasury, Ministry of Finance, and the Ministry of Post and Telecommunications.
- ♦ Ministry (now Department) of Tourism and Performing Arts (theatre, opera, music, film, circus).
- ♦ Ministry of Industry (cinema).

This excludes the further complication of the autonomous regions (in which certain central government functions, such as Archives, are still carried out directly), the means by which regional and local authorities are financed from the national taxpayer, and other dispersed but relevant functions in Ministries dealing with budget and finance, civil protection and telecommunications.

2.3 Legislation

Italy is undoubtedly the country with the most extensive range of legislation for the cultural field in Europe. These laws fall into two main categories:

- a) long-term documents which in principle establish the basis for reliable and uninterrupted policy and financing (with implications for administrative mechanisms, implementation and evaluation);
- b) short-term documents which are drawn up in response to particular crises or situations, usually of a financial nature, and limited to a particular fiscal year.

Although the adoption of laws by Parliament enables cultural policy to become an item of major public interest and debate, the compartmentalisation of competences and methods of financing employed do not allow for a coherent national policy to emerge. There is no comprehensive document setting out basic strategies and programme objectives for public intervention in the field of culture. The laws which guarantee financial resources are the only programme documents in the Italian cultural policy system. Despite the high degree of centralisation in the field of heritage, it is therefore impossible to speak of an integrated policy in this area, let alone with reference to the wider field of culture.

It cannot be argued that an effective cultural policy requires a strong legislative basis (cf. the Scandinavian countries), but neither is it true that a mass of legislation ensures cultural development. As a result of the Italian propensity to add to the statute book and the horizontal and vertical fragmentation of competences, there is a constant process of further addition seeking to make good the lack of 'organic' laws, which actually leads to further levels of complexity and confusion. The Regions, for their part, seek to compensate for the lack of clarity and integration in the heritage field at national,

regional and local level by further adding to the legislative burden in an attempt to define roles more effectively. The Examiners heard on a number of occasions that there was a tendency in Italy not to work to general laws, only to rather limited or specific ones. This seems to lead directly to the paradox whereby officials feel they cannot act or move without the authority or protection of special laws, whilst failing actually to make use of existing ones.

Tax legislation exists specifically in the following areas of concern to cultural policy and development:

- ◆ favourable treatment for the investment of private sector capital applied to the restoration of the cultural heritage, and donations to cultural institutions;
- ◆ levies on the purchase and sale of cultural products;
- ◆ favourable treatment for cultural organisations which operate as registered non-profit distributing companies.

The system of implementation of the legislation on private sector capital is extremely complicated, and has been subjected to amendment since the original law of 1982. The highest levels of tax incentive (up to 25% relief) apply to donations direct to the State. The law is very restrictive regarding owners' rights to use the heritage freely, and the situation still rather fluid with regard to attempts in the public interest to create a more uniform preservation regime, regardless of ownership.

Books and recorded music receive favourable VAT treatment, with books exempt. SIAE (Societa Italiana Autori ed Editori) originating in 1882 was set up in 1941 as the official copyright body for Italy, and collects royalties and video/audio tape and blank tape levies as well as a percentage on cinema ticket sales. Via the Ministry of Finance, much of this revenue is redistributed into the cultural field - leading to the familiar debate concerning the propriety of taxing popular culture in order to subsidise the arts and heritage. It is only in this latter category that tax policy in Italy may be claimed to be an instrument in cultural policy.

Formally speaking, Italian life is extremely regulated by the State, but one of the most successfully honed skills of the Italian people is getting round the systems established while society proceeds on its own 'irregular' way. The notion of the State being there to control (and hence to be controlled and utilised), rather than to provide an enabling framework on the basis of freely given consent, is strong.

To quote from Italy Today (Censis 1992): "While on the one hand we find an anarchic vitality in society, on the other we are witnessing an ever-increasing crisis of the major tools of government, which has taken place in the context of deterioration in the institutions."

2.4 Decentralisation

Article 5 of the Constitution guarantees autonomy and decentralisation to local (and regional) authorities, setting out what is in effect a subsidiarity principle. Article 117 quite specifically delegates competences to local authorities in the management of local museums and libraries. The formal transfer of powers from the centre has, however, in the main been a long drawn-out and reluctant process. Local and regional budgets are massively dependent upon financial transfers by the State, and the authorities only have very limited legal powers to raise taxation locally.

Despite the clear intentions of the Constitution and subsequent legal and constitutional moves (such as the Referendum of 1993) the State centrally has not - in the field of either cultural heritage or the performing arts - determined national policy objectives which could then allow for a more comprehensive decentralisation of responsibility together with appropriate funds (or powers of taxation) to the local and regional levels, whilst retaining a coordinating and supervisory function. At present, the State is still heavily involved in protecting its own vested interests while many of the local authorities are involved in direct promotion of cultural activities against the market-led trend which is increasingly evident elsewhere in Europe.

The picture is therefore extremely confused with great scope for overlap and duplication of functions, and poor value for public money. It is essential that the process of decentralisation accelerates so that the State can redefine an appropriate and effective strategic role for itself in relation to cultural policy, and demonstrates a much higher level of transparency and objectivity in the process.

Local and regional authorities spell out two particular issues which make their lives more difficult than need be the case.

- ◆ Firstly, the incomplete devolution process has created problems politically, and means that they may be dealing with differing sets of rules, and indeed differing interpretations of particular rules, with different government departments or their local representatives such as soprintendente. A coordinated policy at the centre would at least allow for some clarity as to whom should carry out which programmes, thus avoiding much duplication, waste of money, and needless professional conflict. At present, even within heritage, the roles of the public authorities at each level are not properly articulated.
- ◆ Secondly, while the constitutional and legal obligations on central government are predominantly to preserve the heritage, maintain the infrastructure, etc. (which could be interpreted almost as sufficient ends in themselves), the regional and local authorities take these as read and want to move on to the succeeding stage of interpreting these sites and museums, and making the most of the cultural institutions in their area for the benefit of their citizens. Without adequate coordination of overall policy objectives, setting a working framework for Italy as a whole, numerous pitfalls will continue to hamper local initiative through delays and interference, often working against a local vision and action plan about which the public and private sectors might be in agreement.

Section 3 - APPROACH TO EVALUATION: SOME GENERAL REMARKS

3.1 Italy's heritage - asset or liability?

Italians still, in line with the designation practice of artists and composers from the early Renaissance onwards, tend to identify themselves with where they were born. Political unification came comparatively late, regional differences still count for something, and it remains possible almost to characterise the central state historically as just another occupying power. This sense of cultural independence, appropriately expressed and utilised, can be a strength but it also leads to the conclusion - which we heard on several occasions - that, nationally, culture is not an issue except where it happens to be linked to other, more significant policies or areas of government concern (e.g. the ill-fated 12986 giacimenti culturali experiment between the Ministries of Labour and of Cultural Heritage to promote the heritage through policies centred on youth employment and information technology).

Post-war industrial and agricultural development has had a particularly strong influence in Italy on its heritage. On the one hand there are the problems of maintaining an acceptable balance between modern urban development (for the sake of the productive economy and the future) and legally based requirements to protect and conserve the past, while on the other, rural areas (such as the Po Valley) have, over one generation, seen the entire transformation of a time-honoured way of life. The landscape is in this context both a workplace and a museum. The laws requiring protection of the physical heritage (and regulating potential damage to sites or monuments through activities limited to the infrastructure such as pipe-laying or siting electricity pylons) offer no similar safeguards to rural ways of life and their more fragile traditions, disappearing before they can be recorded and documented.

Whilst Italy's incomparable heritage comes under increasing pressure and threat, the opinion formers and academics take refuge in the safety of sociological explanations. Italy, we were told, tends not to put cost and effect together. It is an awesome responsibility to have to maintain the vast richness of the Italian cultural heritage, and it is not surprising to find that this is more often expressed as a burden than an asset. Nevertheless, the unwillingness to set down policy which could begin to categorise this infinite patrimony in a way which might then make it possible to handle it responsibly seems self-defeating.

The crucial issue from the management point of view is the urgent need to select and set priorities.

3.2 Unclear cultural policy aims

From our reading of the National Report, it was rather difficult to understand, let alone separate out, the aims, objectives and priorities of Italian cultural policy. Furthermore, it was also hard to grasp the general trends (if such exist) at regional, provincial and local level.

The Report's structure and tone seemed to suggest implicitly that there was no cultural policy in Italy, and that there could not be until radical moves towards better coordination have been made. It is as if the authorities passively accept UNESCO's view of Italy as the largest museum in the world, and simply respond to crises as they surface without a framework of policy or priorities. Even the performing and contemporary visual arts are almost treated as if they were part of a museum culture. Nobody asks what the purpose of a museum is.

Cultural policy aims at the national level are more often implicit than explicit, and not articulated, hence the tendency of the National Report to enumerate examples rather than set out policy objectives and attempt to evaluate success. As a result, important issues such as Italy's cultural minorities are not even mentioned. Fragmentation of competences at the government level contributes to a continuing low priority for cultural matters, and the absence of effective co-ordination means that the prospects of improving cooperation with regions, provinces and comuni are severely circumscribed. Functions which are centralised (without any obvious rationale), but have no clearly stated goals, are bound to lead to duplication, conflict and waste of public money.

It is quite impossible, however, to discover why, for example, music should receive over 60% of the national performing arts allocation, or whether it is actually intended that the obligation to protect the patrimonio on behalf of the nation should frequently override the rights of citizens to have reasonable access to it. Very often, the policy aim, as interpreted through action, is to throw public money at institutions simply because they happen to exist. The important role culture could have in the education, preservation and development of civil society is unstated in this, although it clearly does seem to inform the motivation behind cultural policies at lower levels of government. In the light of the recent radical restructuring of the highly-regarded Italian Cultural Institutes abroad, it must also be asked what value the government attaches to Italian civilisation and its dissemination for the benefit of a much wider European and global community.

3.3 Resources, instruments and skills

Although it is obvious that the Italian public authorities themselves could never be in possession of the necessary resources on a level commensurate with the total task of preservation, it is equally clear to the external observer that political favours, archaic bureaucratic habits, lack of cooperation between departments and tiers of government and failure to set priorities have exacerbated the very real difficulties, and often delivered rather poor value for money to the taxpayer.

The irony with which we were constantly confronted was that while virtually all our interlocutors working in the cultural sector identified as their major problems (a) lack of money, and (b) lack of specific legal competence, we thought there was possibly an abundance of the first and certainly a superabundance of the second. So far as the built heritage is concerned, there is a desperate need for more resources to meet the unique situation in Italy, but we suspect it is unlikely to be delivered politically until much improved value for

money on existing practice can be clearly demonstrated to the taxpayers - at which point their support may be coopted in. The issues in the first instance are about Structures, Professionals and Policies. This same drift was encapsulated for us by no less a figure than the Mayor of Rome as the two key questions for Italy today - obedience to the rules, and efficiency of administration - with ossified bureaucratic behaviour as a huge threat to the positive potential of current change. Reform of professional attitudes, better cooperation and setting priorities for action have to be part of that positive shift for cultural policy, looking ahead into the longer term and abroad into the wider Europe.

3.4 The public, private and independent mix

It has been the stated intention of recent Italian governments to achieve a significant shift from the overdominant public to private provision in certain key public policy areas. There has been much debate about the role of the private sector and 'commercialisation' in respect of the cultural heritage. Because of the sheer volume of Italy's cultural heritage, and the impossibility of preserving - let alone sharing - it within available public resources, some reforms to shift the burden of responsibility are clearly seen as necessary. The real focus of attention should be directed to the value being derived from large sums of money being applied, and not so much to the particular sources of that money.

However, there is an entrenched and sterile stand-off following some recent legislative attempts to encourage more self-help and income generation within museums.

Polarisation of attitudes and fears about where the line should be drawn have led to some preservationists almost entirely rejecting the prospect of a legitimate role for a more entrepreneurial spirit within the heritage. Whilst recognising that the motivation may be well-intentioned, it ought to be possible to define a positive role for private money and expertise to help improve performance in the heritage in entirely appropriate ways. At present, the physical extent and condition of the heritage is such that the prime focus in both staff time and money is being placed on preservation, with presentation to the paying public as a very secondary consideration. It is in this area, and in management of finance and personnel, that the available private sector expertise is so desperately needed. Rather than the public authorities acting defensively and out of fear - as if the Visigoths are at the gate - ways have to be found to expand cooperation in appropriate ways between the public and private sectors.

In more cases than not, as is evident from the rest of Europe, the most effective solution may be through independent, 'not for profit', companies. These incorporate a public service ethic with opportunities for more efficient management skills drawn from the private sector. It does not mean that important public assets are brutally commercialised. The Examiners found a great deal of misunderstanding on this point, which sets up unjustified negative reactions.

The focus for progress should rather be on encouraging an entrepreneurial, confident and outward-looking spirit in the management of the national heritage rather than on inventing nightmares of national treasures being transformed into Disneyland. The amount of private sector money going into preserving the heritage is already very substantial, but there is scope for a large increase, given appropriate conditions and safeguards. On the basis of the Constitution's wording, it is quite reasonable to expect that public policy should equally support the conditions for cultural development (i.e. the live arts) as well as the archaeological and built heritage. In terms of service to the public within an increasingly 'citizen'-orientated Europe there are also important lessons to be shared between the two sectors. The performing arts institutions with their somewhat more open systems have to some extent made constructive progress here already and offer a mode to the heritage concerning the maintenance of artistic quality within a more entrepreneurial framework.

3.5 Management and enterprise culture

The Italian corporate sector has demonstrated considerable dynamism over the past few decades, and has been quick to respond to opportunities, although the small scale enterprises - the backbone of the local economy in Italy - have lacked adequate access to long-term finance. With regard to the large scale firms, questions are being asked increasingly about levels of monitoring and secrecy over disclosure. Whilst they are clearly highly successful, it is difficult to come to a valid view on actual efficiency of operation.

Commentators often claim that Italians are suspicious of 'enterprise culture'. Perhaps this may be true (where is it not?) with regard to multinationals and major business empires, but it does not seem to us to take account of the visible reality on the streets that there is one enterprise for every three adult Italians. The Italian people are great survivors and great entrepreneurs - they need to be in order to negotiate paths around their own systems. At the smaller scale, management and efficiency are clearly not a problem, since the motivation to survive and succeed is a dynamic driving force.

Within the cultural sector management units of all scales and types are to be found - from the tiny theatre cooperatives (in effective operating rather like family firms) to the highly bureaucratised Department of Cultural Heritage which has almost 30,000 employees and is directed centrally from Rome with very little devolved responsibility. In between, most of the performing arts institutions funded by central government operate as autonomous entities at varying levels of efficiency. Some, in response to financial necessity, have developed modern management techniques to the highest current standards as we have observed, and are delivering good value for money. Others still appear to be cushioned from the harsher realities by rather generous subsidy levels, while outmoded and questionable practices are allowed to continue.

3.6 Levels of public sector investment

Before looking at particular aspects of cultural policy and its delivery, it is worth noting the relative levels of government support for culture as a whole:

Public authorities: relative proportions of public expenditure totals

	1988 (%)	1990 (%)
State	55.5	56.3
Region	13.3	13.7
Provinces	2.4	2.2
Comuni	<u>28.8</u>	<u>27.8</u>
	<u>100.0</u>	<u>100.0</u>

(Source: ISPE/ISTAT)

The relevant 1990 actual sums for the main Department of State (cf p2-2) in Lire bn. are as follows:

President of the Council	111
Cultural Heritage	1,956
Performing Arts	880
Public Works	31
Foreign Affairs	114
State Participation	15
Treasury	<u>200</u>
TOTAL	<u>3,307</u>

(Source: ISPE)

These substantial amounts of taxpayers' money imply policy aims which extend beyond purely stated constitutional obligation (such as protecting the heritage). They also rest upon assumptions about the commercial market for cultural products and, in some of the sectors, levels of income achieved from the paying public. It is difficult, however, in the absence of overtly stated policy, or an effective and identified cooperative mechanism, to understand the relationships (if any) between the actions of the various departments, let alone the extent to which they may have a clear view on the complementary role played by local and other authorities.

3.7 Overburdened public systems

We encountered a general feeling (particularly at national level) that cultural policy was something of a failure in the political and financial sense - low profile, and starved of necessary funds. Nevertheless, this gloomy perception was belied by the considerable energy, drive and success which we often found at the more local level in spite of the inevitable clamour for sufficient money and authority to do the job properly.

What surprised the Examiners above all was the gap between theory and practice. This appears to be a universal phenomenon from applying the law, to the employment of custodians in museums. If the Examiners could have charged a good sum on each occasion they heard the phrases, "In this case the law is not applied", or "In theory, yes, but in practice, no", they could have solved the financial problem at a stroke. The Italy Today Report states:

"The culture of the Italian managerial class has in effect continuously taken refuge in abstract models, in macro-exercises, without making any micro-assessments of reality... We should not therefore be surprised if the gap between society and the political system, between daily life and major decisions, between social events and the life of the institutions becomes increasingly wide and dangerous... It is necessary to break down the basic problems, promoting concrete governability through the government of a number of sub-systems (local authorities, economic institutions, etc.), as it is necessary to unburden the institutional apparatus. We should also seek to have 'cool' institutions, that is machinery able to overcome dramatisation and emergency, to encourage and to direct vitality, to reduce stresses and to settle contradictions."

We very much concur with the above quoted sentiments as a result of our examinations. Constantly we came up against evidence of systems which are operationally extremely centralised, but with no clear goals. This in part explains poor morale and endemic inefficiency. The National Report stresses that such reforms as there have been in Italian public cultural policy have not come about as a result of any sustained thinking or overall concept. With so many self-defeating inconsistencies in the system, plus the dense jungle of often outdated and conflicting laws and unclear competences, virtually everybody has an alibi for inactivity or someone else to blame.

3.8 Towards an effective cultural strategy

The National Report enumerates laws and sums of money, but does not offer any clear statement on what these cultural policy manifestations are expected to achieve. The lack of visibility of strategic aims coupled with the fragmentation of responsibilities is, we believe, the most significant reason why culture remains at the margins of political interest in Italy. Although the differences of view between, for example, the national and the regional levels, have to be sorted out, everybody is in it together. It appears to the Examiners that many of the besetting 'problems' cannot be solved separately.

A formulation of overall objectives in cultural policy would, we believe, be very helpful in clarifying the differing perspectives, which could lead to greater mutual understanding. These objectives would include the following:

- ♦ artistic;
- ♦ social;
- ♦ national (i.e. prestige).

When translated into more specific aims, supported by an appropriate planning process, it would become reasonably obvious which functions can only be carried out nationally (or locally). There will always be some 'grey areas' in the middle but, provided the defined national strategic role is clear, decentralisation ceases to be the 'problem' which many still see it as. At present, the consequences of a lack of national coordinated overview of the cultural heritage are only too plain to see. Coordinating mechanisms have proved weak and are certainly no substitute for an openly negotiated national strategy which could set priorities, guide much improved targeting of resources, and evaluate results.

The nature of the National Report, differences of opinion about quality and comparability of data and, above all, the primary concerns of the great majority of those we interviewed from the beginning obliged us to adopt a thematic approach. We were conscious that, within the context of the Council of Europe's programme of Evaluation of Cultural Policies, this was less likely to produce data which could assist international comparison, but we remain unconvinced that this could, or would, have been a valid exercise in itself. We therefore concentrated most of our time and energies on those specific aspects of the current situation we found which seemed to cry out for reform, and for external assistance through examples of good - but appropriate - modern management practice both within Italy and elsewhere.

Section 4 - SEVEN KEY ISSUES

- 4.1 Fragmented central responsibilities: the need for improved policy coordination.
- 4.2 Legal and financial confusion: the need for clearer procedures.
- 4.3 Towards a clear and open partnership: the need for improved articulation between levels of government.
- 4.4 Greater autonomy for cultural institutions: the key to responsibility and improved performance.
- 4.5 Professional personnel: management and training.
- 4.6 Expansion of cooperation between the public, private and voluntary sectors.
- 4.7 Participation.

4.1 Fragmented central responsibilities: the need for improved policy coordination

a) Observations

- 4.1.1 The difficulties created as a result of the spread of competences across a large number of ministries or departments of central government, and the lack of clarity in the distribution of roles between national, regional, provincial and local level have already been referred to. We have some understanding of the historical reasoning behind the present system in central government, and also a professional appreciation of the difficulties in combining a strategic government concern (within a mixed economy) for the overall health of a productive commercial sector with the responsibility for certain activities which require subsidy for their very survival. In addition, there is the major issue of the constitutional obligation to protect and conserve all cultural sites, buildings and movable objects in Italy, the majority of which are actually owned by the state.

Using international comparisons, the Examiners constantly asked themselves, "Are Italian citizens getting a good service and value for money out of their current systems?" So far as the public sector results are concerned, the answers are often less than comforting. For, apart from confusion and duplication arising within the cultural sector itself, there is a potentially greater problem for government in other less discrete policy areas. Some of this has, we believe, to do with there being no sufficiently powerful voice (or coordinated voices) for cultural issues within the councils of state, which can lead to the failure of a well-intentioned initiative such as the 'Progetto Giacimenti Culturali' (initiated in 1986 and intended to promote the heritage through the use of information technology and young unemployed people), or the alarming mismatch between training, supply and demand in artistic occupations.

4.1.2 Rationale for particular policies

In looking with a fresh and sympathetic external eye at the cultural scene in Italy, one is very quickly bound to question the rationale for much of the 'policy'. This is not to cast doubt on the many worthwhile applications of expertise and public money which are there for all to see, but it does raise all sorts of questions about policy coherence and priorities. Why is action taken in this area rather than that? Does it rest on some policy objective, or is it purely for historical reasons? Is there a rational explanation for near universal 70%-80% public money spent on heritage, as compared with only 20% or so on supporting the performing arts and contemporary creative production and distribution? Do these sums of public money have any relationship to the market potential of what they support and the commercial exploitation which is possible and compatible with the need to conserve? Our investigations with the authorities in the Department of Central Government shed little light on these, and similar, questions.

4.1.3 Absence of strategic policy responsibilities

Clearly it is important for the government at any time, and particularly in stringent economic times, to have some overall cultural vision both for the sake of the quality of life of its citizens and also (especially in the case of Italy) for one of the country's chief assets. This does not necessarily mean that a single, unified ministry is the only, or even the most appropriate, means of getting to that point. It does, however, strongly suggest that there should be meaningful dialogue, coordination and some common denominator between the numerous ministries and departments of state which have a stake in cultural policy. Although some mechanisms do exist with this intention, they are not very effective.

Starting from the 1947 Constitution, there are indisputable roles for central government in cultural protection and support. Any central strategic responsibility has been assumed rather than defined or negotiated with other key partners but there certainly is a vitally important role for the government in setting the overall policy framework. It would obviously be a mistake both politically and administratively to equate a central responsibility with centralised expenditure or management but, with five autonomous regions and an incomplete process of devolution to the other fifteen, this strategic national role is of the utmost importance.

Policy is a concern of the whole country, at all political and administrative levels, and with the partial decentralisation of political power, it is no longer possible to think of a highly centralised model given that the decision-making capacity at the centre is already - intentionally - considerably weakened. It is difficult not to sympathise with the frustration of the regions and comuni at the inefficiencies of the centralised systems of the Ministry of Cultural Heritage, or their fury when the intention of the April 1993 Referendum to devolve money for the performing arts was being blocked in Rome, with central government control being progressively increased at regional expense in the vacuum created. A decree of 1977 to devolve the performing arts funding responsibility to the regions had set a target date of the end of 1979 for completion. None of this makes for good relations or coherence over the vision for national policy - whatever its delivery methods or priorities for action. Nor has recourse to the constitutional court to resolve differences between the central state and the regions regarding their respective functions brought about the hoped for solutions.

A number of the laws which most successfully seemed to us to focus on regulation (e.g. on copyright, assistance to artists, urban planning controls, etc.) dated from the period 1939-42 when there was a unified ministry. By comparison, the successor ministries with their dissipated competences, appear to lack goals and strategic coordination. It is extremely difficult to judge whether the government sees any real separation between legislation and its implementation and effects, and in the absence of reliable data, we were obliged to look to trend analysis and anecdotal evidence which was pretty consistent.

4.1.4 Muddle at all levels

The Italian government machine appears to have been relatively stable for its first hundred years, with the large proliferation of ministries and departments taking place from the 1960s onwards. This has led to considerable duplication, conflict and professional rivalry. Moreover, it has arisen in an ad hoc, unplanned manner. At the same time, this period of proliferation has coincided with the decades when the powers foreshadowed in the post-war constitution for the newer regions actually started to be granted. The fragmentation of powers within the cultural field suggests that there is now a strong case for greater coordination of policy and the setting of standards and instruments of evaluation at the centre, while the periphery is given room to get on with the task in a more single-minded way.

Regional and local authority progress (irrespective of the source of their money - which they might describe as local taxpayers rather than national government) demonstrates that many of them are moving fast on cultural policy in line with most of their European peer groups. Direct management from Rome is therefore no longer a viable option, and any attempt to institute it would be destructive. National responsibility to safeguard the heritage, to ensure the maintenance of the cultural infrastructure and the health of the cultural industries, as well as distributive considerations, are vital concerns for government. But responsibility for overseeing something does not mean have to do it yourself. There is an enormous difference between a Ministry of Culture and a Ministry for Culture.

4.1.5 Access and developmental concerns

Beyond the basic requirements to protect and conserve the heritage, both physical and in artistic performance, there are the promotional and developmental roles, which are generally much more efficiently and responsibly carried out at the local level. Only at that level can shortfalls in provision be identified, agreed and made good. But there is also a national responsibility to see to a reasonably even spread of access to, and availability of, cultural provision across the country as a whole. In a practical sense in the performing arts both the government and the regions employ ad hoc touring policies to achieve this, but the capital burden falls most heavily upon the municipalities. Viewed from the territorial end, cultural support and development is on a continuum with social and economic development, and has considerable relevance to both. We did not find much evidence that this approach is mirrored within central government, where the fragmentation of roles leads to isolated areas of special interest, unable to make significant impact on government priorities as a whole.

Policy at national level, we were forced to conclude, amounts to little more than the continuation of historic practices in a hostile and increasingly difficult financial and political climate. There have been some attempts at a departmental level to grasp the nettle and institute reforms to improve both the delivery of policy and give better value for money, but these only seem to be effective when accompanied by genuine devolution of responsibility.

4.1.6 Central defensiveness

With regard to the two large blocks of central government expenditure for the Cultural Heritage and the Performing Arts, the management structures seem to have led to defensiveness and vested interests. Delays in implementing reforms to provide for a more devolved structure to improve delivery and value in service provision has, if anything, increased hostility of the regions and local authorities which ought to be viewed positively as key partners in the carrying out of the state's obligations. Expressed crudely, the divided departments of state are trying to handle more than they can reasonably be expected to manage in a modern democracy, and are antagonising those who can help them in the process. But precisely because of the divisions and the vested interests, it is not perceived as a sufficiently large national problem for a modern solution to be imposed.

4.1.7 Role of Parliament

Parliamentary oversight of cultural policy, beyond the specific legislative function, is encompassed by the respective standing committees of the Senate and the Chamber of Deputies on Education, Heritage, Culture and Sport. The Examiners were grateful for the opportunity to meet with the Chair and two Vice-Chairs of the Senate Committee. We found a good deal of common understanding on the practical problems which bedevil the task of modernising the system, and making it more responsive and efficient as is happening throughout the rest of Europe, whilst appreciating the particular issues which are unique to the Italian scene.

It was clear from our discussion that amongst Parliamentarians there is a good appreciation of the difficulties created by divided competences, legislative overkill, inefficiency and overcentralisation. However, we were also made aware that on the scale of perceived government issues for resolution, cultural management did not rate highly. For example, important reports like the Covatta Commission's on a greater degree of autonomy for museums and organised networks had been 'lost in the system' with the resultant draft legislation on a very slow track.

As a result of compartmentalisation of roles and the lack of an overall cultural strategy, the issues which come to the attention of Parliament and its two relevant committees (i.e. in the Senate and the Chamber of Deputies) tend to concentrate on particular issues, which makes it hard for a general overview of cultural policy and management to be taken. Besides, the remit of both committees goes much wider than culture, including the policy areas of public education, scientific research and sport as well as the cultural heritage and performing arts. Legislation scrutinised is inevitably of a specific nature, focusing on particular needs or issues.

4.1.8 Ministries and Departments

For the purposes of our evaluation, we have concentrated on the two departments which are usually cited as the main elements of a possible unified Ministry for Culture - an issue we develop later. These are the Ministry of Cultural Heritage (the Italian title Ministero per i Beni Culturali e Ambientali includes the notion that cultural goods and properties exist as part of a wider environmental context as well as having intrinsic aesthetic and historical value and importance) and the Department of Performing Arts.

Abolition of the Ministry of Tourism, Sport and the Performing Arts following the 1993 Referendum has reopened this cultural debate in Italy. This Department was created in 1959 with the intention of merging the staff and competences of the former 'Commissariato' for Tourism (set up in 1947) and the Directorate-General for the Performing Arts (set up in 1948). Both units were at that time located within the office of the President of the Council, having come to rest there upon the abolition of the notorious Ministry of Popular Culture in 1944. Copyright remained with the Ministry of the Interior, while the Information Service, encompassing press, publishing and broadcasting stayed with the Presidency of the Council.

Under fascism and its 'Minculpop', there had been a logical reason for Tourism and Performing Arts coexisting within a single unit. By 1959 any such rationale had lost all relevance, but it was felt that some 'cover' was required for the separation of the performing arts from the rest of cultural policy. The creation in 1985 of an integrated fund for subsidy, the 'Fondo Unico per lo Spettacolo' (FUS), to deliver greater openness and accountability was a further logical development (with a 'National Council for the Performing Arts' following in 1988). The 1993 Referendum on the abolition of the Ministry was only a logical progression, exposing as it did the rather strange bedfellows, and demonstrating the aspirations of the regions and their frustration towards the status quo.

A presidential decree of 1977 had granted the regions the role of 'promoting culture of regional interest' but this has never been defined or set within a cooperative context where the various levels of government can work in confidence together. In a country with such diverse traditions and strong local/regional cultural identity, resolving what is 'regional' and what is 'national' is bound to be a contentious issue. This is not just the case with movable objects, works whose artists' names declare their origins (Pietro da Cortona, Vitale da Bologna, Antonello da Messina, Perugino Pisanello, etc.), but with 'schools' of works in all media where there is a regional focus but international significance (Cimarosa, Paisiello, Pergolesi and the Neapolitan opera tradition; Verga, Pirandello, Lampedusa and the Sicilian literary tradition; Venetian musical and dramatic styles - the list is endless). Some agreed form of cooperative subsidiarity must offer a pragmatic solution to this difficult issue.

Public debate about a single unified Culture Ministry had already arisen in 1974/75, but its creation was opposed by leading figures in the professional and political worlds who feared that the interests of the physical heritage might be swamped by the more immediate and maybe newsworthy issues affecting the performing arts and cinema in particular. The seeds of the protection versus promotion contest are already to be detected, with the champions heading for their opposing corners.

b) Needs

4.1.9 Politicians to whom we spoke at national, regional and local levels, and who were concerned with the well-being of cultural policy, all tended to agree that divided competences were unhelpful, although there was quite a diversity of views on what the ideal combination of functions would be. Some felt strongly that putting the performing arts in with the cultural heritage would be unhelpful to the former, given the track record of the latter. One major point of agreement arose in all the conversations which we had, namely that divided competence, presenting as confusion over roles, was a disaster in the sense that the political and financial profile of this vital policy area would probably remain low.

c) Some suggestions

4.1.10 We believe that there is an urgent need for the government to take a coordinated overview of its policies for the sector as a whole which could then enable it to act in the following ways:

- ◆ set priorities for action on the basis of high level policy so that well-meaning aims begin to become achievable;
- ◆ codify laws and regulations, both to ensure their observance and to provide for improved efficiency of operation;
- ◆ face up to the need in heritage to categorise and prioritise tasks and physical assets;
- ◆ devolve responsibility on the principle of subsidiarity to the appropriate levels, within a strategic framework which sets minimum standards, and evaluation of achievement;
- ◆ consider the establishment of a national fund with transparent criteria to support contemporary production on an art form, rather than a territorial, basis.

Greater clarity in thinking could ameliorate the current confusion between ends (strategic national objectives and constitutional responsibilities) and means (operational roles at national, regional and local levels).

Coordinating high level policy and setting minimum standards nationally should reduce confusion in carrying out tasks at lower levels, permitting those responsible to make much more rapid progress through setting their own priorities and forging creative partnerships at the point where this is most likely to come about.

We believe that the key to developing a strong and appropriate modern role for central government lies in the following:

- ◆ High level coordinated national policy.
- ◆ Cooperative public strategy with clear objectives.
- ◆ Decentralisation of defined and agreed functions.
- ◆ Setting minimum standards of operation.

- ◆ Control of implementation of legal provisions.
- ◆ Evaluation of results.

This would enable the authorities to articulate a more powerful case for culture to be taken seriously - for social educational and economic reasons, as well as fostering the greater openness and efficiency which would be likely to persuade the government to target resources more appropriately and more effectively.

4.2. Legal and financial confusion: the need for clearer procedures

a) Observations

- 4.2.1 Instead of the law being used as a regulatory, but enabling, framework, it appears often to be used to give the illusion of problems having been solved, actually freezing the situation it was intended to solve. Legislation is not in itself even a solution, particularly when nobody seems to accept responsibility for follow up when it is not observed. There are specific problems associated with the law and in financing, which have much in common and are best illustrated when they occur together in 'special' laws. Because of the absence of effective monitoring, the vicious circle intensifies. It is the wide misperception of the role of legislation which usually leads to the difficulties.

"To find any space within the budget," we were informed, "you need a law." There is certainly an organic connection between the volume of 'legislative pollution' and the unhelpfully rigid and frequently counterproductive financial regulations which hamper progress towards better management and use of resources. The general attitude we encountered amongst officials brings to mind the game of Monopoly - if you succeed in passing GO, you collect £200. But in this case, you require the false sense of security of having a further law each time. We were not surprised to hear from the representatives of the Senate Committee that there is urgent cross-party interest in streamlining legislation to find straighter routes through the tangle, or from Minister Fisichella that budgets for the heritage should be combined in order to accelerate management improvements.

4.3.2 Counterproductive legislative proliferation

The legal question is obviously one that goes right across the entire government process (nationally and regionally) but resolute efforts are necessary in order to bring about improvements for the cultural sector. The law is actually only valid if it is based on sufficient consensus to ensure its observance and application. The current overlay of special laws and financial directives on top of the already overburdened systems of legislative control (especially in the cultural heritage) produces a situation where efficient management by objectives or priorities is not deliverable. Proliferation, contrary to intentions, makes implementation cumulatively harder to achieve. It was with some irony that we read (in the National Report and other key documents) of regional legislative activity in culture being regarded as a positive indicator of commitment and progress.

The National Report makes reference to "bottlenecks of an administrative nature within allocations which obliged recourse to special financing, usable more quickly." This, in a single sentence, seems to encapsulate for us the bureaucratic, legislative and managerial difficulties which are at the heart of the present Italian dilemma.

Lack of Ministerial clout appears to contribute to the overdominance of legal, fiscal and bureaucratic procedures which negate the intentions of government initiatives to release energy, resources and skills in the wider community. Within the government service itself, there is an urgent need to make better use of the expertise and dedicated personnel which exist but which are sadly demotivated and struggling against impossible odds. We think it no coincidence that, in all our

interviews, there was a much greater sense of confidence at local and autonomous institutional level, where the people concerned were both more responsive to public needs and the general direction of society, and had a much clearer grasp of what they were doing and why they were doing it.

4.2.3 Financial uncertainties

At central government level we learned of the further uncertainty over financial allocations to Departments should the Ministry of Finance miscalculate its expected tax revenues. The actual sum raised was only known half way through the tax year, at which point clawbacks might be instituted if necessary. During 1994, as it happened, the FUS lost almost 14% of its current year budget (Lire 129 billion out of Lire 929 billion) in this way, only to have it restored again towards the end of the year. In a Department which exists to allocate central grant-aid to independent organisations this makes a particularly cruel mockery of planning.

4.2.4 Culture a low political priority

Frequently the Examiners heard from politicians and officials at all levels that 'culture' was generally perceived as low priority and a drain on the public purse. Even within progressive regional or municipal administrations it seemed to be an uphill task to convince the key people of the fundamental importance of culture, even if only as a major source of economic benefit. Fragmentation of competences at national level does not help, although we saw more hopeful signs in some of the major cities whose territorial and political integrity does at least offer a more focused point of departure. In terms of general public attitudes, however, it is difficult to envisage the required support arriving until there is a greatly heightened awareness of some relationship between national wealth and the need for massive conservation, and above all between public investment and the results and benefits demonstrated.

Whilst government expenditure on the sector may have seen some increase (peaking in the mid-1970s), it has fallen as a proportion of the total by a factor of three over the past twenty years. The Ministry of Cultural Heritage and the Department of the Performing Arts account for at least 75% of that total. Most of the rather impressive sums invested by the private sector go to support the built heritage and a few major exhibitions rather than to assist living artists - a situation which is reinforced by the legal basis of tax advantages available. Lack of clarity and policy coordination once again seem to obstruct possible developments. Double subsidy (i.e. uncoordinated funding from several sources towards the same undefined objectives) is rife in certain areas whilst others, for no discernible reason, are being by-passed.

4.2.5 'Normal' funds and 'extraordinary' funds

In some areas - notably within the Cultural Heritage Ministry - the trail of special laws and their annually renewable financial allocations creates a nonsense of 'normal funds', rendering it progressively more difficult to set up dependable systems or plan ahead in a reasonably secure and responsible manner. In short, we think that the comfort habit of reaching for a legislative dummy bears some responsibility for poor management and worse value for money.

Measured and 'normal' progress on restoration schemes is extremely difficult since the path is so littered with special items. Besides the planning difficulties which this creates, the pure management problems are exacerbated by the fluctuating balance between the two types of funding. The National Report highlighted this in the following figures which give the percentages of 'normal' and 'extraordinary' funds making up the Ministry's budget for excavation, maintenance and restoration in each of four recorded years:

Date	Total (L bn.)	Normal Funds (%)	Extra- ordinary Funds (%)
1986	147.0	47	53
1987	169.4	60	40
1988	183.9	27	73
1989	244.5	28	72

Campania, we heard, has very limited 'normal' funds available to it, which adds to the problems of working productively with other essential partners, such as local and regional authorities or the private sector. What chance can there be of developing rational tourism strategies to take pressure off particular sites and preserve the heritage when the direction of the budget from Rome can without warning demolish local partnerships which may be building up?

4.2.6 Common features observed

From our external viewpoint, we are struck by a number of common features across the national cultural support system.

◆ Absence of strategic planning

There is an unwillingness to differentiate between short-, medium- and long-term objectives. Nor is there adequate recognition of the varying time-scales and resource requirements as between large-scale and small-scale tasks. Consequently, short-term deadlines and unforeseen 'crises' work against more controlled achievement, unwittingly generating yet more emergencies for the future in the process. Fluctuating annual budgets provide an added twist.

◆ No 'bottom line'

The dependence on extraordinary laws and special budget allocations counteracts the need for management to plan, prioritise, target and live within means. There is always an outside hope that the cavalry will arrive over the crest of the hill at the last moment.

◆ Lack of strategic financial control

The plethora of technical rules, whilst no doubt having arisen for valid reasons, cumulatively contribute to poor fiscal management:

- Single year units perpetuate undesirable 'stop-go' practice as well as inhibiting production partnerships with others (e.g. mismatch with the time-scales of potential sponsors).

- Technical financial regulations often result in poor value for money and project management (e.g. unspent money 'falls in' at year end; virement across set budget heads is not permitted; it is illegal for local authorities to commit cash beyond financial years; phased restoration constraints are inappropriately rigid).
- Cash flow is poorly managed (resulting in breach of faith with partners, the need for costly unforeseen bank loans to cover for late grant-aid cheques, etc.).
- Budgets need to be unified and 'regularised'.

◆ Reluctance to adapt to good management practice

The public sector attitude appears to deny the validity and necessity of modern techniques which would improve performance and make the workload more manageable. One common manifestation of this is for decisions on action to be deferred until the year has almost elapsed, resulting in a spending spree around 31 December.

◆ Lack of serious evaluation

Whilst large numbers of individual projects and performances achieve (or even set) the highest international standards, there is a marked global tendency only to assess results quantitatively but not qualitatively. This same attitude appears to reinforce reluctance centrally to categories (other than descriptively or numerically) or set minimum standards to be attained.

◆ Legal confusion

Legislative overkill increases problems in implementation. It also leads to there being a growing number of laws which appear to be in mutual conflict, thereby hindering action. Frequently, legislation is initiated when administrative action could satisfy the particular need.

b) Needs

- 4.2.7 Lack of money and legal competence were the two most common complaints brought to the Examiners' attention. Lack of resources is a major problem which has to be tackled at the highest level of government, but inflexibility over their use needs to be solved in-house.

Budgeting and authorisation procedures, we were told, can lead to thirteen or fourteen 'stop-go' phases of building restoration and up to forty separate permissions being required. The public tendering process does not allow for any changes in specification once work has been started which, in the case of old buildings where unforeseen features are often discovered, is inappropriate, wasteful and causes delays. Projects are taken on, buildings are purchased with no one having any idea of the time-scale over which the necessary finance is likely to be made available on a planned - let alone a crisis - basis.

The Examiners were confronted with the problem of trying to interpret the indices of expenditure in the wealth of documentation which came our way. We could have spent all our time on this - attempting to reconcile the totals in municipal cultural budgets which tend to exclude personnel costs, with those of government departments which (massively) include them. There are also considerable complications within, and between, cities and regions, over data. In some cases, the contribution to the opera house comes directly from the Mayor's budget; in others all building maintenance is lost under other 'non-cultural' budget heads. It is often impossible to discern whether large sums of money have been voted for production, performance, development, tourism or to protect the heritage. Despite the National Report's claim to have tracked 53% of the total public cultural expenditure to central government, on the evidence we saw we suspect there is a very considerable underestimate of the actual financial commitment of the comuni.

4.2.8 Assessment of quality

The Examiners are sympathetic to the plight of creative and performing artists in Italy today, and understand the very limited sense of security resulting from multiple sources of funding. Nevertheless we were surprised at the lack of awareness around this issue by the public authorities. Furthermore, where we found evidence of some performance measures being applied, they were almost invariably quantitative, with quality being taken on trust. This seemed to be a particular problem in Sicily with its tradition of free events - a situation understandably exploited by artists to their own advantage. The local authorities, particularly in the south, are meanwhile beginning to tackle the legacy of clientelismo which applies to the cultural sector in parallel with all other areas.

4.2.9 Inflexible funding patterns

The direct linkage between policy and the legal process is by no means universal across the cultural sector. However, it is clear that those who feel they lack clout and resources, as compared with other areas, also lack legislation. Thus, for example, drama feels acutely disadvantaged in relation to lyric theatre; dance in relation to opera; the contemporary visual arts in relation to museums and art galleries. Preservation of, and responsibility for, looking after the national heritage (tutela) is laid upon the state in the 1947 Constitution. Responsibility for thirteen major named musical institutions is enshrined in the law. The proportion of the annual allocation from central government available to the performing arts is precisely set down legally in percentage terms (opera, other music, cinema, theatre, circus, etc.). These cannot be varied, and the fiscal regulations means that no money may be carried over from one year to the next, let alone be vired within any given year.

Much of this practice (whether rooted in policy or not) has been necessary and helpful in maintaining the infrastructure. But so far as lyric theatre is concerned, as a specific example, it simply carries forward a largely historic pattern of grant giving which is now at least half a century old. Levels of grant-aid therefore bear only approximately relationships with the current reality on the ground.

Nor is there any attempt - either unilaterally by central government or jointly with the local and regional authorities - to address broader strategic policy issues such as uneven levels of provision across the country. Targeting of grant-aid, in spite of the complex criteria, procedures and advisory mechanisms, would seem to be pretty crude.

It is not surprising that the Examiners encountered the strongest views on the need for radical legal and financial reforms amongst the politicians and independent cultural organisations they met. Within the Ministry for Cultural Heritage there seemed to be a recognition that reforms would make their role easier to carry out, but also a hope that changes could be made cautiously and gradually.

c) Some suggestions

- 4.2.10 With the complexities of administrative competences in cultural policy being fragmented vertically and horizontally, and compounded by bureaucratic inertia, a major attitudinal change is essential in order to transform negative habits into positive opportunities for cooperation at all levels. It follows that there is a need for much greater clarity in strategic planning, starting from the centre. In the key areas of legislation, finance and management, improved harmonisation and cooperation are vital both to allocate clear responsibilities and to eliminate duplication.

Even after greater degrees of political and administrative decentralisation have been achieved, the state will retain a key role in setting the overall policy framework and ensuring that the means to realise goals are at the disposal of the various responsible parties. Central responsibility might be summarised as follows:

- ◆ establishing outline national cultural policy;
- ◆ ensuring implementation of the policy aims;
- ◆ setting standards and establishing clear responsibilities;
- ◆ monitoring, evaluation and modification of policy;
- ◆ creating the conditions for improved integration of the system;
- ◆ reform of financial regulations for cultural institutions;
- ◆ adopting legislation appropriate for the operation of the system;
- ◆ introducing tax incentives to expand private sector co-operation.

To achieve a comprehensive national overview, the compartmentalised interests within separate government departments must find a way to cooperate and agree high level objectives. For those objectives to be achievable, there will have to be some codification of relevant legislation (and a resistance to creating 'extraordinary' laws) and the growth of strategic planning and effective programme budgeting. Planning, it must be stressed, is a tool for better management and value for money, not an end in itself.

It is impossible for us to form any valid judgement on the number of existing laws which may, or may not, be relevant, but the jungle has to be cleared in order to find a path through. Laws which are incapable of being strictly implemented are weaknesses in the fabric.

The 1939 law on protecting the environment is, for example, in some respects inoperable. Nobody at the time could have envisaged the disastrous effects of cheap availability of metal detectors. Private individuals will continue to flout the law in large numbers to preempt the state's right over compulsory purchase of property (whether acquired legally or illegally) if they can secure better prices abroad. The numerous laws which are 'not applied' bring the whole basis of regulation into disrepute.

By the introduction of minimum necessary levels of strategic planning across the systems, and at the same time reforming financial regulations so that they are enforceable, but applicable to the requirements of the sector, energy could be released and real opportunities for cross-sector cooperation opened up. With clear objectives and standards established and clear responsibility for action allocation, the fears over comuni possibly juggling their social, economic and cultural agendas, to the disadvantage of the latter, may be set in a context where they can be allayed.

4.3 Towards a clear and open partnership between levels of government: the need for improved articulation

a) Observations

4.3.1 In the view of the National Report, the difficulties encountered by regions and local authorities over cultural policy stem from five main sources:

- ◆ low political priority with insufficient resources devolved;
- ◆ lack of legal basis, which might encourage planning;
- ◆ chaos of concurrent powers and unstructured overlap;
- ◆ inadequate evaluation of institutions;
- ◆ partial involvement of independent entities in management.

The National Report concludes that culture does not perform a key function in the policies of the post-1972 regions, whereas the cities are judged to be making a more determined effort. It is nevertheless apparent from the data that municipal and regional expenditure on cultural provision is forming an increasingly high proportion of the total public expenditure on the sector, just as it is across the rest of Europe in spite of financial stringency. Censis' criteria for assessing regional performance rests on (a) expenditure and (b) the number of laws passed relevant to the cultural field. The second is a peculiarly Italian measure, and we are unconvinced as to its validity. We were encouraged to find, for example, that in Emilia-Romagna the formal legal process often followed constructive initiatives in the field which had proved successful, rather than everyone taking refuge in lack of legislative competence or money as sufficient justification for inactivity.

Generally speaking, the cultural budgets of the major cities exceed those of the regions, so that the structural problem of cooperation is unlikely to be satisfactorily resolved until the regions are able to put more serious money on the table. We acknowledge the difficulties inherent in the policy of a region which has an exceptionally large cuckoo sitting in its nest.

4.3.2 Lack of coordination and cooperation

Lack of clarity concerning specific competences, and the consequential dearth of earmarked money, leads to huge variations in practice around the country. The National Report's local authority figures rely upon an ISPE survey of 1986-88, and Censis' own survey of cultural spending through a sample of about 45 provinces. These figures do not seem to be very reliable as the estimates provided for regions and municipalities are tentative and are admitted to contain double counting which cannot be disaggregated.

There can however be no doubting that structural and procedural difficulties inherent in the system and its management make it needlessly hard to forge constructive local relationships. This is particularly acute over the frequent national differences of opinion with local or regional authorities over museums, since there is no agreed hierarchy of provision, let alone consensus on the need for institutions to be open and available to local people. Joint national/

regional coordinating bodies which were legally provided for in 1975 have never been set up. Consequently in many areas museum provision is cast more in the form of professional rivalry (where the national official can always have the last word) rather than as a cooperative effort in which all parties seek jointly to make the most of their limited resources. In areas where the local authority relationship with a particular soprintendenza was good, progress was being made, but in others this was clearly not the case.

4.3.3 Initiatives by major cities

We were not surprised to learn that an informal association, or 'city club' of the twelve largest conurbations in Italy, has been created and is proposing a charter to Parliament to bring about greater autonomy for themselves. It is inevitable, if irksome to the intermediate tier of government, that major cities will always attempt to 'do business' directly with central government ministries and departments. This may be to do partly with political affiliations, but primarily it is about money, the taxation which is collected by Rome and not by the regional government. The views we heard consistently from the cities with regard to the cultural agenda of the 'big 12' came down to two issues: the FUS allocation system, and soprintendente of the Cultural Heritage Department. One director of a major nationally funded independent cultural institution told us that he felt like a battleship parked in someone else's harbour, with the local people unclear whether he was there to attack or defend.

Inevitably, given a situation where government nationally has failed to deliver on undertakings, leaving considerable confusion on the ground, differences of opinion and priority are bound to appear between cities and regions which may be under different party political control. At least this would seem to have a more rational and explicable basis for professional relationships than another we heard: whether the soprintendente was simpatico or not! We did however repeatedly come across evidence showing that cities and regions had yet to work out any shared vision, backed up by joint strategies, for dealing with cultural provision and development. Even where both were dynamic and progressive, as in the case of Piedmont and Turin, there was little agreement on identified gaps in provision or ways of remedying the situation, still less clarifying some 'hierarchy' of activity to resolve who does what. In general terms, this last point seems most successful in the case of public libraries, since the legal position is clear.

4.3.4 The need for regions and cities to work together

The comuni have always provided the basis of public support for culture in Italy. Their traditional fields of activity are the running of cultural institutions (museums art galleries, libraries and archives), the protection of their own historical and artistic heritage, and the provision of theatres and opera houses. More recently some have become active in the direct promotion of exhibitions, concerts, festivals and community arts activities.

With the enforcement of the Constitution in 1970 to create the fifteen regions with 'ordinary' statute, new players came on the scene. Initially, regional powers in cultural policy were legally restricted to the supervision and financing of local libraries and museums. The regions however ignored these limits and started to become active in the protection and promotion of culture much more generally within their territory, particularly in the performing arts.

A presidential decree of 1977 formally acknowledged this de facto situation, and at the same time set the government a 1980 deadline for the approval and adoption of four reform laws which would define and coordinate action at the different levels in the specific areas of cultural heritage, music, theatre and film. A number of bills relating to these reforms were introduced to Parliament - but they never succeeded in becoming law. Eventually in 1985 the law setting up the FUS was passed in an attempt to regularise the situation with regard to the performing arts, but effectively centralising the grant-aid function. This in turn led to the 1993 referendum and the abolition of the Ministry of Tourism and the Performing Arts but the function is still being carried out centrally.

4.3.5 Signs of dynamic progress in cities

What impressed us in the cities (and those regions where effective co-operation was taking place) was a sense of dynamism so often absent amongst the threatened or demoralised civil servants of central government. This is no doubt partly the result of a clearer sense of identification with the territory and its people, and responsiveness to political control resting on democratic affirmation for a single party's programme. Sharing the local cultural heritage with the people, responding to their needs, and making use of cultural resources to regenerate declining urban areas are seen as important goals. Municipalities which see historic buildings within their communities as having a continuing function would often like to be able to count on greater cooperation with the soprintendenza.

Apart from the issue of the opera houses and teatri stabili and their relationship to their own cities (which evoked the same feelings everywhere we went) there are wide differences in the ways in which municipalities deliver cultural services. Museums tend to be managed directly, with the performing arts being run either through grant aid policies, or by direct promotion, or a combination of both. The city of Palermo is deliberately shifting from a policy of ad hoc subsidy (which had become riddled with clientelismo) to one of programmatic planning and direct provision. Others are taking matters on to the next stage and following the route on to engaging independent organisations to handle promotions, which tends to deliver improved cost control and value for money for the taxpayer. In Bologna we spent some time with AICER, an interesting model of a private company set up to provide cultural services with five corporate shareholders, plus the city and the region.

The largest cities, as we found in Rome and Turin, are increasingly aware of the need to decentralise some of their own cultural provision in order to relate particularly to disenfranchised or minority communities. Turin has an impressive programme of community arts activities with detailed strategies for those in the city who do not relate to its high profile cultural institutions.

In some of the comuni we came across a real recognition of both the social and economic contexts within which the cultural sector operates, and also a willingness on the part of the assessorati alla cultura to share lessons and experience between cities, to disseminate examples of good practice, and a common feeling on the need to share and interpret the local heritage to citizens. Certain of the regions have tried to forge constructive relationships with government agents (e.g. soprintendenti) and with municipalities within their territory, but on the whole we were disappointed to find little formal agreement or clarity over roles where there is the possibility of duplication or conflict. Where this danger was acknowledged, the responses seemed to be symbolic rather than pragmatic.

4.3.6 Joint strategies for extending provision

With the exception of archaeological sites, almost all the cultural infrastructure is to be found in towns and cities. A large number of these towns are too small to be able to provide the cultural services they would wish to. This ought to provide the regions with a basis for developing cultural strategies for the benefit of all their citizens through:

- ♦ helping to secure the infrastructure to ensure that a good spread of provision is available; and
- ♦ facilitating access for all sections of society, and working with cultural organisations in the region to satisfy gaps in provision (e.g. through the funding of touring).

In Emilia-Romagna we found an enlightened approach towards delivering a spread of cultural provision and opportunities to the region as a whole in partnership with the smaller municipalities, and also taking account of the resources and policies in the larger cities. The even pattern of reasonably prosperous medium sized towns across Emilia-Romagna obviously gives the regional administration an advantage in planning and negotiation, and Bologna itself has not suffered the degree of de-industrialisation apparent in many other large cities elsewhere in Italy. These very difficulties however emphasise the urgent need for some national ground rules to be established, not in any way to create centralised control but to allow the local partners to work out their own most appropriate solutions in an orderly manner. There is no partnership between the bureaucracies of the administrative tiers (as one finds elsewhere in Europe - e.g. in France or the Netherlands), and the political realities can be very different. Furthermore, perfectly logical methods of approach in both municipalities and regions can, through differing interpretations of competences, lead to unhelpful and quite needless difficulties over something as trivial as protocol.

In Sicily there is an unwritten understanding that the region concentrates on musical provision while the municipalities look after drama, but this seems to rest upon traditional practice and immediate need rather than on actual policy.

The Examiners regret that time did not allow for a structured visit to conduct research and interviews in representative medium sized towns. Censis' 1994 research through sampling states that 87% of those they interviewed had no specialist staff in the cultural field, but did not subcontract to specialists either. In part this is a consequence of the lack of critical mass rather than legal competence, and therefore culture remains a low political priority. The public libraries in some of the smaller comuni appeared to be rather restricted in their opening times, often then staffed by volunteers.

4.3.7 Levels of commitment by local, provincial and regional authorities

Data in the National Report suggests that spending on culture by municipalities in the north accounts for 62% of the national total. The highest levels were recorded for the comuni in Lombardy, Emilia-Romagna and the Veneto, with Lazio, Tuscany and Sicily making a respectable showing. A few of the provinces in the south also seem to make a helpful contribution. The National Report also asserts that the municipalities contribute only 26%, as against 53% from central government, towards total public expenditure on culture. Regional expenditure figures show enormous variations one from another, and also surprising fluctuations from one year to the next. The only constant is the much higher spend in the autonomous regions - hardly surprising given that they carry a much greater responsibility for their cultural heritage.

Whilst recognising that our interviews were predominantly with officials and elected members of large cities, we are bound to record that our impressions and experiences were rather more encouraging than the picture painted in the National Report. Major commitments were being made in the provision and development of cultural services, and the independent cultural institutions clearly identified with their cities, seeing their relationship on the other hand with central government (where there was one) as almost purely financial.

In Sicily, Piedmont and Emilia-Romagna a great deal of energy and ingenuity was going into constructing circuits to make better provision for more people, with the regions playing an entirely appropriate role. In both Catania and Palermo we saw cultural policy statements by the respective assessorati which demonstrated an acceptance of the need for strategic planning, though in the former case starting from a very low financial base. A number of regions have adopted the sensible practice of multi-year planning for cultural provision even if the fiscal vagaries do not always permit intentions to be carried out in full.

The National Report may be correct in asserting that in respect of libraries and museums "cooperation between the regions and municipalities has not been very successful" but we detected no lack of will on the part of those we met to work together for more rational, responsive and cost-effective provision.

b) Needs

4.3.8 It was clear to the Examiners that valiant attempts are being made to develop cultural policy for the benefit of local people. However, it is also clear from the evidence we heard that this process is rather ad hoc, and can often depend upon individuals fortuitously getting on well in their professional relationship. Only in Emilia-Romagna did we obtain any sense of a region in constructive dialogue with its comuni so as to develop strategy based on a broad overview of existing provision and gaps which require filling. Not surprisingly, we came across examples where civic - or regional - pride seems to have provided a stronger impetus than any defined cultural need, and until a more rational and cooperative basis for joint planning is put in place, this is likely to continue.

Given the budgetary situation of the small comuni, they are unlikely on present arrangements even to be able to develop or sustain their own cultural policies, making the need for clarity of roles and partnership arrangements all the more vital. This is acknowledged to go beyond the public and voluntary sectors, since the confusions and complexities are also hindering the private sector from playing its full part locally. The regions have an important part to play in making sense of strategic provision for their territories, and central government needs to acknowledge this more constructively.

The larger cities, where there is a legal responsibility to provide and maintain venues and rehearsal spaces for performing arts companies funded centrally by the FUS, have an additional stratum of potential confusion. The important role they (and in some cases the region) can play in ensuring the health of theatres, orchestras, opera and dance companies often goes far beyond the legal minimum, and yet they have the feeling that the FUS officials treat them as performing a peripheral and almost mechanical function. At the same time, there is considerable local scepticism about the fairness or relative appropriateness of the allocations made from Rome, their ability to 'read' the true local situation and respond to it accordingly.

Heritage and museums confusions also highlight an urgent need for a more sensibly structured way of tackling provision and tutela locally and regionally. The local authorities, besides expressing a good deal of frustration with poor quality control and management of key local attractions by the soprintendenze, pointed out that they may often be the most effective route to private sector help to resolve some of the long-standing financial problems. Lack of openness and differing motivation prevents this progress being made.

Many of the artists working in the major cities and on the regional touring networks have rather mixed feelings about some of the activities which re being directly promoted by local authorities. They point out that there is a tendency for the public sector to view anything outside its own bureaucratic structures as 'commercial', and therefore profitable. This has a bearing on levels of grant aid on offer, which often do not take proper account of how service are provided to the community, or reflect the true cost, particularly in drama and dance, which tend to be less well funded than music.

c) Some suggestions

- 4.3.9 The national problem of confusion over roles and competence in the field is still enormous, and is unhelpful at all levels. The ad hoc solutions which arise inevitably create duplication, some conflict, and a poor rate of return for public money. The museum and gallery situation, without any proper attempt to categorise or draw up a hierarchy of what is, and is not, of uniquely national importance, is a recipe for ongoing conflict between local and national government. Some interesting and groundbreaking ideas on creating a more coherent, and public service orientated, museum network are being developed in Venice (perhaps leading to a single local foundation), and could well provide a model for reform elsewhere. The aim is to open all civic museums for 362 days every year, and for regular morning and afternoon hours - a great step forward from the visitor's point of view.

Rome has some quite specific difficulties which the new city administration means to tackle. As capital city, of course, it is always liable to find itself on the receiving end of unshared plans of central government which cut across its own proposals. Millennium celebration plans offer a current example where there does not appear to be a cooperative partnership through which funds can converge and strategy be agreed. Division of labour between the city's government and the Prime Minister's office is unclear.

Taxpayers, we believe, will continue to be badly served until there is much greater transparency and agreement at all levels over 'who does what'. This process can probably only be effectively initiated by Parliament or the government, but it implies much more openness on the part of officials of central government who at present are too prone to act as 'judge and jury' in their own interest. We would not suggest a rigid system which acts like a straitjacket to limit initiative, but rather an enabling framework which spells out clearer lines of responsibility, creates more openness and encourages joint strategic planning.

The improved articulation of the various authorities that should result would provide better accountability and value for money. It would also establish better working relationships and the pooling of expertise in the system. With sufficient consideration given to hierarchies of provision, the setting of standards of operational efficiency, and forward planning to overcome the habit of crisis management, there could be an empowerment of individuals who at present, too often, seem to feel constrained and disorientated.

4.4 Greater autonomy for cultural institutions: the key to responsibility and improved performance

a) Observations

- 4.4.1 During our programme of visits, we became increasingly convinced that the greatest obstacle to the modernisation of systems operating in the cultural field in Italy is structural. The structures actually create more problems than they solve. We received a strong message that "when things in Italy do not work, it is usually for structural reasons". Spending as much time as we did looking at the cultural heritage, its policies and problems, we asked ourselves again and again, "How is it possible for such a distinguished and academically renowned corps of soprintendenti to have their vision and commitment undermined to the extent that most feel directionless, debilitated and demotivated?" We could only guess at the feelings of the younger entrants to the Ministry's staff, but it is clear that reform is high on their agenda. Personal financial reward is certainly not what people enter the service for, which makes it all the more regrettable that morale has been so dented.

In the contemporary visual and performing arts, the arguments about autonomy have gone further. The Senate Committee has advocated that opera houses, theatres, ETI, the Venice Biennale, Milan Triennale, and Rome Quadriennale should enjoy operational, financial and administrative autonomy. In addition, proposals have been made suggesting that museums, libraries, archives, the central institutes, cultural institutes abroad and archaeological sites might benefit from similar moves. Major cultural institutions (or groupings of them) might be legally restructured as independent legal entities - along the interesting lines of the civic museums in Venice. Care would, however, need to be taken of groupings to ensure that the twin objectives of development and greater self-generated earnings, and conservation or maintaining traditions, did not get out of balance. Theatre and opera companies which have already moved in this direction are beginning to discover benefits, although the question of the relationship between their two main public sector sponsors (national government supporting the company, local or regional government providing the building) is one which will continue to exercise them. In the case of opera houses, Agis is currently considering proposals for a new institutional framework for ownership and management.

From all the evidence, both statistical and anecdotal, the Examiners were convinced that the current overcentralised structures must be rapidly reformed, enabling more independent units of management to come into being. There is still an essential national role in the setting of standards, and monitoring and evaluating performance against them, but current practice in attempted remote control on a massive scale serves neither the interests of the heritage itself, nor the Italian taxpayer.

b) Needs

- 4.4.2 Our view will be clear that the present number of museums, sites and monuments run directly by central government and through the bureaucracy in Rome is unsustainable. The attitudes which we encountered in our interviews were somewhat mixed. Feelings of utter frustration at the way the system seems unable to deliver what

is required from the centre were tempered by genuine concern that a promotionally-orientated local agenda might undervalue the needs of conservation and protection. This is hardly surprising, given that the soprintendenti of twenty years' standing, and their predecessors, were appointed as professional and scientific experts and not as the managers of unwieldy public sector bureaucracies which they have been obliged to become (without the management training that the move would imply).

We found an unambiguous feeling that Rome was unable to deliver the necessary resources to deal adequately with crises which arose with increasing frequency, and lacked the flexibility to respond on pressing timescales. At the local authority end we also heard sustained criticism of the rigid and inappropriate structure of the soprintendenze, rendering them rather unresponsive and obliged to refer far too many decisions of a routine nature to headquarters in Rome. Within museums specifically, only the roles of the director and conservator seemed to be defined and understood. The opportunity to establish a coherent and workable structure in 1975 had not been taken. Restoration skills are now nationally taught in universities on a rather theoretical basis, while the traditional practical skills handed down through families locally are dying out and being lost to communities.

4.4.3 Inappropriate system for appointments

The Italian system of appointment to senior posts in the care and management of the heritage follows the Mediterranean pattern of requiring a massive examination hurdle to be overcome as the passport to the profession, but then offers little if any relevant post-entry training. Hence, museums continue to be viewed by many of those within the service as academic rather than public resources. A number of our informants felt strongly that museums must be given more autonomy in return for greater transparency of operation and respect for set policy.

4.4.4 Hierarchies of provision in the heritage

Others emphasised that whilst reforms were needed, guidelines would have to be homogeneous for the whole country, although allowing sufficient flexibility for each area to manage its resources in the most appropriate way. This harks back to the earlier point about the need for some hierarchy to define which are the genuinely 'national' museums (whether on scale of importance, such as the Uffizi in Florence, or on unique collections such as the Egyptian Museum in Turin) and sites, and to clarify the relationship with the local authorities concerned so that the pattern of heritage provision in any given area adds up to more than the sum of the parts. So far as we could gather, the profession of museum director hardly seems to exist in Italy - a situation aggravated by the incompatibility of civil service and local government administrations. Individuals running 'national' museums currently might therefore simply be biding their time in the hope that they would be promoted to soprintendenti, while the latter dream of becoming university professors with tenure to provide a much higher rate of remuneration and a considerably less stressful way of life.

Increased autonomy and responsibility for museums or institutions would provide the basis for a recognised professional class, operating within a social and economic context which respected the needs of conservation, but also the obligation to share and communicate with the public. There is a significant difficulty in the short term in the paucity of trained staff able to carry out the non-curatorial aspects of running an autonomous institution, with much of the work carried out by poorly paid and inexperienced individuals. Currently, with all admission income from sites and museums returning to the Treasury, there is no relationship between state funding and actual performance.

4.4.5 The performing arts

Amongst the performing arts institutions, there is already a wider acceptance of the benefits which come from autonomy - not least because the less secure working environment has forced many of them to behave entrepreneurially. Furthermore, since there is usually a constructive relationship with local authorities over the actual theatre or other buildings occupied, there is a more relaxed appreciation of the additional features which such a relationship may bring in relation to the community, local politicians and the private sector. The opera companies, many of which are generously funded through central government, seem to share two significant worries. Firstly, that a straightforward devolution of their revenue grant for decision regionally and/or locally would put them into a more parochial political context. What guarantees could be obtained that the value of their financial support would be maintained in successive years in the face of other local political priorities? Secondly, given the feelings about inequitable current distribution of grant aid through the FUS, devolution could simply mean institutionalising an unfair situation and remove all means of having it improved or corrected.

c) Some suggestions

4.4.6 The Examiners concluded that overcentralisation of cultural policy has given rise to political and functional difficulties. A degree of decentralisation - to regions and cities, and to cultural institutions - would clarify the current very confused system, produce much better management and value for money, and enforce the definition of a proper role for central government. This should certainly apply to the majority of museums currently classified through the Department of Cultural Heritage as 'national' and to area units of the Ministry in order to promote responsibility, sharpen practice and raise morale by allowing professionals to set and reach targets for their areas which are actually achievable, and visible to the local taxpayer.

4.4.7 A system of classification

Whilst not downgrading the constitutional obligation to protect the heritage, there has to be some value system that classifies monuments and buildings to reduce the workload to manageable proportions on which available resources can make an impact. The Ministry of Cultural Heritage's estate cannot be efficiently or effectively managed as the Department is currently operating. If decentralisation of responsibility were accompanied by the establishment of local co-ordinating committees on a regional basis, then there will be an obligation on the regions and major municipalities to come up with agreed strategies so that they can talk to central government (what-

ever their political complexions) with a unified voice. This in turn will produce much more coherence in provision at local and regional level, and is also much more likely to engage the attention and assistance of the private sector within the area. The cultural identity of regions will be rebuilt from the bottom up, bringing likely tourist revenues in its wake.

4.4.8 Changing attitudes from negative to positive

We heard a number of reported comments to the effect that it made no difference to a library's or gallery's funding if it were never used, or that the surest way of protecting a museum's collection was to exclude the public altogether. These attitudes are defeatist and insupportable, especially given that public money is involved. The local authority preference - which is noted in the National Report - to open up museums to the public and see what appropriate ways can be found of increasing income is much more in line with the financial realities of the time. We were frankly astonished at the low level of understanding within the Ministry concerning managerial and financial reforms which have a vital relevance to improving performance. Independent management or, at the very least, cost centring, controlling expenditure and evaluating results seem necessary in order to restore a sense of responsibility and to create incentives for improved performance. There are already examples of better practice following initiatives such as the greater freedom given to the Uffizi in recent years, and the developing partnerships in Venice which put the public first.

4.4.9 Territorial planning focus

The major performing arts institutions already face in two directions - national and local. One source provides a high proportion of the subsidy, the other the audience. Structurally there is insufficient dialogue and understanding between the national grant aid methodology and the local authorities which are obliged to provide other support. There is considerable scepticism about the allocation system and the actual role of the advisory committees. (The composition of these committees has recently been completely changed by Parliament.) A clearer, more local focus for planning and development is likely to give better results and encouragement to more touring and educational work as has already happened in some of the more enlightened regions.

4.5 Professional Personnel: management and training

a) Observations

- 4.5.1 European countries within the past ten years have been obliged to face up to the challenge of maintaining and developing cultural policy against a background of increasing pressure on public expenditure. The general trend shows that local and private sector expenditure have increased their share of the total while the central government proportion has declined. Cultural institutions have had to earn a larger percentage of their total income from trading activities. Although a greater reliance on the need to earn in order to balance budgets can bring with it constraints on artistic risk-taking, many organisations have, despite initial fears, found the challenge invigorating and empowering. The Teatro Regio in Turin offered one such example in Italy, and it is to be hoped that its success in reversing a declining situation through dynamic management will give encouragement elsewhere. Museums and galleries which are being allowed an increased degree of control over their own destinies (e.g. the Uffizi in Florence and the civic museums in Venice) are developing a new confidence.

Part of the solution to the current crisis within the cultural sector lies, as the Examiners have made clear already, in greater autonomy within cultural institutions. But autonomy can only deliver the required improvements if it is accompanied by competent management. Centralised bureaucratic tendencies will resist the granting of greater autonomy until sufficient trained staff exist on the ground, so that the problem is actually self-referential. Government must break the circle. Smaller units and cost-centring of themselves generate a much sharper need to manage by objectives, to be clear about the short-term and the longer-term, and to exchange theory for practice.

4.5.2 Perpetual 'crisis' management

It was clear to the Examiners from their very first interviews that the centralised system in Italy is actually responsible for creating many of the ubiquitous 'crises'. To many of those trapped within the system, the obvious solutions to their problems seem to be either legal or financial - or both. Our feelings are that this reaction is often a surrogate for poor management, which manifests itself in slack cost control, a defeatist attitude to self-help, low morale, and a general unwillingness to accept responsibility. Considerable real terms increases in resources have been made to the Department of Cultural Heritage over the years, but it appears that much of the public benefit which should have ensued has been lost through lax personnel control and management and without any public perception of service improvements. Once again, the Examiners conclude that this major issue will have to be taken on before the government or tax payers are likely to be supportive of greater resources being allocated.

Within the policy areas which absorbed most of our attention, we came across a range of common problems. The differences in impact between the performing arts and the heritage are largely a question of scale - which further reinforces the point about autonomy. The fact is that within Italy there are excellent examples of organisations which have found a way out of the quagmire from which the majority choose to believe there is no navigable exit route.

A recent quarterly bulletin from the Ministry of Cultural Heritage (Notiziario 44) sets out a number of very detailed tables relating to 'personnel management' of staff. These show breakdowns by sex, grade, length of service and region of employment. 24, 570 staff are accounted for. (It should be noted that the relevant staff for various functions carried out by the autonomous regions are not included.) The accompanying text has nothing to say about management as such, but includes in the adjoining section a table on training courses organised centrally by the Department for 395 officials itemised as follows:

1. course for officials employed in the Tuscan 'vigilanza' service;
2. course for officials employed in the Umbrian 'vigilanza' service;
3. refresher course for partners in the library service;
4. English language course.

We have referred already to the misunderstanding over applying business skills to cultural management. What is currently missing is an understanding of the need to acquire some of those techniques in order to improve results and performance - but not from a profit motive. Project skills may be applied to short term programmes whereas the longer-term task of running a successful museum calls for a quite different approach.

4.5.3 Personnel issues

During their visits, the Examiners sought in vain for any hard evidence of management being taken seriously within the Department of Cultural Heritage as a way of dealing with the very real problems they face. On the one hand we encountered a strain of fairly common anecdotal gallows humour (superintendents cannot operate because it is impossible to get sanction from Rome to replace the postage stamp float halfway through the year; accountants are sent as replacements for architects, etc.), and on the other, considerable evidence of mismatch between local needs and approved establishment and the actual number of staff in post. In certain regions in the north - where the cost of living is higher and the prospect therefore unattractive - vacancy rates were extremely high. In the south, some agreed staffing establishments were being allowed to be massively oversubscribed by factors as high as +130% to +140%.

	North	Centre	South	
Full time employees:	4,438	10,070	10,062	TOTAL 24,570

Out of this total, Lazio accounts for 6,557 and Campania 4,544 against Liguria's 425, Umbria's 530 and Veneto's 921. Although the personnel of the Department has grown by 300% since it was first set up, desperate measures had to be adopted in summer 1992 when museum custodians were bused from the south to Florence and other key tourist attractions in the centre and north in order to allow for museums to be open to the public, and for reasonable hours.

In Sicily we were told that there were at least 15,000 jobs in the cultural field and at considerably more attractive rates of pay than on the Italian peninsula. The thirteen designated regional museums on the island all had to supply, under a specific law, an equal number of custodians, irrespective of the size or importance of the museum. Museum library regulations led to similarly arcane irregularities. Pirandello's house in Agrigento employs no less than 26 assistant librarians (out of 110 personnel to manage one house!); in Palermo the Palazzo Abatellis has ten - to care for 300 books - while the main archaeological collection of over 40,000 volumes also employs the same number. This extraordinary situation is legally sanctioned, and suggestions that it needs to be rationalised immediately run into political networks and knee-jerk trade union opposition. Responsibility for personnel is located not with the regional soprintendenza but is treated as a political/employment issue elsewhere. The Heritage Department therefore has no real control over appointments, and our inquiries revealed that it has only 0.4% qualified administration staff on its payroll. Legal changes would be required to alter a management situation which is clearly indefensible.

4.5.4 Multiple roles of the soprintendenti

So far as the soprintendenze are concerned, their directors are suffering from the cumulative effects of the missed opportunity in 1974 when the Ministry was created. The fact that the individuals selected were not appointed for their managerial abilities could be perfectly justifiable, had this aspect been covered in a pragmatic way within each unit. If there was an expectation that this expertise could be delivered nationally from a central point in Rome, then the track record shows that this was a grave miscalculation. As it is, the individual soprintendenti have remarkably little independence of action, are legally hemmed in, and are constantly obliged to refer decisions to 'head office' in Rome. Their hands are tied by (a) the law - fiscal and criminal, and (b) the centralised bureaucracy. As if the frustrations of this model were not enough, there is a central assumption about their combining a package of near-incompatible skills:

- ◆ territorial inspector (as prefect of tutela);
- ◆ technical/scientific supremo;
- ◆ archaeologist or art historian;
- ◆ managing director (with up to 6,500 staff);
- ◆ entrepreneur and public relations expert.

There appears to be virtually no in-service training for any of the more managerial or entrepreneurial skills, which in themselves call for an independence of action that is undermined by the other roles which are clearly more highly valued by the centre.

Team-building is a serendipitous business when key appointments are heavily influenced by extraneous factors. We saw similar consequences in music conservatories, where Education Ministry habits are just as counterproductive as those of the Ministry of Cultural Heritage. It is little surprise to find in this situation that individuals are reluctant to accept responsibility or exercise to the full the powers they do possess. The soprintendenti work in professional isolation, often at odds with the local authorities on whose territory

they operate, and yet are obliged to demonstrate to the public at large that their undervalued role is important to society and the economy. The Region of Sicily at the outset probably made the correct organisational choice in opting for a different model - an overall managing director with a team of senior experts heading up their respective specialisms. Ironically, the model was abandoned after it was concluded that lack of training within the system meant it was impossible to recruit anyone who remotely matched up to the desired person specification.

4.5.5 Matching skills with tasks

Despite the very considerable growth in the size of the Cultural Heritage Department over twenty years, the opportunity has not been taken to match professional needs with existing abilities or specific training. Three examples the Examiners came across illustrate this.

1. The Central Institute for Restoration, through its links with corporate sector sponsors, local government and private individuals (as well as a 'normal' budget supplemented through several 'special' laws) has to handle rather complex joint financial arrangements. Yet it has neither the relevant professional expertise in-house, nor is it allowed to deal direct with the Treasury, having rather to route all enquiries via its 'parent' Ministry in Rome.
2. The special unit created following the Campania and Basilicata earthquakes wished to pursue economic impact studies to strengthen its work and, for a while, secured the help of only two economists in the entire department. Whilst the idea was thought to be valuable, no one else has been able to simulate this example on anything other than an ad hoc, part-time basis. One outcome was the decision to improve the quality of museum management, for which a professional archaeologist on the existing staff was sent for a year to study French methods.
3. Short courses on museum management have been offered through consultants using international expertise. The large amount of support and interest shown (over 60 inquiries) has not been followed through by museums, where directors either could not afford to leave their base even for three days, or else were unable to identify any other staff member whom it would be appropriate to send.

Specialised training for management within the cultural sector is also a problem for local authorities. The training on offer for an art gallery curator, we were informed in one major city, may be precisely the same as that available to the local cemetery manager. Universities on the whole seem to regard museums as teaching aids, with scant regard for modern developments in museology or any need to manage collections or open them up for wider public enjoyment and instruction. Some important scientific collections are reputed to be in a particularly poor condition.

Attempts by recent governments to instigate a greater open-mindedness towards self-help in museums have usually been met with predictable opposition. To some extent we think this may be due to a misperception by individuals who feel they are being asked to betray the motives for which they embarked on a not very well remunerated career. Properly organised and appropriate training could in fact be of considerable benefit. With more devolved responsibility in the sector, we are confident that many sites and museums could begin to emulate the good examples of some of the performing arts institutions which have responded to financial and artistic crisis positively by:

- ◆ controlling costs;
- ◆ promoting levels of personal responsibility;
- ◆ resolving long standing personnel problems;
- ◆ marketing successfully to new audiences.

b) Needs

- 4.5.6 Within the heritage sector the odds seem so heavily stacked against beleaguered individuals that there is an urgent need to instill confidence that greater responsibility is both possible and highly desirable. It is very important that the message is sensitively communicated that the general European trend towards greater self-reliance and responsiveness to taxpayers is inevitable and empowering. The obstructive attitude of Departmental officials to progressive steps such as sales outlets and proportions of ticket income to be returned as an incentive bonus to individual museums must be tackled at source. The public sector's problem in handling its labour force must be dealt with - and creating some positive motivation would provide a useful starting point. At the top end, this must involve allowing soprintendenti more freedom of action, and at the lower levels, beginning to rationalise some extraordinary abuses of the system which have been too long condoned.

The Examiners were constantly amazed at the general dog-in-the-manger attitude towards the public's right to share in the heritage supported through its taxes. As well as having to become more efficient, the bureaucracy has some serious lessons to learn about responsiveness and releasing the energies and talents of its own professionals. No one expects this to be painless, but it has to start rapidly before still further damage is done.

Senior figures in the Heritage service are understandably apprehensive about the potential break-up of a system which, for all its manifest failings, they would fundamentally still like to believe in. The core values which originally motivated their commitment are still intact even if their experience has seriously damaged loyalty. The case for a degree of territorial autonomy seems to be widely accepted, with the proviso that guidelines for reform would be applied homogeneously across the whole of Italy, but with each area to be managed in the most appropriate way (i.e. respecting genuine regional differences). This might allow for greatly improved management in the following respects:

- ◆ territory - as an area with its own specificities;
- ◆ sites and museums - respecting individual identities.

4.5.7 Management of restoration

At a more technical level, we took on board difficulties for the sector created by general rules on procurement or running contracts which, whilst no doubt existing for valid accountability reasons, are inappropriate and unhelpful to restoration projects. Italy has an appalling reputation for failure to manage restorations effectively, with unjustifiably prolonged closures of major sites and buildings although the finished results often set standards of excellence. The Civic Gallery of Modern Art in Turin (recently splendidly re-opened), the Teatro Massimo in Palermo (still closed after more than 20 years) and the Villa Borghese in Rome are just three high profile examples. That the latter has now been closed for more than three times the period of time it took the French to conceive, convert, furnish and open the Musee d'Orsay in Paris is not something of which Italians can feel proud. Many of these embarrassments are the direct product of poor management practice. Even the potentially valuable giacimenti culturali programme fell at the first hurdle as a result of poor definition and specification.

c) Some suggestions

4.5.8 The Ministry of Cultural Heritage has two huge assets: the unparalleled patrimony of Italy and a unique corps of dedicated and expert staff. It treats both rather badly, although perhaps not intentionally so. The two are mutually inter-dependent and it is urgent for steps to be taken to bring the situation into some form of balanced equilibrium to match aspirations with available resources. Improved management and motivation of personnel, backed up by appropriate and practical training, is the key to progress.

A few action points are suggested.

1. Set objectives. Management by objectives is effective. At present the lack of direction in the heritage sector makes everyone feel that levels of achievement are low. This is grossly to misrepresent many considerable achievements against the odds. Above all, set realistic targets so that a sense of confidence builds.
2. Define missions. It may be unsettling to pose searching questions as to why this particular museum exists, what the real purpose of purchasing yet another palazzo is, or whether there is any chance that it will be brought into constructive re-use in under 50 years. Nevertheless, this clarity of analysis can be helpful in defining what is necessary and manageable, and what is merely wishful and self-indulgent.
3. Institute training. People are being expected to carry out a range of functions which is not what their own training or recruitment led them to expect. there is an urgent requirement to provide practical training courses in management which improve performance and value for money and remove unnecessary fear from the system. Currently, despite there being no corps of public sector employees with even modest levels of managerial experience, there is no government funding commitment to create or introduce such.

4. Encourage incentives. Smaller units of management will rapidly raise morale and allow for a greater sense of achievement in spite of initial qualms. Part of this process is allowing employees to see their own particular enterprise benefit as a result of their improved performance.
5. Tackle labour problems. These will not go away or resolve themselves. There are examples in other sectors in Italy where entrenched views have been converted.
6. Work on rule changes. Much of the frustration and technical burden on the sector derives from inappropriate constraints. In restoration, for example, there should be specialist lists for tendering firms. Procedure should be simplified. At present the rules operating on procurement are the same as for dams or major roads.
7. Limit new projects. Resist the temptation to embark on projects of a major scale when there is no likelihood of their being completed or resourced within the foreseeable future.
8. Harness business expertise. Local authorities (such as Turin) have established regular cycles of meetings with the private sector to coordinate programmes of restoration and activity. There is great potential here in following the example of Great Britain's 'Business in the Arts' scheme and beginning to tap into business and management skills to the advantage of the cultural sector.

In the Examiners' view there is an urgent need for the main government departments concerned, and their agents, to concentrate on bringing managerial methods up-to-date and, in particular, putting an emphasis on four aspects:

- a) a flexible and creative approach to securing and using resources;
- b) efficiency of operation;
- c) better use and motivation of personnel;
- d) effectiveness in delivering policy.

Reform will only succeed if the electorate's support can be gained and they are coopted into the system of control on expenditure and can begin to see the benefits from changes. The alternative to ignoring the management challenge is that the bureaucracy will find itself increasingly attacked and marginalised in major public concerns.

4.6 Expansion of cooperation between the public, private and voluntary sectors

a) Observations

4.6.1 The scale of private financial investment in the cultural sector in Italy is rather impressive by European standards. The 1980s seem to have been a period of growth in this regard although we have not come across any specific or authoritative surveys. Although there are no precise data on the private financing of the cultural sector in Italy, the Council of Europe estimated the figure for 1986 at 530 million ecus, the equivalent of about Lire 660 billion, the highest for any country in Europe. More realistic assessments for the same year put the figure at about Lire 200 billion. Other estimates are even lower: they calculate the figure at Lire 130 billion in 1985. Two features are noteworthy. Firstly, the donations concerned appear to come almost exclusively from major corporations (large banks, insurance companies, foundations established by industry and the like). Secondly, the help given to the cultural sector is heavily concentrated upon restoration of historic buildings, the occasional well known object (e.g. a sculpture), or fine art exhibition.

The National Report spells out three broad areas of benefit to the corporate sector which would arise from cultural sponsorship:

1. spin off from charitable donations (public benefit);
2. advertising and promotion of the company's name;
3. particular tax advantages.

There are three distinct categories of potential 'private' financial assistance:

- a) corporate sponsorship (with companies expecting some tangible 'return');
- b) foundations set up by commercial companies (e.g. banks which are legally obliged to covenant a proportion of annual profits to charitable and other defined causes);
- c) Non-profit organisations (voluntary associations legally established to achieve particular objectives, often in the cultural field).

4.6.2 Mixed success

A targeted law of 1982, which in its early years set no restrictive upper financial limits, offered certain tax benefits to companies which pay for, or make significant contributions to, restoration programmes, exhibitions or research (usually in connection with restoration). However, as it was clear from the fact that the range of sponsors had not grown significantly (that is to say the continuing impressive sums of money were coming from the same rather small group of major companies), further legislation was passed in 1989. This attempted to streamline the way in which the tax benefits may be claimed.

There is a particular worry following the introduction of the Amato Law, to which reference was made earlier. The privatisation of former 'public' banks could result in the reduction by 50% of the largest single source of revenue to the cultural sector. These banks, which were formerly obliged by law to covenant profits into charitable foundations, still await revised criteria which have been under consideration by government for some considerable time. The Dini circular of November 1994 requires each foundation to select its particular area of interest, which could further reduce funding for culture.

The limited number of studies available on cultural sponsorship in Italy stress the extent to which companies prefer to manage their programmes directly. The sole exception is the banks, many of which for statutory reasons are required to disburse a set proportion of their annual profits to charitable causes, including cultural institutions. In the industrial north there appears to be a very low interest in establishing associations for cultural sponsorship such as ABSA in Great Britain and ADMICAL in France. It is clear that, as elsewhere in Europe, the motive of commercial sponsors is invariably corporate image enhancement at the very least, often with a more overt objective of increased sales. Nevertheless, there is a lack of evidence of empirical evaluation of results of sponsorship by private companies. We were informed that the complexities of allowable tax deductibility results in most sponsoring companies choosing to support cultural organisations out of their advertising or promotional budgets.

It may be that the connection between civic pride and long established enterprise in the north (Piedmont, Lombardy, Liguria and Emilia-Romagna, for instance) has proved a natural advantage, whereas the stronger influence in the south of traditions of temporal and ecclesiastical autocracy is still a 'cultural' problem, quite apart from the actual question of money and incentives. It is surprising, for example, to discover that a coordinated local authority backed programme of Arab-Norman cultural itineraries, which could have taken pressure off the limited number of damagingly over-exploited sites in the south, attracted no private sector interest.

4.6.3 Obstacles to growth in sponsorship

According to what the Examiners saw and heard, it would still seem that fiscal measures have not encouraged any significant growth in sponsorship amongst medium sized or smaller companies, even in the north although a law of 1987 did have some specific effects. Nor have the performing arts started to register as beneficiaries from sponsorship to the same extent recorded in comparable European countries. We have, however, seen a 1992 total suggesting that this could account for up to one-third of the national total. In relation to restoration projects, one of the obstacles appears to be the long drawn out bureaucratic procedures in both the conservation and financial processes, which act as a discouragement to potential benefactors. Approvals have to be given by the Ministry of Cultural Heritage, inspections and authorisations have to be made by the local soprintendenza, the Ministry of Finance has to be satisfied as to the details and so on. The largest tax benefits to the company are gained by the method that involves the most bureaucracy and the most convoluted timescales - the very antithesis of how the private sector functions.

Cultural promotion organisations (such as AICER in Emilia-Romagna) and foundations such as Napoli 99 try wherever possible to get sponsors to pay bills direct, thereby slightly easing the burden upon them of having to deal with government bureaucracy, and also often legally avoiding any need to pay VAT twice on what is basically the same transaction.

4.6.4 The private sector and its locality

An additional difficulty is that major sponsors naturally wish to be associated with extremely high profile projects. This provides Rome and a handful of the largest cities with a huge advantage over the rest of Italy. Many of those buildings and monuments most at risk are the less well known ones, where smaller, local companies might cumulatively make a significant impact if the processes were made easier for them. Facilitating an expansion in sponsorship amongst small and medium-sized enterprises (SMEs) is a current objective of both the European Union and the Council of Europe. The initiatives which we heard about in Turin to bring the private sector together with the relevant public authorities on a fairly regular basis is a sensible way of attempting to inject some logic and method into the process.

The planning timescales of the private and public sectors can be very different, and it is important that joint strategies can be flexible enough to satisfy all parties. There is also, of course, the further concern of the private sector that cultural institutions in their city or area are in good shape and open to the public simply from the business entertaining point of view, quite apart from any more general concern for local pride and the quality of life of their workforce. Regional officials we met in Emilia-Romagna preferred to see corporate sponsorship as a constructive investment in the future of the area rather than as an opportunistic 'deal'. We noted that the track record and medium-term commitment of the San Paolo Foundation (Compagnia di San Paolo) in Turin has been a crucial factor in the retention of RAI's symphony orchestra in Turin.

6.4.5 'Not for profit' foundations

The Examiners were also impressed with the efforts of local voluntary sector (not for profit) foundations such as Napoli 99, and Salvare Palermo which was modelled on it. With a dual focus on restoring civic pride through restoration programmes and public education, such organisations follow northern European paradigms of more transparent dealings and keeping their financial entanglement with the public sector bureaucracy to the minimum possible.

The efforts of such organisations to support local elected members and the relevant professionals in the area to promote heritage issues higher up the political agenda should not be underestimated. Napoli 99 for its renowned two-day 'Porte Aperte' weekend has secured major sponsorship in kind from Alitalia - which helps, via short-break tourism, the wider economy of the city. It also maintains its own reputation through being selective about commercial sponsors it will work with.

4.6.6 Regulations still too complex

There is evidence of a lot of energy being channelled into the cultural heritage from the private and voluntary sectors, but the indications are that the regulations and processes encouraging it are still too complex. The potential at the more local level is enormous, and ways must be found to tap into it more effectively. It was suggested to us by the Association of Cultural Sponsorship in Rome that a review was required. If the system were streamlined, it might be possible to operate it in two strands - one where the sponsor stipulated a specific monument, attracting a lower rate of tax relief, and another where the Cultural Heritage officials from priority lists could suggest necessary works to companies in the appropriate location, which would attract a higher rate of tax relief. Whilst this would obviously not affect major sponsors (such as the Banco di Roma, which plans to spend Lire 40 billion on restoring the Colosseum), it might encourage new entrants on a more localised basis.

We were assured that over the past five years or so there have been some small to medium sized enterprises entering the field and that, in any case, first generation business is likely to direct its efforts exclusively to its own success - i.e. making money, not giving it away, whatever the incentives - hence the concentration of donors amongst the largest and oldest established corporations. Once again, we observed from the evidence that there is a concentration of effort in the centre and the north of the country. Sponsorship in Sicily seems hardly to be a relevant factor at all, and it was surprising to us to note that a superb, and potentially international, exhibition such as Federico e la Sicilia (with a handsome catalogue) in Palermo had no sponsor. The National Report states that sponsorship in Italy hardly exists "according to strong models elsewhere in Europe". With the conditions in Italy, and the very impressive track record at the top end of the market, we think this should be rapidly addressed.

Corporation tax for business in Italy at 52% is high, which suggests that tax incentives - always provided that their intention is not thwarted by discouraging, centralised bureaucratic hoops to be jumped through - could be a useful and effective way of supplementing assistance to the cultural sector. The tax reliefs available since 1968 for specific cultural or scientific foundations have clearly been used to advantage both ways, and we heard of some rather strong and constructive working relationships with the public authorities locally. The Banco di San Paolo and the Agnelli Foundation (which is restricted to research activities) in Turin, for example, have been very active in order to ensure that their city is perceived as "more than just another Detroit".

b) Needs

- 4.6.7 Italy is rightly noted for the large scale corporate donations which benefit the cultural field. In discussion with cultural organisations however, we found considerably mixed reactions - ranging from outright suspicion to confusion between patronage and sponsorship. It is clear that government will continue to follow the general European trend and increasingly look to private/public sector partnership to achieve what can no longer be done by the public sector on its own. The Examiners believe there is great potential for mutual benefit, but that government should take a lead in explaining possibilities more widely.

Part of the confusion arises from misunderstandings about the three quite different categories of potential 'private' financial assistance. The motivation behind action taken within these three categories may be very different. With regard to corporate sponsorship and foundations, many artistic organisations appear to confuse the sponsorship role of the first with the patronage habits of the second, often setting up false expectations for themselves in the process. Entering into sponsorship deals is a serious business not to be undertaken lightly. It is certainly not a mechanical way of supplementing income. Artistic organisations often apply to commercial companies in an almost 'grant aid' mode - which is bound to fail, and reveals a low level understanding of the company's need to derive, and to be able to demonstrate, corporate benefits. In Great Britain this common failing was addressed nationally through ABSA (the national arts sponsorship association) commissioning, publishing and widely disseminating a handbook incorporating the perspective from both sides. This created a much improved understanding in both directions, with the desirable by-product of generating better applications which might well have an improved chance of success.

4.6.8 Illustrative examples

The Examiners were presented with the results of three interesting sponsorship studies commissioned by IRES in Turin and by the region of Lombardy from Fitzcarraldo. The findings, which rely on surveys of private companies in Lombardy (1993) and Piedmont (1992), are probably applicable to Italy as a whole, and certainly carry important messages for the government. The results for Piedmont, in line with the national trend, are particularly striking:

- ◆ Cultural sponsorship is concentrated upon a very limited number of projects, involving large sums of money. (Nine sponsorships out of the sample accounted for 46% of the 1991 total, with 16, of which each was worth over Lire 500m, representing 61.4% of total expenditure. These actually involved 12 distinct organisations, all but one in the field of restoration or music.)
- ◆ Banking and finance is responsible for 86.5% of the outlays (32% of the sample). After excluding the financial sector, mechanical engineering and textiles, only 3% of the total cash sum remains. The Istituto Bancario San Paolo and the Cassa di Risparmio di Torino are by far the largest donors, accounting for 67.6%.

Four clear features emerge from this survey:

1. Financial institutions, responding to a legal obligation, are the clear leaders.
2. Sectors of industry which one might expect to be represented are absent (e.g. service firms, high-tech and consumer electronics companies, public utilities).
3. Small/medium-sized enterprises (SMEs) make an insignificant impact both in their numbers and their allocations.
4. Heritage takes over 65% of the total cash with classical music/opera on 14%. Promotion of the contemporary arts receives a very low priority.

The survey findings reveal, unsurprisingly, that sponsors, whilst accepting the need to work with the public authorities, find their decision-making procedures tortuous and joint planning difficult. On the other hand, many of the most successful projects had been 'brokered' by cities or provinces - just as we also found in Rome. The most important features for the sponsor were the quality of the project (or outcome) and the cost/benefit ratio from a commercial point of view.

4.6.9 Creating partnerships

The Examiners came across good examples of local authorities which had used their influence to help create partnerships where the sponsor might have a continuing role, profiling their 'corporate citizenship' within the locality (e.g. low interest concessionary bank loans to finance restoration in return for the concession on catering and sales over the repayment period).

Non-profit trusts, particularly those involved in the business of conservation, have an increasingly important and rather specific role to play. By virtue of having clearly defined objectives and, in most cases, delineated geographical areas of benefit, they are in a powerful position to target their energies upon high profile programmes, and to demonstrate progress very openly to the public. Their success depends very largely upon their ability to harness the support and commitment of both the public authorities and the private sector. This is not always an easy or comfortable relationship, since one of the roles is to act as a gadfly on the body politic, with independent access to the media often a threat to local authority amour-propre. We would expect this to be a vital growth area in fostering constructive cooperation between the corporate and public sectors, whilst at the same time having a valid pressure group role both in criticising and in disseminating good practice.

c) Some suggestions

4.6.10 Steady growth in corporate sector involvement in carrying out cultural policy seems desirable and inevitable. With the intense pressures on public spending, governments will look to the private sector increasingly to act as 'corporate citizen' to provide an element of both cash and much needed expertise. While the particular historic situation in Italy in respect of financial institutions has led to an extremely impressive track record, there are certain initiatives which the government will need to take in order to help bring about the progress it wishes to encourage across the private sector as a whole. We set out below an agenda for each of the interested parties in this collaborative development.

1. Government

1.1 Existing statute law, in spite of revisions, is insufficiently attractive an instrument to encourage wider participation by the corporate sector. Particular measures may need to be put in place to draw in the SMEs in which Italy is so rich.

1.2 The current regulations concerning sponsorship of restoration projects are too complex and bureaucratic. If they can be simplified and presented in more user-friendly form, they are likely to be more effective in fostering an expansion.

- 1.3 The bulk of sponsorship is targeted on the historical heritage, with music/opera as the only significant area of benefit amongst the performing and contemporary arts. Some national initiative is called for to encourage greater involvement of potential sponsors in these neglected areas.
2. Corporate Sector
 - 2.1 There appears to be a need for a higher profile national organisation to pressurise central government into simplifying regulations, and offering incentives to SMEs and companies in the less prosperous regions. A generally available handbook could be of enormous value.
 - 2.2 Initiatives could be taken, following the existing examples of good practice, to institute regular private sector liaison with local and other authorities concerning opportunities for sponsorship.
 - 2.3 Lively cultural organisations are a vital element in quality of life in towns and cities, which is a matter of concern to the private sector as employers and community leaders. Management expertise offered on a 'help in kind' free consultancy basis could be extremely beneficial to the stability and development of arts institutions and companies.
3. Cultural Sector
 - 3.1 Greater appreciation is required of the benefits a potential sponsor may expect from a sponsorship. Misjudged applications cumulatively damage willingness to be of help.
 - 3.2 Cultural organisations need more information from the private sector in order that they can focus their own aims in applications.

4.7 Participation

a) Observations

- 4.7.1. In its closing remarks, the National Report draws attention to the rich potential of the present situation in Italy, but concedes that there are enormous technical problems which threaten progress. The renewed possibility of social considerations once again becoming central to cultural policy is presented as an antidote to the abstract world of budgets and statistics, laws and regulations. The vitality of any culture, as we have already remarked, comes from people's actions and choices. This seems to be increasingly recognised in the major cities, but not centrally as one of the key elements underpinning cultural policy.

Constitutionally speaking, the specific references to promoting the development of culture and the principle of freedom in art and science, and in their teaching set a clear basis for public participation. In addition the 1948 United Nations Declaration of Human Rights specifies an individual right to culture and active participation in cultural life.

4.7.2 Associations

The Report's concentration upon technical and structural detail, however, allows for very little sense of public participation as an objective of, or even an important justification for, cultural policy. The only attempt to measure or describe a trend relating to participation is in the section on the mushrooming independent 'cultural associations' (over 21,000 of them) which have a specific legal status conferring some tax benefits to their membership.

These associations broadly divide into two categories: historic training and/or research institutes (such as the Accademia di Santa Cecilia) - many of which have grown to be dependent upon grant aid from government - and a larger number of newer organisations which promote cultural activities to defined areas of interest, often limited to a city. 'Interaction with other parties' is reported to be very limited. Many of these associations are active in the field of heritage and conservation (e.g. Italia Nostra, Napoli '99 and Salvare Palermo). In Sicily the Examiners were told of performing arts promoting associations, which had become enmeshed in clientelismo and were no longer regarded by the local authorities as appropriate mechanisms for service delivery.

4.7.3 Access

Even taking a very restrictive view of participation as public support (through admission charges or public library usage) for cultural activities, divided competences and the lack of reliable data make it impossible to come to any conclusions based on, for example, take-up per 1000 population. Whilst equal access to cultural provision could no doubt piously be claimed as an overriding policy intention of government, it was abundantly clear to the Examiners that at the first hint of any conflict between tutela and public access, the public were invariably the losers. Attitudes at local authority level were more open and accommodating.

4.7.4 Active participation

Apart from the discussions we had with major cities (e.g. Turin, Bologna, Naples, Catania, Palermo) few of our informants expressed any significant concern for active cultural participation by the public as a clear policy aim, as opposed to passive consumption. National museums and galleries have few incentives to go out and seek a public, and suffer no particular financial disadvantages for not doing so. The Ministry for Cultural Heritage does not address education as a national issue or use its advantageous positioning to work in partnership with the Ministry of Public Education. One in three national museums offer free guided tours to schools in their areas on their own initiative, but even these appear to be of a rather traditional didactic nature. There is a wealth of stimulating practice in and around museums and archaeological sites elsewhere in Europe which could be adapted to the Italian situation. Communicating the reasons for respect of the national heritage to children of an impressionable age should have a much higher priority in the Ministry's armoury of weapons. Admittedly you cannot have public access without tutela, but unless a better balance is found between the two, some areas could end up without either.

4.7.5 Education - the need for cooperation

The National Report refers to the work going on with some soprintendenze to develop local itineraries for more active learning, but judges these to be 'sporadic and not very effective'. From the independent Cultural Heritage Institute in Emilia-Romagna, we heard the view that education was seen as the key to the visitor/destroyer dilemma - but that nobody accorded it budget priority, and dealing with the education system nationally was completely alien territory.

This last view was echoed to us in various parts of Italy and from across a range of sectors. There is clearly a perceived problem over establishing constructive relationships with the formal education system.

4.7.6 Schools projects.

Amongst several of the performing arts institutions (which are obliged to build their own future audiences) and the comuni (which wish to relate better to their own citizens), our enquiries fared better. Turin's recently renovated and reopened Modern Art Gallery runs a lively free education programme for schools, and the city's opera company at the Teatro Regio has successfully adapted northern European practice whereby children are fully involved and prepared through school classwork prior to visiting the theatre. The San Carlo in Naples uses talented young performers from its ballet school to whom children of their own age can more easily relate. On a pragmatic local basis, it would appear that measured progress is possible.

4.7.7 Animation

Turin's experience of fostering cultural development through dedicated community arts policies and amateurs, originating in 1986 was, we were pleased to note, now being shared with the other 'major league' cities. The national lack of policy directed at young (and particularly unemployed) people is a serious omission which local authorities are probably going to have to make good for themselves.

4.7.8 Amateur activity

The Examiners had little opportunity to collect data on musical participation, but were surprised not to be provided with evidence of amateur activity by choirs and instrumental groups. Despite the possibility of some specialisation at secondary school level, Italy seems to lack the training and support mechanisms which exist in other European countries and which encourage higher standards in amateur music making, church choirs and the like. Perhaps this aspect of cultural life is a stronger feature in small towns rather than metropolitan areas.

b) Needs

- 4.7.9 Although virtually everyone we spoke to paid lip service to the right to access to cultural opportunities as a fundamental of any free and just society - and the post-war Constitution sees this as playing a significant role in social reconstruction - there appeared to be some reluctance at national level to set any priorities which might begin to make the objectives achievable. Strict budgetary regimes, and single source funding, make it difficult to find even small sums of money or staff time to devote to education and participation aims against all the other undifferentiated pressing needs. It is as if when viewed from the centre, the problem is just too great to tackle - despite the clear evidence on the ground that individual cultural organisations are managing to set their own targets and achieve them.

The major performing arts organisations funded centrally through the FUS are obliged to meet minimum income target criteria, but this is not in itself any incentive towards wider public involvement. On the contrary, the lack of flexibility or sensitivity in the way allocations are made can simply drive programming into a 'safe' mode which caters for a largely predictable and known audience. It cannot therefore be claimed that the FUS is seriously encouraging wider public access as a policy aim. Some organisations are however attempting to do this for themselves - often, ironically, as a result of what they would claim is comparative underfunding from the FUS, as was found in Turin.

c) Some suggestions

- 4.7.10 The issue of participation is very complex, which perhaps explains why so few people broached it with the Examiners. The situation in Italy, whereby the most highly educated (and comparatively wealthier) sectors of society have a near monopoly of heavily subsidised culture whilst the bulk of the taxpayers consume their culture from the commercial market, is not much different from other comparable countries. Nevertheless, we believe there is a significant dilemma in relation to access where, in many cases, prices are extremely high in spite of generous levels of subsidy. Institutions appear to obtain significant government financial support by virtue of their existence or location rather than for any (non-geographical) strategic reasons. Quality may be a factor, but the operation of the criteria is not an open process.

Given the relentlessly down-market drift of so much Italian 'culture' as exemplified in both print and audio-visual media, there appears to be some need for a new political urgency to protect and actively promote culture of a non-meretricious variety to the widest possible range of society. This is a daunting task, which can only be successfully tackled on a partnership basis by all the relevant authorities. At the level of central responsibility we would urge all those concerned to make common cause, negotiate with the Ministry of Public Education, and draw up joint strategies which take account of successful good practice within Italy.

Section 5 - OBSERVATIONS ON FIVE MAJOR AREAS OF CONCERN

- 5.1 Management and exploitation of the cultural estate.
- 5.2 Policy in the performing arts.
- 5.3 Policy in the contemporary visual arts.
- 5.4 The commercial market and the consumer.
- 5.5 Tourism: problem or opportunity?

5.1 Management and exploitation of the cultural estate

a) Observations

5.1.1 General

Virtually anywhere you dig or build in Italy, you are liable to disturb the remains of past civilisation, usually in strata of continuous occupation. A survey carried out in 1972 on a sample of 8,000 towns revealed that 87% of them predated the 14th century. Governments - both national and regional - have been understandably concerned to protect the natural and man-made heritage, which means that there now exist massive, and often conflicting, legal constraints on development. One consequence is the difficulty in creating a modern infrastructure in the major cities. The construction of Rome's underground railway system (featured in Fellini's Roma) is a classic example, having taken over twenty years to complete. Meanwhile, the price paid above ground is the accelerating damage to monuments and historic buildings caused through traffic-jams of motor cars and other vehicles - essential components of the productive modern Italian economy. Similarly in the rural areas with a modernisation of agricultural methods and the European drive for more cost-effective, and therefore mechanised and productive, farming methods, there is an increasing threat to archaeological sites. In addition, there is a high incidence of theft and illegal export of works of art, with sites devastated and provenances lost forever.

Protection and conservation of the heritage seems to be widely viewed as the primary state objective in cultural policy, for which purpose it is armed with an ever-reinforced battery of laws, special laws and yet more laws. Given the scope and unique scale of Italy's patrimonio and the difficulties which attend its protection and management towards the end of the second millennium, it is immediately obvious that the available resources are inadequate. But the legal straitjacket makes it exceptionally difficult to set policy priorities.

Italy as a territory was relatively unaffected by both the Reformation and the French Revolution and, in contrast to most of the rest of Europe, its religious buildings and foundations continue to house vast numbers of artistic treasures which still fulfil the functions for which they were originally commissioned or purchased. Many of these buildings continue to play an important role in their respective cities and towns.

The surviving links between artistic heritage and territory of origin are exceptionally strong in Italy. For this reason, and the patchwork of independent states until unification, there are few truly 'national' museums about whose designation everyone can agree. There is no Louvre, British Museum or Hermitage, although periodically there have been (in our view misguided) calls to create such an encyclopaedic museum - currently focusing on the Palazzo Barberini in Rome. The locally rooted nature of many collections which are of international importance is an issue as yet inadequately resolved between the national, regional, provincial and local authorities. In spite of the high degree of centralisation, there is little sense of 'national collections'. It is an ironic comment on current cultural policy in Italy that the obsession with its artistic past should almost blot out serious policy concern for the visual artists of today.

5.1.2 The central dilemma

The central dilemma lies in the absence of a national overview of policy which could be used for setting clear priorities and for monitoring progress effectively. This situation leaves room for the following undesirable features to continue:

- ◆ There is no agreement over truly 'national' monuments or museums - particularly the latter. Many of these major museums are actually rather small but the soprintendenti do not have the powers to amalgamate and rehouse public collections already in existence.
- ◆ In many parts of Italy the museo civico or comunale traditionally commands greater loyalty than the state's museums with which it coexists. (The latter derive from the centralising tendencies which the House of Savoy adopted from France.)
- ◆ Italy lacks regional museum networks such as the German Landesmuseum. The central Ministry is in any case too weak to be able to connect up networks which might be created.
- ◆ Money, and the ability to spend, is highly centralised but without adequate systems of control or flexibility where required. Lack of strategic overview tends to mean that money is spent piecemeal.
- ◆ Lack of management by objectives (and clear priorities) means that an 'archive' mentality is tolerated. This puts a higher value on scholarship than public access or education.
- ◆ The responsibilities of soprintendenti are too numerous for the role, as it is currently defined, to be effective. Consequently energies are dissipated.

5.1.3 Administrative structures and responsibilities

Nobody questions that the responsibility for preserving the national heritage is heavier on the Italian government than any other in the world. The weight of the burden is unique; the detailed problems that go with it are not.

It is clear that when the Italian Government 1974 separated off the 80-year old Direzione Generale delle Antichita e Belle Arti from the Ministry of Public Education, reconstituting it as the free-standing Ministerio dei Beni Culturali e Ambientali, it was intended to be more powerful and have a higher profile. However it seems that neither the move away from the Education Ministry's brief nor the timing (i.e. just as the process of political regionalisation was getting under way) have proved particularly beneficial. The new Department never gained the intended and expected priority, and feels it has been fighting a defensive battle against hopeless odds ever since. It is no exaggeration to say that the service is now in crisis, with the further recent complication on the Ambientali front of a recent government having created a wholly new Environmental Ministry.

5.1.4 Consultative Council

The Cultural Heritage Ministry has a consultative and elected 'National Council' of up to 90 members (including representation of professional staff), with six sector committees on:

- a) environment and architectural properties;
- b) archaeology;
- c) historic and artistic objects;
- d) archives;
- e) libraries;
- f) cultural institutions.

This rather vertical concentration upon narrowly defined matters of specialist professional concern does not encourage wider discussion on promotion and exploitation of assets, or other developments which are of major concern to partners in the public, corporate and voluntary sectors at the regional and local level. Furthermore, it tends to consolidate attitudes of professional superiority and a conservative and conservationist 'siege' mentality, the negative power of which should not be underestimated. The uncooperative reaction to former Minister Alberto Ronchey's tentative proposals to begin some development in the museum sector for public benefit is just such an example.

5.1.4 Methods of working

The Department's responsibilities are extremely open-ended. The law of 1939 on tutela is clear, but there is neither any coordinated government (let alone national) policy nor an agreed plan below that level which could actually set priorities and targets for action. Crisis management is therefore the order of the day, with the added headache of 'special funds' versus 'normal funds'. (This, in part, explains the 1989 collapse of a ten metre stretch of the mediaeval walls of Urbino, despite the pleas of local officials, and the Neapolitan ice-cream look of the Arch of Titus in the Roman Forum - half cleaned, half dirty, the two segments meeting neatly down a vertical line in the middle.) The money for work tends to be allocated in a haphazard way but, because of the perpetual need to respond to crises in the short term, preventive action is often too late. In theory, Italy's heritage is strictly protected; in practice, it is all too often neglected for reasons which are at root bureaucratic.

The Ministry is highly centralised, with the hundred or so satellite soprintendenze remaining substantially the same as the units defined in 1939. They are organised under a central division for architecture, archaeology and art history. (The Ministry has three separate divisions covering libraries, archives and administration/personnel.) The apparent delegation of responsibility from Rome to these provincial units is an illusion, with many people convinced that the past 20 years have seen an increase in bureaucratic centralisation. Minister Fisichella, in conversation with the Examiners, contrasted this reality with the more genuinely devolved system of command in the military forces. The Department increasingly struggles with its undifferentiated multiple roles. We were told by the Senate Committee that the very size of the heritage in Italy is now frequently quoted as an excuse for the failure to protect (of

which there are an increasingly large number of embarrassing, high profile, examples). It must also be emphasised that the legal duty to conserve laid upon the Ministry of Cultural Heritage's soprintendenti goes beyond the buildings, museums, fine art collections, libraries and archives to the archaeological sites (excavated, partially excavated and unexcavated; on land and under the sea), the ecclesiastical buildings (Italy has more than 90,000 important churches) and their contents, and also to objets d'art owned by collectors and private individuals.

The writ of the soprintendenti on paper extends to the regional, provincial and municipal museums and their collections, even though these may all have their own expert staff installed. Consequently, there is enormous room for professionals with differing opinions on restoration to second-guess and interfere, diverting energy and resources for other areas where perhaps they could be more beneficially applied. A recent court case involving the Region of Liguria confirmed this national right to intervene in museums. A decree of 1985 on planning constraints confirms the Department's right to act if it feels the regional government is being negligent, or even to over-rule a legally-based regional decision.

5.1.5 Lack of planning

The encouraging vision for the dynamic newly created Heritage Ministry was soon to be disappointed as it grew into a massive centralised bureaucratic machine, now with over 27,000 full time direct employees. Planning has been inadequate, roles and functions are confused, and the crucial cadre of senior staff in the field - the soprintendenti - have for the most part grown demoralised and cynical. Their excellent professional, technical and scientific staff suffer under the burden of global departmental policy, the overwhelming predominance of lowly professional profiles, and bureaucratic inefficiency. The creation within the Ministry of a National Committee with express responsibility for planning seems to have been of little practical benefit to anyone. Administrative routines and regulations dominate the Ministry's operational arm, leading to the paradox of regular inability to spend the annual budget in full whilst everyone accepts that the total is inadequate in relation to the real task in hand. In part, these constraints on authorising expenditure and letting tenders relate across all government departments, but the Ministry's own bureaucratic behaviour clearly exacerbates the problem. Finally, current audit trails being pursued and the personal liability borne by the soprintendenti, who can (as in the case of the Piazza della Signoria in Florence) be sued for criminal damage to the national heritage, increase nervousness and reluctance to act.

5.1.6 Money applied to the heritage

The following tables illustrate the approximate global sums of money devoted to the built, artistic and archaeological heritage in Italy from all sources:

1990 expenditure on the cultural heritage

	Lire bn.	%
a) Public authorities		
- state	1,987	(47%)
- regions	370	(9%)
- provinces	46	(1%)
- comuni	716	(17%)
	<u>3,119</u>	74
b) Paid admissions	90	2
c) Private sector		
- restoration	700	(17%)
- sponsorship	300	(7%)
	<u>1,000</u>	24
TOTAL	4,209	100
	=====	===

(Source: Associazione per l'Economia della Cultura, 1995 adapted)

The data probably underrepresents the cost of staff time at regional and city level. Staffing costs for the government ministry are included, and account for over 45% of the total state allocation. (One third of these employees are custodians in museums, and it should be remembered that all salary gradings throughout the service are low - extraordinarily so in the case of the soprintendenti.) At a rough comparison, the public sector staffing overhead cost is equivalent to the total private sector contribution. Put another way, the Italian heritage's earned income from citizens and foreign tourists represents only 10% of the Ministry's staffing costs. This highlights serious questions about return on investment which go far beyond defensive attitudes with regard to the constitutional obligations on tutela as the overriding policy aim.

5.1.7 Crisis management and piecemeal progress

Since its inception in 1974 it would appear that the Ministry has never really set objectives which are achievable. Everybody, whether working in the field or in an institute (e.g. on restoration, the National Catalogue, etc.), starts off in the knowledge that they will never have the resources to do the job properly since their tasks are not coordinated or prioritised in any meaningful way. Responding to unplanned crises has become the dominant mode of operation rather than planning to avoid foreseeable crises in the first place.

Special funds are still going to the soprintendenza in Friuli on an annual basis, as they have been since 1976, to make good earthquake damage. The specially dedicated soprintendenza, which was established in Rome to deal with the devastating earthquake damage to the archaeological, artistic and built heritage in Campania and Basilicata in 1981, is being wound up, having achieved barely 18% of

its specific tasks over fourteen years, the resources allocated having been wholly unequal to the job. This is not to doubt the importance of the work which has been done, leading to invaluable lessons on future construction and restoration in areas vulnerable to seismic shocks, pilot economic impact studies on employment and income effects in the region and so forth, but might not a devolved system of management have delivered a greater proportion of taxpayers' money to the actual objective? By what logic was a traditionally-staffed special department set up in Rome to coordinate the work of the ten soprintendenze in Campania and Basilicata, and requiring the creation of a separate computing centre in Naples?

Another example is the efforts of the Central Institute for the (National) Catalogue. Launched in 1970 this project was set up to catalogue descriptively the entire patrimonio of Italy. Established with the highest ambitions, and striving after scholarly perfection, the rate of progress has been so slow that the objective still seems almost as unattainable as it was at the outset. As it is a purely scientific exercise, it was not set up to be capable of bringing attention to monuments or objects at risk so that large amounts of extra work will be required to render it usable for practical management purposes. The city of Rome, we were interested to hear, does maintain priority listings of buildings or monuments requiring attention.

5.1.8 Multiple roles of the soprintendenti

We read in the National Report that "Emergencies and inadequate levels of resourcing have made it impossible to draw up a policy of 'ordinary maintenance' and an effective plan of restoration". A process of 'modernisation' in the management of the Department and its resources is essential if overall policy aims are to be capable of delivery. A prerequisite for this must be greater operational and executive independence in management with the soprintendenti released from a number of their current wide-ranging functions such as responsibility for managing museums. To some extent the devolution of greater responsibility to individual soprintendenti would both enhance their authority locally and make it very much easier to construct productive partnerships with the regional and municipal administrations throughout the country.

Beyond the primary obligation of protection (with the assistance of a specially dedicated unit of the Carabinieri on art theft and illegal export), the Department has a secondary aim with regard to the valorizzazione of what it controls. This is emotive territory, with the English terms 'exploit' or 'return on investment' raising spectres of an overnight switch from a conservation-based ethic to American-style commercial museum management, or the crass public relations excesses in certain British museums during the Thatcher era. The National Report points out that there is a delicate balance between these two objectives "which do not always coincide". We understand the professional and academic concerns that underlie these reservations, but we also noted, once again, a much more open and contemporary attitude in the city administrations we interviewed, where there was a clear understanding that suitably sensitive interpretation to citizens, backed up by educational activities, is a key to respect for the past, and of positive benefit to the task of conservation in general. They also appreciated that there was a quid pro quo in standards and access if the private sector were to be encouraged to play a bigger role.

5.1.9 Museum management and distribution

More autonomy for museums or institutions would provide the basis for a recognised professional class, operating within a social and economic context which respected the needs of conservation but also to share and communicate with the public. There is a significant difficulty in the short term in the paucity of trained staff able to carry out the non-curatorial aspects of running an autonomous institution, with much of the work carried out by poorly paid individuals. Currently, all admission income from sites and museums returns to the Treasury so that there is no relationship between state funding and actual performance.

If there were some rationale over museum policy at government level, then we would expect there to be links to policy in social and economic areas, and tourism above all. But once again the division and divorce of the various competences militates against any coherent view or strategy emerging. The resources are very unevenly distributed. The National Report figures for museums indicate that 47.7% are in the north, 29.8% in the centre (with a massive concentration in Rome) and only 22.5% in the south. There is virtually no major museum on the west coast of the country between Naples and Palermo. It is not difficult to see how, as an historical process in the patchwork of Italy, this situation has been created. But economic development in the south, and the need to take mass tourist pressure off a limited number of dangerously overexploited locations there and elsewhere, suggest a need for strategic planning. One does not have to demean or debase the cultural heritage in order to make productive use of it to support other government or regional aims.

One informant characterized the Ministry officials' attitude nationally as follows: "The ideal would be to close all the museums to the public, and restrict their use as a resource available only for professional art historians". The civil servants in the Ministry have a reputation for conservatism in their professional behaviour, and are not generally credited with much will to open up to the public.

5.1.10 Interpreting the heritage

The two broad aims of tutela and valorizzazione obviously are in tension, and we noted what we hope is an extreme case in Sicily where the tourism authorities have embarked on massive international advertising drives, with the rich heritage as a major selling point, but are not in dialogue with their colleagues whose job it is to safeguard and interpret that heritage. We came across the example of a major exhibition in Palermo which was inadequately promoted locally as a result of this same lack of cooperation. The fact is that the whole recruitment process for senior staff in the Department of Cultural Heritage is geared to perpetuating the existing, unsatisfactory situation. Meanwhile, many museums which are not interpreting their collections to the public are engaged in rather active acquisition policies, and excavation continues apace while important sites and finds languish unpublished to the rest of the scholarly world.

Specialised institutions such as the Institute for Restoration, which the Examiners visited, have an enviable professional and technical record within the limits imposed upon them. Impressive exhibitions have been mounted by soprintendenze and museums, and important research projects have been undertaken. But on the other hand the record of grindingly slow and mismanaged restoration, museums in deplorable condition and sites and buildings closed to visitors sine die are apparent to all. The uncomfortable truth is that almost 80% of the Department's resources are handled by the Directorate-General whilst they are at the same time reducing - actually and as a proportion - the budgets available for exploiting to advantage the national estate which they are responsible for managing. The autonomous region of Sicily devotes at most 2% of its cultural heritage budget to this vital area (which may only cover very basic requirements such as signposting or display notices at archaeological sites).

The issue of exploitation will inevitably come to assume greater importance so that an ostrich-like response is irresponsible. We heard a range of arguments which had been deployed against developing revenue generating activities at sites and museums. We were even referred to a report by an eminent academic which conclusively claimed that cafes could not be viable in museums with under 200,000 annual visitors. One only has to look at the profitability of the book, poster and postcard outlets in museums in other European countries, or the successfully grouped franchise arrangements for other services to gauge the positive potential.

The majority of Italian museums are relatively small and, from the character of the historic buildings they generally occupy, there are often constraints on adaptation and a lack of available space. This latter point is also relevant to office and conservation space, to storage and disabled access. Much has been made of these drawbacks to counter any drive to encourage revenue-generating ancillary activities. However, although Italy's museum buildings may present a concentration of particular problems, they by no means constitute the unique case which is often claimed. Ingenuity, goodwill and, above all, incentives have brought success elsewhere in overcoming difficulties in less than ideal locations. The initial problem to be overcome is attitudinal, rather than physical.

b) Needs

- 5.1.11 Our view will be clear that the present number of museums, sites and monuments run directly by central government and through the bureaucracy in Rome is unsustainable. The attitudes which we encountered in our interviews were somewhat mixed. Feelings of utter frustration at the way the system seems unable to deliver what is required from the centre were tempered by genuine concern that a promotionally-orientated local agenda might undervalue and conflict with the needs of conservation and protection. This is hardly surprising, given that the soprintendenti of twenty years' standing, and their predecessors, were appointed as professional and scientific experts and not as the managers of unwieldy public sector bureaucracies which they have been obliged to become (without the management training that the move would imply).

We found an unambiguous feeling that the Ministry was unable to deliver the necessary resources to deal adequately with crises which arose with increasing frequency, and lacked the flexibility to respond on pressing timescales. At the local authority end we also heard sustained criticism of the inappropriate structure of the soprintendenze, often rendering them rather unresponsive and obliged to refer far too many decisions of a routine nature to headquarters in Rome. Within museums specifically, only the roles of the director and conservator seemed to be defined and understood. The opportunity to establish a coherent and appropriate structure in 1975 had not been faced.

Restoration skills are now taught in universities on a rather theoretical basis, while the traditional skills handed down through families are dying out and being lost to communities. The abstraction of museums from their local contexts and the university-based teaching means that they are regarded too much as teaching aids with scant regard for modern museology or trends in contemporary museum management. The Italian system follows the Mediterranean pattern of requiring an arduous examination hurdle to be overcome as the passport to the profession, but then offers little if any relevant post-entry training. Hence, museums continue to be viewed by many of those within the service as academic rather than public resources. A number of our informants felt strongly that museums must be given more autonomy in return for greater transparency of operation and compliance with set policy.

5.1.12 Lack of focus in the museum profession

Others emphasised that whilst reforms were needed, guidelines would have to be homogeneous for the whole country, although allowing sufficient flexibility for each area to manage its resources in the most appropriate way. This harks back to the earlier point about the need for some hierarchy to define which are the genuinely 'national' museums (whether on world scale of importance, such as the Uffizi in Florence, or on unique collections in Italy such as the Egyptian Museum in Turin) and to clarify the relationship with the local authorities concerned so that the pattern of museum provision in any given area adds up to more than the sum of the parts. So far as we could gather, the profession of museum director hardly seems to exist in Italy - a situation aggravated by the incompatibility of civil service and local government administrations. Individuals running 'national' museums currently might therefore simply be biding their time in the hope that they would be promoted to soprintendenti, while the latter dream of becoming university professors with tenure to provide a much higher rate of remuneration and respect, and a considerably less stressful way of life.

c) Some suggestions

5.1.13 We heard a number of reported comments to the effect that it made no difference to a library's funding if it were never used, or that the surest way of conserving a museum's collection was to exclude the public. These attitudes are defeatist and insupportable, given that public money is involved. The local authority preference - which is noted in the National Report - to open up museums to the public and see what appropriate ways can be found of increasing income is much more in line with the financial realities of the time. We were frankly

astonished at the low level of understanding within the Ministry concerning managerial and financial reforms which have a vital relevance to improving performance and making their difficult task easier. Independent management or, at the very least, cost centring, controlling expenditure and evaluating results seem necessary in order to restore a sense of responsibility and to create incentives for improved performance. There are already examples of better practice following initiatives such as the greater freedom given to the Uffizi in recent years, and the developing partnerships in Venice which put the public first.

The National Report (1992 survey figures) states that Italy has 3,554 museums, 2,586 of which are open to the public. Estimates vary concerning their status but there would appear to be between 650 and 700 which are loosely categorised as 'national'. Effectively, we were told, this comes down to 300 or so, but it is still a completely unmanageable number to run centrally.

5.1.14 Smaller, more manageable units

We suggest that there is an urgent need for the Ministry to draw up a strategy for decentralising much of its current activity to responsible and manageable units, and that the soprintendenze themselves clarify their own confused functions, allowing many museums to become self-governing in partnership with the local public authorities. The Ministry will have to face up to the question of what is truly national in order to categorise institutions in a hierarchy of provision, for which appropriate standards of service would be set. Museums should appoint and manage their own staff, and be responsible for their own budgets, retaining income. Such a reform would need to be carefully and sensitively applied, and to be supported by appropriate training. It would begin to create the possibility of unfreezing the bureaucratised situation to make the workload more manageable, remotivate staff and generate more cooperative and constructive local relationships with both the public and the private sector.

5.1.15 Territorial and functional decentralisation

The Examiners concluded that overcentralisation of cultural heritage administration has stifled initiative and given rise to political, territorial and functional difficulties. A degree of decentralisation - to regions and cities, and to cultural institutions - would clarify the current very confused system, produce much better management and value for money, and help define a proper role for central government. This should certainly apply to the majority of museums currently classified through the Department of Cultural Heritage as 'national' and to area units of the Ministry in order to promote responsibility, sharpen practice and raise morale by allowing professionals to set and reach targets for their areas which are actually achievable.

Whilst not downgrading the constitutional obligation to protect the heritage, there has to be some value system that categorises monuments and buildings to get down to a manageable workload on which available resources can make an impact. The Ministry of Cultural Heritage's estate cannot be efficiently or effectively managed as the Department is currently operating. If decentralisation of

responsibility were accompanied by the establishment of local co-ordinating committees on a regional basis (provided for in 1975 legislation but never established), then there will be an obligation on the regions and major municipalities to come up with agreed strategies so that they can talk to central government (whatever their political complexions) with a unified voice. This in turn will produce much more coherence in provision at local and regional level, and is also much more likely to engage the attention and assistance of the private sector within the area. The cultural identity of regions will be rebuilt from the bottom up, bringing likely tourist revenues in its wake.

5.1.6 Cultural heritage and museums: contrasting perceptions

From our interview, we concluded that two contrasting models coexist within Italy.

<u>A</u>	<u>B</u>
1. Centralised control and constraints (negative perception)	Independent responsibility and opportunities (positive perception)
2. Lack of vision and identity	Clear vision and identity
3. Authority imposed but increasingly eroded	Working cooperatively in partnership
4. Unattractive partnership prospect	Partnership opportunities with local authorities and private sector
5. Scale of task unmanageable	Scale of task manageable
6. Indifferent to the public (closed)	Welcoming to the public (open)
7. Abstracted resource for scholars	Providing services to the public
8. Inability to plan or prioritise	In control of longer term strategy
9. Long-term aims unattainable	Long-term aims achievable
10. Absence of standards and evaluation	Working to exceed stated standards
11. Crisis management	Efficient management
12. Staff disaffected and demoralised	Staff well motivated
13. Marginal to national political concerns	Dynamic role within local/regional political context
14. Perceived as drain on public purse	Generating proportion of own revenue
15. <u>Perceived as a burden</u>	<u>Perceived as an asset</u>

5.2 Policy in the performing arts

a) General Observations

5.2.1 The policy aims of national government in the performing arts are embodied to a large degree in the workings of Il Fondo Unico per lo Spettacolo (FUS), established in April 1985. This central fund for the performing arts was set up in an attempt to simplify and rationalise at central government level a rather ad hoc and incoherent pattern of grant giving which had developed without any particular strategy or criteria. The legislation of 1985 created two new entities:

- a) the fund itself, furnished with criteria and percentage shares for the various defined sectors;
- b) national committee for the performing arts, which has advisory powers, and makes specific recommendations on allocations each year, as well as recommending proposals on a three year planning basis. This advisory committee is, somewhat surprisingly, chaired by the relevant Minister.

5.2.2 Targets and criteria

The operation of the fund does include some broad policy objectives, although the proportions of the total money available tends, naturally, to be weighted in favour of those sectors which are bolstered by legislation. A law of 1967 established percentage guidelines for the apportionment of state funds - music 48%, cinema 15.5%, drama 15%. Theatre, which only has a government circular of 1948 to rely upon (concerning the need for government to 'consult' with the profession over resource distribution), feels it receives second-class treatment, whilst dance is still treated as a rather minor sub-set of music. The allocation from central government to the FUS shows a somewhat fluctuating pattern over the years of its existence. It is clear that in Italy, as in so much of the rest of Europe, money for the live arts can be treated almost as a budget balancing figure, liable to be raided if the Finance Ministry gets its sums wrong, or the tax revenues fail to materialise as projected. Needless to say, the trend in the allocation of FUS resources has been to reward the larger institutions (notably the opera houses) which have the greatest political clout.

Although the workings of the Fund are somewhat opaque, there are guideline criteria set down to assist distribution decisions. These are expressed, for example for opera, as 'management and production' standards, encouraging contemporary work and 'special' factors. However, we also learned that another criterion is 'number of employees', and given that the unions are included amongst the many potentially vested interests on the Advisory Committee of 60, we are not convinced that financial recommendations habitually and dispassionately follow the guidelines. Nevertheless, there is some strategic application of funds to try to compensate for the customary institutional weighting in the north and the centre, with a higher proportion of the touring funds in drama and music, for example, being directed towards the south. Dance, subdivided into three categories since 1989 receives a high proportion of its allocation for touring purposes, a clear consequence of the relative paucity of dedicated dance theatres or spaces in Italy as a whole.

State grants to performing arts (% by sector)

	1980	1985	1990
Drama	9.9	19.9	19.4
Music (incl. dance)	90.1	80.1	80.6

Public expenditure to support the performing arts at the four relevant levels in 1990 has been calculated by the Associazione per l'Economia della Cultura as follows:

	Lire Bn.	%
State	692	51.0
Regions	217	16.0
Provinces	38	2.8
Comuni	410	30.2
TOTAL	1,357	100.0

5.2.3 Rising costs

State subsidy to the performing arts has been crucially important since the 1950s against a background of steadily rising costs and, at least in certain sectors, critically small audiences. The proportion of subsidy in relation to gross turnover in many cultural institutions generally reaches at least two-thirds, and it is a moot point whether subsidy has preserved institutions, cushioned habits of low self-generated income and earnings, or both. Some of those organisations supported regularly reach the highest international standards, others appear to have lost energy and dynamism. It is impossible to make any real judgements on the extent to which the policy aims of the FUS are carried out in relation to artistic (qualitative), social, political or geographic criteria. A number of our informants told us quite independently that they thought public expenditure in this sector was rather high, but crudely and unfairly allocated.

5.2.4 The Referendum of April 1993

A crucial unresolved matter of concern is the status of the FUS following the referendum of April 1993 which led to the abolition of the Ministry of Tourism with the Performing Arts. The local tourism function having been largely devolved to the newly created regions in 1972, it was clearly only a matter of time before the regions and cities wished to exercise much more control over the application of their taxpayers' money to local cultural institutions. This familiar crux in most European countries is given added point in Italy through the strong and individual traditions in both opera and theatre in different regions.

It is tempting to draw a parallel with football leagues in the FUS allocations, except that, thanks to legally sanctioned ossification, nobody is ever promoted or relegated, and the positions within the tables hardly change. Given that much of this support understandably arises out of historical precedent, it is no surprise that the regions are unhappy and wish to press for full devolution of the funds with a view to rationalising them. Proliferation of drama grants did lead to a substantial number of cuts in the late 1980s to reduce the 'national' list of clients to manageable proportions.

The clear intention of the referendum's result has however been completely frustrated in that the Ministry was indeed abolished - but its functions have been 'temporarily' transferred to the Presidency of the Council. A Department of central government continues to exist, unaltered, still at the same address. Like a threatened dog in the corner, it is hanging onto its bone. With two years of stalling, and eleven failed attempts in Parliament so far to clear up the issue, resolution is not yet in sight. Meanwhile, attitudes harden unhelpfully on both sides. There was a prolonged history of recourse to the Constitutional Court to try and resolve differences between the State and the regions over respective functions in this area prior to the referendum.

5.2.5 Views of the cultural institutions

What of the cultural institutions themselves caught in the crossfire of attacking and defensive politics? Opinion in the late 1980s seemed to agree that it was right for the regions and provinces to assume all tourism functions, but that the major artistic organisations were probably better off protected from local politics, and judged within a single peer group nationally. Nevertheless, the league tables exist (on whatever basis) irrespective of touring and distribution policies.

There is current discussion about reducing down to a national operatic 'superleague' consisting only of Milan and Rome. La Scala and Rome already have the protection of a special law of 1968. Understandably, this arouses hostility on the part of other institutions endowed with at least equal prestige and tradition but which feel they would be being demoted. From the artistic point of view, therefore, 'all or nothing' seems to be the current consensus view.

Major performing arts institutions were obviously concerned to maintain relationships with the centre to ensure that the flow of taxpayers' money continued. But we did not hear of any organisation which felt that relationship with FUS went beyond financial dependence. The constructive partnerships which looked to the future - audience trends, marketing the product, importance to the local economy and private sector links - were all rooted in the immediate territory where there was also an important concern for the cultural life of the area. Good and productive management of resources, while maintaining due care for the conservation of the heritage, is not assisted by unclear competences.

5/2/6 Views of the local authorities

The regional and local authority view is naturally more complex. They want their institutions to flourish both as important elements in local cultural and social provision and development, and as significant catalysts in the local economy. The cities are usually the owners of the teatri stabili and the teatri comunali, as well as of the concert

halls and many of the other spaces used by local and touring companies. So far as provision of theatres to nationally funded companies is concerned, there are obligations set down in law. This also applies to maintenance, and to some extent to the provision of rehearsal and other space necessary to the operation of a large enterprise. Many cities seem to go far beyond these stipulated minima to support their resident companies, but feel there is no real dialogue with the central government funders at all. The symbolic presence of the city's mayor as Chair of the Board, quoted to us as the key element in local involvement by FUS officials, cannot be expected to satisfy the local authorities' demands for a meaningful relationship with the centre based upon mutual respect and co-operation, with clearly defined roles and responsibilities. So far as opera and some drama is concerned, coproduction and exchange is an increasingly international rather than intra-national reality, involving local sponsorship.

5.2.7 Theatre

The 1971 UNESCO Report on Italian cultural policy asserts: "The State has a long tradition of cultural absenteeism as far as any form of public entertainment is concerned, and perhaps more especially in respect of drama". The attempts to deal with inadequate provision began in the 1950s when the network of teatri stabili (permanent companies) began to be built up following the example of Milan's Piccolo Teatro (dating from 1947). The pattern of 17th and 18th century drama in Italy was in the main due to private initiative, with three public exemplars in the Napoleonic era (Milan, Parma and Naples).

Since the 1980s, regional and local authorities have been attempting to introduce changes to the ways in which the teatri stabili are managed, giving them greater autonomy, although still working closely with the public authorities. Lack of a clear policy framework and continuing uncertainties over finance make for very great differences over progress across the regions.

5.2.8 Crisis in theatre

In discussion and interviews, the Examiners were left in no doubt that theatre in Italy is going through a real crisis, with many of its practitioners feeling undervalued and undersupported. The existing theatre public was felt to be somewhat 'set in its ways', but the requirement to earn a sizeable proportion of income through the box office by playing safe was increasing the gulf with the younger audience in the large cities. Many younger people have a preference for non-traditional and issue-based (often improvised or non-text) drama. The building-based companies therefore see themselves as in crisis, and having difficulty in regenerating audiences. A former dependable source of employment has also been eroded, in that RAI's former strong public commitment to drama on television has been considerably weakened as a side effect of the obligation to maintain and increase ratings for advertising revenue purposes.

In order to survive as a living force in society - particularly given the influence of television - theatre needs to experiment. This brings the issue of audience retention and renewal in Italy to the fore. Four particular issues are confronting the teatri stabili:

- a) Lack of a recognised Italian canon of classical drama: this is felt to make programming more difficult and risky than in certain other countries (e.g. France, Germany, Great Britain, Greece, Spain), although there are, of course, some extremely strong regional traditions (e.g. Florence, Naples, Venice).
- b) Production styles: experimentation is the life-blood of the professional theatre, but there is a delicate balance between this and the needs to retain an existing (rather conservative) audience, and to attract a new one.
- c) Social purpose of drama: to continue as a vital element in society's debate concerning its own values, drama has to know it is achieving more than simply reproducing the work of the past for a middle-class audience.
- d) Economic pressures: reduction in the proportion of state funding since the mid-1980s and declining audiences underline the need to pre-sell seasons.

Drama (Teatri Stabili and Privati)

	State Funding %
1986/87	51.2
1988/89	46.3
1990/91	43.7

It is clear that the spoken word has nothing like the status of opera as the dramatic expression of the national culture. For these and other reasons (i.e. not purely the cost of mounting productions), drama may have some justification, along with dance, for seeing itself as a poor relation amongst the performing arts.

5.2.9 Local identity

Nowadays, almost all the theatre buildings in Italy are under civic ownership and management (very often the sums of money associated with buildings do not appear in cultural expenditure totals). The companies providing the programme are classified as either 'public' - with public boards of management reflecting the national, regional and local contribution from the taxpayer, or 'private' - with an independent Board which, more often than not, will have membership recognising public financial contributions. A law of 1993 obliges all theatres to operate according to the same bye-laws but, compared with the heritage, this is an area where the legislative burden is surprisingly light. The lower somewhat levels of subsidy produce a much keener relationship between costs and earnings than we found in other sections.

As might be expected from the strong regional profile of much Italian drama, and the level of input from central government, the local authorities are able to identify more closely with 'their' company than is the case with the opera houses, and the relative proportion of financial contribution is consequently higher. It is difficult to generalise about ratios of earned to unearned income - this can vary greatly according to the amount of touring undertaken (which requires large scale financial backing) and the number of new

productions in a season. SIAE data shows that proportions of earned income through the box office have had to increase (in cash terms) to make up for the decrease in FUS funding in general. The recent Report on the Economics of Culture in Italy (1980-1990) puts drama attendance at 52% of the total for performing arts. Apart from the box office and local/regional grants, the main source of public income is the FUS. Until the creation of this fund in 1985, the sole source of national subsidy for drama was a 2% share of RAI's licence revenue (4% goes to music) under an innovative and far-sighted law of 1948. Government circulars over recent years have progressively sought to impose a pattern of theatrical provision by reducing the number of companies funded.

5.2.10 Geographical distribution

The group of fourteen teatri stabili supported by the FUS together with the sums of public money involved, are as follows (1992 figures):

	Lire bn.
Milan	5.00
Genoa	4.00
Rome	3.25
Turin	3.00
Catania	2.20
Bolzano	1.25
Friuli	2.00
Trieste	1.00
Bologna	1.65
Brescia	1.40
Venice	1.50
Palermo	1.70
Abruzzo	0.85
Umbria	1.45

Further theatre companies, but in the 'private' category, are funded in the following cities, making good only one serious geographical gap in the list of teatri stabili. The ten funded private companies are in the following cities:

	Lire bn.
Rome	2.80
Milan	1.80
Parma	1.70
Milan	1.50
Milan	1.30
Bologna	1.45
Milan	1.00
Rome	1.30
Trieste	0.80
Naples	1.70

The number of annual grant transactions by FUS in drama is still very high for a central authority, with 536 recorded in 1990 (592 in 1980, 707 in 1985) and accounting for Lire 110,553 million (approximately £44m. sterling). Data from SIAE's records of ticket income for 1990 confirms the expected geographical divisions within Italy.

	No. of performances (%)	Ticket sales (%)
North	43.0	51.0
Centre	34.0	25.0
South	14.5	13.5
Islands	8.5	10.5

Whilst by far the largest number of performances take place in Rome and around Milan (23.7% and 14.4% of the national total respectively), availability on a per capita basis is also good in Piedmont, Veneto, Emilia-Romagna, Tuscany, Campania and Sicily. The worst levels of provision are all in the south (Molise, Basilicata, Calabria, Apulia and Sardinia). The particularly strong traditions in Naples and Sicily are reflected in these figures against the general picture for the mezzogiorno.

5.2.11 Theatre resources and current practice

The number of full time employees in drama theatres is quite modest compared with many of the opera houses. The tighter financial regimes have obliged the theatres to discover for themselves that it was often more cost effective to tender out for set-building, properties and other services. The Teatro di Roma does six productions each year, and tours one of them. The Teatro Comunale in Turin employs 57 people full time but plays a major role in drama provision for nineteen towns in the region of Piedmont, including providing and running the entire programme on a contract basis for the theatre in Casale Monferrato (Alessandria). Palermo's Teatro Biondo produces five or six plays each year and also provides touring for venues elsewhere in the region of Sicily. The company relies to some extent on a rather higher than average subscription sale, reflecting the still strong Sicilian literary and theatrical traditions.

Exchanging successful productions is another increasingly common way for the theatre companies to make money go further. The FUS grant requires funded companies to perform each production for a minimum of 30 performances, which is often economically necessary to recoup sufficient income to cover costs and payments to lead actors.

5.2.12 Employment position of actors

The insecurity of the acting profession is no less in Italy than elsewhere in Europe. Long periods of unemployment are part and parcel of the actor's lot, and as a result of theatre's not being regarded as a significant economic sector, self-employed status means losses of benefit and penalising costs whilst on tour. Actors, unlike doctors, lawyers and other professional groups are not in any position to take advantage of the possibility of significant tax deductibility for premises, equipment, employing staff and so on. There is current discussion within government about raising the minimum qualification for a state pension from 65 to 120 worked days as an annual average, which would further diminish the chances of young actors ever building up enough contributions to qualify.

In addition to these problems, actors are often at the end of the chain of delayed payments and tend therefore to be constantly in debt. Their trade union is fighting for a change of tax status, so far without success. Since entry to the profession is not controlled by particular qualifications (although there are clearly only a handful of private acting schools, in addition to the National Academy in Rome, which would qualify as proper training establishments), any unemployed person can register as an actor and the numbers are believed to be far in excess of the 1,800 registered union members.

Only the top two dozen or so actors in the country could be said to have a secure professional existence. Lead roles can command rates of around Lire 4-5 million per show, making them the highest paid actors in Europe. Rehearsal periods are paid at full rate and can run for up to 60 days - both of them luxurious conditions by comparison with other EU member states. At the other end of the scale in the less formal alternative theatre scene, remuneration is the exception rather than the rule. In Palermo we were privileged to spend time with the last remaining exponents of the island's great tradition of puppetry who carry on without any significant public authority support either to help maintain the operation or for the very considerable work undertaken in schools. Because of the casual nature of the profession, there is a high drop out rate, including many promising directors who feel obliged to make an alternative career move by the age of 30.

5.2.13 Young People's Theatre

The FUS recognises a network of young people's theatre companies through the approximate designation of one company for each region. This is seen as a useful example of national granting of status, although the actual sums of money fall far below the needs of the companies to provide an adequate service in the areas where they are located (let alone to an entire region), and lack of flexibility over funding means that the more recently created companies fare comparatively worse than the longer established ones.

b) Needs

5.2.14 All our interviews concerning live drama gave an impression of a sector which feels underappreciated for its contribution to Italian culture, life and society. We also noted a marked contrast in morale between the teatri stabili and the alternative companies - in which salary levels were certainly not the crucial factor. The worry about ageing audience profiles for drama, drawn from too narrow a band of the social spectrum, is by no means unique to Italy. To a greater or lesser extent it has been a common European phenomenon since the 1950s with the arrival of television and changing patterns of entertainment and consumption. With the exception of more classic survivals such as the Comédie Française (almost a living museum), all 'permanent' theatre companies in Europe have had to adapt to changing times in order to attract an audience. Opera can, if pushed in that direction, survive artistically on an exclusive diet of works from the past; drama cannot.

One of the worries which several theatre practitioners raised was that at present Italian society seems to be making few demands of the formal theatre sector as a whole, confirming their fear that the state-funded structure may be doing little more than satisfying an occasional educated middle-class social habit. It was observed that at a much more informal level, a young audience was developing in the cities for certain kinds of 'director' drama - a trend that has been capitalised upon successfully in some building-based producing companies in northern Europe which have experimented with new styles of production. The loss of nerve in the teatri stabili was illustrated to us in the feeling of the Teatro Biondo in Palermo that their financially commendable high ratio of subscribers was acting as a brake on adventurous programming rather than an opportunity to take calculated artistic risks.

5.2.15 Broader context

All sectors of the theatre profession to whom we spoke stressed the need for more money. In absolute terms, drama is much less well funded by the state than music and opera, and such money as there is is spread thinner to achieve national coverage. The north/centre and south disparity is again in evidence, given that national distribution seems only able to respond to what already exists rather than being able to initiate policy in response to gaps in provision. Nevertheless, we would point out that the current FUS allocation for drama - totalling around Lire 150 bn. - is substantial, and represents rather more than double the central government derived allocation for drama in Great Britain where the art form is going through similar introspection but perhaps has a higher profile in the national culture. In fact the grants to individual teatri stabili are quite generous by comparison with those of the British producing theatres.

Great Britain 1993/94:	
Building-based drama companies	£13,116,200
Royal National Theatre	£11,167,000
Royal Shakespeare Company	£ 8,470,000
TOTAL	£32,753,200
	=====

(Source: Arts Council Annual Report)

Since the local authority relationship with the theatre companies seems to be generally good, with quite active involvement in some cases, there is considerable potential for development of audiences through schemes and other civic connections. The structures and legal obstacles in theatre seemed to us to be much less of a problem than in certain other areas. The potential for increased partnership, therefore, exists at local and regional level. Inflexibility of FUS criteria and lack of responsiveness to new developments may well be a valid issue, as it was represented to us, but the answer surely lies in greater local control over the disposal of the taxpayers' (always finite) contribution.

Concerns over the position of actors - both with regard to uncontrolled intake to the profession and employment/tax status - appear to have some justification. There is also a significant point about the reducing opportunity for new writing to be presented in major theatres. The FUS criteria and targets on earned income ratios were partly blamed. On the other hand, the Examiners applaud the entrepreneurial spirit in which many of the theatres seem to be working through the current crisis of confidence.

c) Some suggestions

- 5.2.16 Drama exists on a single continuum, with many of the key personnel in the more 'established' sectors having cut their teeth in 'alternative' companies or venues. Government funding in Italy is primarily targeted upon the teatri stabili and other companies which are, because of their status, comparatively secure. There is a tacit assumption by the FUS, therefore, that all the other work which goes on at all local and regional level is financially supported at that level. It follows, therefore, that a more cooperative planning and allocation process which takes full account of all the relevant activity in any given area would be an improvement.

Despite the crisis in confidence affecting the permanent theatre companies, they should continue to have the courage of their artistic convictions. Perhaps there is a case for some national subsidy, on a worked out and open scheme, to be set aside for commissioning and presenting new scripted drama in order to help maintain the life-blood of the theatre. Local authority connections with the private sector should be of assistance in introducing board members who can themselves, or through their companies, offer voluntary assistance in developing the business side of the operation - financial planning, marketing, management and so on, always accepting that the product is drama and not a consumer commodity.

Actors clearly are at a disadvantage in the labour market as compared with many other professional groups. There would appear to be a strong case for reexamining the situation with regard to unemployment benefit and also some quality or training controls on intake to the profession.

5.2.17 Music and opera

Music is much the most generously funded of the performing arts in Italy. As is common practice elsewhere, opera achieves the highest subsidy levels - with the central government allocation through the FUS accounting for around Lire 450 bn. which is directed by law to thirteen named institutions. A further twenty four local opera houses (categorised as 'teatri di tradizione') receive a share of another fund worth Lire 33 bn. Over 54% of this fund consolidates the favourable position of the north. Local authorities are also major public sponsors of musical activity, whilst some regions are developing sensibly cooperative plans with the local institutions and population centres of their territory in order to ensure a balanced spread of provision to the area as a whole.

Yet another FUS allocation, worth Lire 27 bn. in 1992, is shared out between twelve concert promoting organisations in these areas:

Lombardy (2)	Trentino Alto-Adige
Veneto	Emilia-Romagna
Tuscany	Abruzzo
Marche	Apulia (2)
Sicily	Liguria

5.2.18 Musical training

Musical appreciation and practice is available in the secondary education system, although it is not a compulsory subject for study in the curriculum. There are a large number of dedicated music schools which specialise for those who wish to take this option. At the vocational training level, there are many conservatoires, with their number having grown exponentially over the past ten to fifteen years. These appear to be providing training to a large number and at varying levels of excellence; certainly the numbers far exceed any possible demand in professional organisations. The mismatch between demand and supply is compounded by the Italian trait of individualism. Huge numbers of solo pianists are trained, for example, when the desperate need is for highly trained orchestral players. They also suffer from the centralised syndrome of their full-time staff being appointed from Rome, so that their directors and boards lack essential control over the character and performance of their institutions.

Some colleges specialise for a particular purpose, such as the Accademia Petrassi in Emilia-Romagna which concentrates on composition with a focus on contemporary music. As elsewhere the number of conservatoires in Italy which would be internationally recognised as attaining the highest professional levels are rather few.

5.2.19 RAI's role in musical culture

Radio and television are important disseminators of musical culture, with RAI having a long-standing world reputation for the excellence of its orchestras, recordings and transmissions. Broadcasts of serious music are, for economic reasons, now rather restricted to radio, and RADIOTRE in particular which continues a fine tradition of public service broadcasting. Financial constraints and competition for the airwaves have led to a serious reduction in RAI's fully contracted symphony orchestras. We have already commented on the private initiative of the Compagnia di San Paolo in Turin to retain the orchestra for that city - the only one in Italy to have a fully functioning symphony orchestra, opera house and modern state of the art concert hall (Lingotto - provided through the Agnelli Foundation). The competitive media climate has inevitably had an effect on RAI's ability to champion new music.

5.2.20 High levels of opera subsidy

Italy, as the birthplace of opera, and still maintaining very strong traditions, would be expected to show high public expenditure levels on this art form. Since opera houses are the dominating constant in musical life, it is difficult to disaggregate concert activity from opera and ballet with most of the orchestras providing a variety of functions. Nevertheless, we were frequently told that public funding for opera is seriously out of balance with that for the rest of musical activity. Habits in the major opera houses of originating all their own productions from scratch are having to change but permanent staffing levels in most houses are extremely high, and it is not generally felt that the FUS criteria have faced up honestly to this crux which is made more difficult through the national opera house contracts which only allow for limited flexibility over working hours. Restrictive practices and overtime payments are therefore a continuing major problem, although there are leading examples of managements in Italy who have successfully resolved some of these besetting difficulties for themselves, through renegotiating agreements and instituting rigid cost controls.

Opera in the 1980s, as reflected through the FUS-funded institutions, was at best regularly delivering an annual ratio of 7:1 unearned income. With relatively short seasons and extremely high labour costs most people seem to agree that the pace of reform has to quicken. Once again, there is a problem in that the day-to-day relationships of the institutions is local, while most of the subsidy is obtained from the remote milch-cow in Rome. Geographical spread is, as has already been noted, a further difficulty. Money follows existing institutions which are concentrated in the north and the centre - particularly in the former. The region of Emilia-Romagna has, for instance, developed an integrated policy together with the major institutions of the territory to ensure that all six of the dedicated opera houses in addition to Bologna are adequately provided for. Only Forli of the region's centres of population is not included since it lacks a suitable building. Ferrara, Modena, Parma, Piacenza, Ravenna and Reggio nell'Emilia all feature on the FUS teatro di tradizione list, accounting for a total of Lire 9.2 bn. in 1992. Existing provision within the region is supplemented by recourse to the Youth Orchestra of Europe under Claudio Abbado.

Local and regional authorities vary greatly in their contributions to opera houses (over and above the statutory requirement to provide buildings and space). The average by the late 1980s has been calculated by the Associazione Nazionale Enti Lirici e Sinfonici (ANELS) at around Lire 4.4 bn. Turin's Teatro Regio, which has been well supported by its local authorities through a period of major crisis, currently achieves around Lire 6.5 bn., while Palermo in 1990 gave the Teatro Massimo (closed, but with its company still providing a service) Lire 30 bn. - more than four times what La Scala obtains from Milan and Lombardy.

In modern times, the operational independence of public theatres and opera houses has been established since the first such law of 1921, when La Scala was formally set up in an agreement between the Mayor of Milan and Toscanini. This example was followed by other cities. The status of these theatres is now governed by a statute of 1967.

5.2.21 Spread of opera provision

The law on enti lirici which sets out the institutions to be funded through central government delivers the following:

Operatic and Symphonic Institutions (in order according to grant size)		
	Basic Grant	Total Grant*
	===== Lire bn. =====	=====
Milan	70.0	71.6
Rome	49.0	49.6
Florence	43.0	43.5
Palermo	40.5	40.8
Naples	36.0	36.3
Venice	34.5	35.0
Bologna	29.0	29.5
Turin	27.5	28.0
Verona	23.5	24.5
Trieste	24.0	24.4
Accademia di Santa Cecilia, Rome	23.0	24.0
Genoa	22.0	22.6
Cagliari	<u>14.0</u>	<u>14.6</u>
TOTAL	<u>437.0</u>	<u>444.4</u>

(Source: Ministero del Turismo e dello Spettacolo)

- * Includes supplements in line with special laws, decrees and application of certain criteria (e.g. fund of Lire 1 bn. for commissioning new works, etc.)

Of the thirteen dedicated opera/ballet institutions supported by government (enti lirici), only three - Naples, Palermo and Cagliari - are situated south of Rome. Since the main theatre at Bari burned down in 1992, only the San Carlo in Naples is open to serve the entire southern area - six out of eighteen regions - of the Italian peninsula. Yet this same area currently contains sixteen music conservatories. The Turin opera house burned down in 1936 with its replacement not inaugurated until 1973 - making it difficult to achieve anything like a 'fair' share of national resources from a virtually nil baseline. The Region of Sicily is a high spender on music, making substantial contributions to the Teatro Massimo (Palermo) and the Teatro Bellini (Catania). The latter is funded by FUS as a teatro di tradizione. We wonder how the Region will in due course deal with the new opera house being constructed in Messina.

Percentages of total state grants for music by area

	1980	1985	1990
North	50.3	51.8	51.1
Centre	27.8	26.6	26.8
South	10.1	10.8	10.7
Islands	11.8	10.8	11.4
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Annual ticket sales per 100 population (1991)

	Opera/Ballet	Concerts
North	6.8	7.5
Centre	5.1	7.4
South	1.5	2.9
Islands	4.0	5.8
Average	4.8	6.1

(Source: SIAE)

5.2.22 The need for more self-generated income

Although the Examiners were, regrettably, unable to investigate the musical life of a sample of smaller towns (lively and very successful examples were drawn to our attention), it is abundantly clear that expenditure on opera is overdominant at state level. In the light of Italy's traditions this is not in itself surprising but, coupled with the universal comments on waste and inefficient practices, it must be an area of major concern in the development of musical policy and provision against a background of greater restraint in public finances. The enti lirici and other producing institutions, whilst legally classified as 'autonomous', are in many cases at least 80% reliant upon public funding for their continuing survival. This is not an independence which encourages a drive for greater productivity at the same time as maintaining high standards. National practices - many of them sanctioned by the state - condone the status quo. We think it is no coincidence that individual Italian opera companies prefer to negotiate exchanges and coproductions with opera houses abroad rather than tangle with further complexities and frustrations within the country.

Italy, with its unique number of working opera houses, presents a massive problem and it is easy to appreciate how the 'league tables' of the enti lirici and teatri di tradizione came to be adopted as a manageable solution. Nevertheless, for such a system to operate with sufficient public support, it has to be seen to be fair. This is clearly not now felt to be the case, and there is a need for more transparency and greatly improved targeting of money where it is actually justified and needed. Issues of particular note would currently include:

- ◆ overstaffing
- ◆ high salary levels
- ◆ short seasons
- ◆ low percentage of earned income
- ◆ high ticket prices
- ◆ high costs.

The crux of increasing earnings, while not restricting social access, causes universal debate concerning ticket pricing in opera houses all over the world. Balances have to be found, and many of the theatres concerned have quite low capacities. According to ANELS data, average annual seat capacity achieved runs at around 67%-70%, often with 80% in main auditoria. The only means through which the balance can move towards greater efficiency and fiscal reality is therefore in determined cost controls and reductions. SIAE data reveals that music ticket prices saw a real terms increase of 109% between 1980 and 1990 (60% in drama).

International comparison of opera production costs are fraught with difficulty, and can be abused. They do, however, in an unsophisticated 'headline' way, focus attention on key issues within the context of a single peer group.

	Public Sector %	Box Office %	Private Sector %
Rome Opera	92	7	1
Paris Bastille	66	30	4
Munich Staatsoper	60	38	2
London RCH	27	59	14
New York Metropolitan	2	67	31

(Source: KPMF/London Evening Standard July 1994)

Although Rome's box office percentage of earned income (with high seat occupancy ratios) is unusually low even by Italian standards, we gathered that 10%-12% is regarded as normal acceptable practice, and 20% as exceptionally high.

5.2.23 The example of Turin

We noted that the Teatro Regio in Turin had, over a short space of time, made a large improvement in its financial position through a blend of dynamic artistic policy and the introduction of rigid cost controls.

<u>Percentage of turnover:</u>	<u>1985</u>	<u>1990</u>	<u>1993</u>
State grant	74.08	69.36	64.46
Local authorities	12.48	13.86	15.24
Private sector	0.43	4.77	4.59
Box office	8.49	9.42	13.90
Other earnings	4.52	2.60	1.81

Teatro Regio, Turin - Numbers of Revenue Generating Activities

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
Opera/ballet performances	70	73	73	90
Events in 'Piccolo Regio'	2	11	33	33
Schools projects	3	17	17	33
Main auditorium concerts	14	30	31	24
'Piccolo Regio' concerts	13	29	56	29
Educational activity in 'Piccolo Regio'			4	141
Concerts on tour in region	32	26	13	22
TOTAL	195	188	228	372
Other small scale events (e.g. conferences, guided tours, exhibitions, etc.)	60	361	429	495

(Source: Fitzcarraldo s.r.l. 1993)

By 1994, the company's new management was well on its way to eliminating an inherited Lire 11 bn. deficit, had reduced full time employees from 391 to 320, and increased the number of annual productions in opera from six to ten. All new productions for 1995/96 will be in partnership with foreign houses (Geneva, London and Toulouse). Season ticket sales have reduced from 75% to 49%. The artistic policy of the management is succeeding in bringing in a new and wider audience which has helped increase box office revenue by almost 5% as a proportion of total turnover, as well as engaging improved support from the local/regional authorities and the corporate sector.

b) Needs

- 5.2.24 All our informants seemed to agree that there was a requirement for national funding policy to be much more sensitive to actual musical needs. We also noted the lack of realistic reflection of employment possibilities in professional music as against the Public Education Ministry's proliferation of conservatoires producing soloists. The post-war incremental pattern of grants to musical organisations and institutions having been taken on rather uncritically, a thorough review of policy objectives is overdue.

The 'institutional' bias inevitably produces a rather uneven geographical spread of benefit across the country as a whole, and companies that happen to have low budgets, or are well managed and deficit-free, regard themselves as being penalised. The FUS allocations are unclear in respect of targeting, and lack flexibility. We noted that a third major opera house for Sicily is under construction in Messina. How is this going to be funded, once operational? Regional companies are suspicious that Rome (and to some extent Milan) receive unjustly preferential treatment, and are therefore apprehensive about policy reviews that could, through political factors and lack of openness and sensitivity over operation of the FUS criteria, prove disadvantageous to them. This group of eleven organisations are currently at the end of a 5-year package of historically based funding levels which, last time round, they felt was the least unsafe solution to the dilemma even if it did not stand up to closer scrutiny.

5.2.25 Institutional schizophrenia concerning FUS

As matters stand, the opera companies distrust the workings of FUS but are equally concerned about the prospect of decentralisation. Ideally, they would wish to be treated as a single peer group, with the state funding distributed on a basis that rewards high standards in production and management, rather than condoning mediocrity and covering up for inefficiency. Variations in absolute levels of financial assistance are bound to vary simply as a consequence of the physical capacity of key theatres as the following table shows:

The enti lirici
Full time employees (1990) and seating capacity
of theatres

	Employees	Capacity
Milan	815	2,015
Rome	695	1,604
Florence	400	1,781
Palermo	550	950
Naples	409	1,500
Venice	300	694
Bologna	326	873
Turin	373	1,643
Verona	854	16,000
Trieste	307	975
Santa Cecilia	247	1,930
Genoa	309	2,000
Cagliari	247	1,330
TOTAL	5,832	--

(Source: Corte dei Conti/ANELS)

With regard to the numbers and cost of full-time employees, there are more fundamental questions to be faced. Indeed, the overall picture may even be more serious when numbers of additional seasonal employees are taken into account. We have seen one survey, for example, that takes Rome's full time equivalent numbers up to 838.

None of our informants outside the Department of Performing Arts credited the FUS Advisory Committee with any real effect upon decisions, although it was pointed out that it did have considerable concealed power, which was very difficult to exercise in the present confused context. The short duration of ministers' periods of office, their current peripheral status within the Department of the President of the Council, and historic three to five year 'deals', all seemed to point to a concentration of power in the hands of officials who, following the referendum result, were all the more determined to retain it. Were the Advisory Committee to make a concerted attempt, with political support, to institute effective qualitative and managerial criteria, then we suspect that the FUS allocations might look rather different. Doubtless it might be said in defence that the existing criteria already include such measures. We can only record that the system is extremely opaque, and that the results on the ground suggest the need for a major rethink both as regards value for money and artistic standards. We await AGIS' forthcoming proposals for a new institutional framework with considerable interest.

c) Some suggestions

- 5.2.26 The Examiners believe there is a need to revisit music policy critically. The unsatisfactory situation following the referendum offers an ideal opportunity. The state mechanisms concerned with the support of professional music should establish constructive dialogue with the Education Ministry.

If transparent and responsive criteria for grant-aid policy can be evolved and utilised, it may be that there is a continuing case for treating the thirteen enti lirici as one national peer group, handled centrally. To some extent the proof of this must reside in flexibility in resource distribution. The teatri di tradizione and myriad other music promoting organisations would be more appropriately dealt with on a devolved regional basis, much closer to the needs of the people they serve. The vast majority of those currently supported operate from a base in, and for the benefit of, a defined area which is regional or local.

It should always be borne in mind, however, that music, like drama, operates in a single continuum. The public authorities at all levels of support therefore need to be able to work in real collaboration and in genuine dialogue with each other. This calls for joint advisory groups on a regional basis which can share views with the national advisory mechanism on an equal basis. This is far removed from the desperate remedy of retaining responsibility for Rome and Milan and dumping everything else on the regions, which would be irresponsible and offer the worst of both worlds.

5.3 Policy in the contemporary visual arts

a) Observations

- 5.3.1 The National Report is remarkably silent on visual arts policy, other than to enumerate the set amount of teaching of art history in primary and secondary schools, the number of specialised art schools (over 200), and the 20 university 'Academies of Fine Art'. There are also the four istituti superiori per le industrie artistiche, which have a design focus. Education policy obviously recognises both the importance of the visual in Italy's uniquely rich culture, and also the role of design as a crucial concomitant of industrial success. It seems strange, therefore, that a national culture with such a strong historic and contemporary visual bent should scarcely recognise the present or the future in its cultural policy and aims.

Predominantly, art and artists are left to find their way in the market. Some laws dating from the 1940s to benefit artists individually and through guilds and associations are still regarded as sound but not applied. These include copyright, which is often infringed, 'droit de suite' (or resale rights) and 'percent for art' (at least 2% of building development costs to be devoted to commissions). There appears to be no overall policy concern over artists' working spaces or opportunities to exhibit and sell work. Data is lacking, but we were told that there may be quite a lively black marketing operating.

5.3.2 The shadow of the past

Once again, the heritage casts a long shadow, with the national policy focus on historic buildings and collections. The *raison d'être* of contemporary visual arts practice is ephemeral, concerned with activity, exhibitions and the public, which is much harder and more risky to encompass in state policy. The State's main symbol of recognition of the importance of Italian painting and sculpture in the nineteenth and twentieth centuries, the National Gallery of Modern and Contemporary Art, occupies a peripheral position in the organisation chart of the Ministry of National Heritage hidden within a general sub-category (soprintendenze speciali ed altri istituti).

The National Gallery of Modern and Contemporary Art in Rome is firmly rooted in its permanent collection, at which point the customary concerns about conservation come into play. Instituted in 1881, the Gallery's function was to collect works of the highest quality by living artists. Although this duty was reconfirmed in a modern law of 1975, the Gallery is quite unable to emulate practice in its sisters in other European capitals and show the work of Italian artists in a context of other European and world movements of the same era, lacking remotely adequate funding to enable it to purchase on the international market in order to fill gaps in the collections.

There have been a few notable acquisitions and bequests over recent years, but mostly of key works by Italian artists (e.g. De Chirico, Morandi and Carra). Currently the collection consists of over 15,000 works - only a fraction of which can be shown at any one time in the Gallery or its two smaller outposts, the Villino Andersen in Rome and the Manzu Collection at Ardea. Futurism, as one would expect, is well represented, but the best of Italian work would be seen to even better advantage in a broader context than is possible from the weaknesses in the collection as a whole.

5.3.2 Local authority support

The marketplace apart, the main public contribution to the contemporary visual arts production comes from the local authorities. We saw some evidence (notably in Turin) that cities and some regions have learned the lesson from local authorities abroad of the significant contribution the presence and activities of artists can make to urban regeneration. The Examiners were unable in the time at their disposal to make contact with artists' studio groups, whose views would have been of relevance and interests.

The City of Rome's Palazzo dell'Esposizione, dating from the 1870s and very recently restored with support from the private sector, acts as the chief national centre for temporary exhibitions. There are only three institutions in Italy continuously showing 'hard edge' contemporary work, all in the north (at Prato, Rivoli and Trento).

5.3.4 Major exhibitions

Italy is noted for several 'blockbuster' contemporary shows, the most famous of which is probably the Venice Biennale. Many artists are cynical about any benefits from such manifestations other than to a few well known names within the 'international travelling art circus', and are dismissive of the official tendency to judge the success of exhibitions by queue length rather than by quality or impact of the work.

On the other hand there was a recognition that this can be a particularly difficult policy area for public authorities, coupled with the comment that the Italian public for art is rather narrow and unadventurous. Even allowing for the excellent spaces which do exist, it is many years since Italy saw exhibitions of the type and scale that are standard in Amsterdam, Paris, London and New York.

5.3.5 Location of galleries

Location of galleries is a factor in accessibility. The impressive spaces being developed to a superb standard by the Region of Piedmont at Rivoli are virtually inaccessible by public transport from Turin. The Bologna Gallery of Modern Art is outside the city centre and unlikely to attract any casual or 'passing' trade. (The exquisite Morandi Museum run by the city is centrally located but very inadequately signposted.) In Palermo we were disturbed to hear that - from the funding angle - it made little difference to the city whether anyone visited the Modern Art Gallery or not. Whilst accepting, of course, that there are dangers in looking for cash surpluses in cultural manifestations which, as previously stated, have educational and other benefits, investment of public money surely requires a more dynamic attitude on the part of the management.

5.3.6 Formal mechanisms for helping artists

Besides the legislative (if unenforced) attempts to assist artists, there have been occasional moves down other policy lines, such as the merchandising law of 1982 (which deals with franchises and galleries' rights to reproduce images), and tax breaks for artists or their families who donate works to the State. So far as living artists are concerned, the benefits of this latter seem to be much deferred as

there is a lengthy and bureaucratic process to be followed between the gallery concerned and the Ministry of Finance. It is difficult to resist the conclusion that at state level contemporary artistic concerns are penalised and marginalised at the fringes of structures whose design and purpose reflect the heritage of the past rather than the living producers and potential consumers of today.

b) Needs

- 5.3.7 The contemporary visual arts are always a difficult policy area for politicians, and it is easy to see why no clear national strategies have evolved. Nevertheless, the predominance within the state structures of a focus on historic buildings, collections and conservation operates very much against the interests of a lively visual arts sector. This is reinforced both by the nature of the public debate and by the structures themselves.

In the first place, the culture of the Ministry of Cultural Heritage and all its professional and structural apparatus is historically-based and backward looking. The competition examination for aspiring soprintendente is the same - whatever post individuals eventually occupy - and therefore the ethos is art historical rather than contemporary. Secondly, the critical debate about contemporary art in the media is dominated by a small number of individuals, some of whom also have interests as dealers. Whilst this may not be a problem in terms of art history, this manifestation of Italy's functioning on unclear 'collusion' almost certainly is with regard to the present day and the recent past.

5.3.8 The public

Informants regretted the innate conservatism of the Italian public regarding contemporary art, and we would certainly agree that average levels of attendance at the National Gallery of Modern and Contemporary Art are unimpressive. Nevertheless, a decline in museum attendance seems to be a general trend, and is far from limited to contemporary work. Other European countries have successfully capitalised on 'crossover' audiences from different art forms (e.g. between the visual arts and contemporary dance) and it may be that greater self-confidence and targeted marketing to potential audiences could deliver benefits.

5.3.9 Process of choice

In Rome, the Examiners were interested to hear a description of the process through which major shows at the Palazzo dell'Esposizione are approved. Once an idea has been developed, a project detailed and outline professional agreement given, the fully costed proposal still has to emerge from three separate approval procedures - by the city's soprintendente, by the assessore alla cultura and by the giunta (which has a standing committee on culture). Once again, the very process betrays concern for caution, rather than inspired risk taking.

c) Some suggestions

5.3.10 Although the three high profile contemporary art shows (in Venice, Milan and Rome) offer a platform and media exposure, their 'occasional' nature does not seem to help to create a continuum to which artists working in Italy can relate. The commercial market inevitably trends to concentrate on 'name' artists whose work is traded like any other commodity. Sales outlets, and display space for working artists are scarce, as in most other European countries. Critical debate and opportunity to see work is curiously restricted to the domestic scene (at least by comparison with Italy's peer group of countries within Western Europe).

Practising artists are marginal to cultural policy concerns and have the double disadvantage of distance from, and lack of communication with, their potential public (and consequential reinforcement of conservative taste), and failure to benefit from the laws of the 1940s which are not applied. Certain local authorities appear to be creating opportunities through helping provide studio and display spaces, and this is probably the most appropriate type of intervention. Since such initiatives often arise out of urban regeneration policies rather than from a purely cultural motivation, it was difficult from our discussions to obtain a clear picture of the more general situation.

We believe that there are a range of initiatives which might appropriately be taken within the public sphere to improve the context for appreciation and production of contemporary visual art:

- ◆ fostering a wider and more international perspective in major exhibitions;
- ◆ reconsideration of the disadvantageous position which the National Gallery in Rome occupies within the Ministry of Cultural Heritage;
- ◆ application of certain existing laws which would be to the advantage of working artists, not least in the area of public commissions;
- ◆ encouragement of local and other relevant authorities to learn from examples of good practice within Italy where artists' presence and skills assist urban regeneration;
- ◆ ensuring that galleries of contemporary art are adequately funded to enable purchaser of work by living artists;
- ◆ improved standards and more transparency in public media comment and criticism concerning the contemporary visual arts.

5.4 The commercial market and the consumer

a) Observations

- 5.4.1 In the contemporary visual, literary and performing arts, the Examiners were struck by the overall lack of coherent policy at any level to encourage or support creation and production. This issue, once again, spreads across a number of separate government departments. Film is a particularly difficult case with the problems of the industry now registering on a European and world scale. In Italy, the issues of television production and its influence upon film via cheap foreign imports, studio space being taken up with permanent TV sets and so on, have had a major impact.

RAI emerges with a great amount of credit for having successfully retained its traditionally strong commitment to music, drama and literature in the face of a remorseless onslaught from private TV and the commercialisation of its own television channels. As the direct employer of 13,500 staff, RAI still counts as a major producer. It is inevitable that the pressures of selling advertising on its three television channels have obliged RAI to redesign the shape of its cultural output.

This is an enormously complex and, in Italy, a particularly politicised area. With very limited time and data at our disposal, we were only able to note some of the key trends. Nevertheless, the behaviour of consumers within the commercial market for cultural products is one of the most influential factors on the future health and development of cultural life within the country - if it is to remain distinctly 'Italian'. Article 128 of the European Union's Maastricht Treaty aims to encourage the 'flowering' of the diverse cultures of the individual member states and their regions. But to what extent is this a reality in Italy's commercialised context, where the great performing arts institutions are already treated nationally almost as if they were a branch of 'museum' culture, rooted in the past rather than constructively engaged with the present, let alone looking to the future?

Film

- 5.4.2 The influence of television on cultural consumption is perhaps seen at its European apogee within Italy, for besides the three RAI and three national commercial channels, there are around 800 local private channels. Against this background, the image of the once glorious Italian film industry is of a business struggling against decline, brought about by a combination of internal and external factors. Whilst there is a small amount of coproduction with and for television, professional film makers seem to believe that the influence of TV has on the whole been detrimental.

The colonisation of the Italian small screen (all channels) by American films has accelerated rapidly. A consequential reduction of 30% in Italian film production for TV was recorded between 1991/92 and 1992/93. A survey of RAI output between January and May 1994 provides the following illustrative data:

	Total No. of Films	Italian Films*
RAI UNO	487	7
RAI DUE	176	1
RAI TRE	281	1
TOTAL	944	9

* Italian films produced within the previous five year period

5.4.3 Levels of film production and investment

Detailed analysis of the annual data from 1980-1990 by the Report of the Associazione per l'Economia della Cultura shows an increase in investment away from Italian financed production in favour of international coproduction. Average investment per film (at constant prices) has invariably been greater - at least double - over the decade where foreign money is involved. Nevertheless, in numerical terms, the proportion of total film production with 100% Italian financial backing shows no very dramatic reduction.

Year	No. Films Produced	Wholly Italian Financed
1980	163	80%
1981	103	77%
1982	114	87%
1983	110	92%
1984	103	84%
1985	89	91%
1986	109	86%
1987	116	91%
1988	124	83%
1989	117	87%
1990	119	82%

5.4.4 Video

Much more significant are the trends in cinema attendance, on which the growth in television must have been a factor. It is worthwhile noting here that household ownership of video cassette recorders in Italy is quite low in comparison with its comparator group of industrialised countries (penetration levels in 1990):

Japan	80.0%
USA	80.0%
GB	75.0%
Netherlands	57.0%
France	56.0%
Spain	54.0%
Germany	49.1%
Italy	40.0%

(Source: EVE Mediabase CNC Paris)

5.4.5 Italian market share

The actual number of operating public cinemas has declined and those which survive are often not in the most advantageous locations. SIAE's detailed statistics on cinema receipts over the decade from 1980-1990 show a steady decline in the relative volumes of attendance at Italian films (and non-American produced foreign material). By contrast, the USA's share of the market has grown from 33% to over 69%, whilst the corresponding Italian proportion has reduced from 43% to 21%. The trend looks consistent. Film distribution has diminished from a yearly total of 8,210 (1980) to 4,977 (1990). Annual admissions to cinemas, again in a very constant trend, are down over the decade to just over 90 million - showing a decline of some 63%.

After the boom years, the situation in the whole industry is now one in which dog eats dog in an area riddled with restrictive practices and union agreements which are inappropriate for present day conditions. 'Subsidy disease', we were told, makes the effects of the vicious circle even worse. As elsewhere in Europe there is a sizeable pool of aspiring young talent, revealed through workshops, but the majority do not stay the course. Television is encroaching rapidly on available studio space which further limits the possibilities for serious film makers, although it is hoped that the influence of TV may make some positive impact on poor standards of management within the film industry.

5.4.6 Funds to support production

Funding for production in the sector is drawn from three main sources. A cinema law of 1965 designates that 17% of box office receipts is ploughed back into the industry in the proportion of 13% to production and 4% to directors and scriptwriters. SIAE, the national public body which collects and redistributes copyright and performing levies, is active on behalf of some areas of the industry (e.g. composers of film scores) but finds in practice that most film makers opt out of the state system, hoping to negotiate better deals for themselves in the commercial world. Finally there is the public subsidy made available through the FUS on the recommendation of government officials and the Advisory Committee system. The national film archive is treated as part of the heritage, and its care is vested in the Department of Cultural Heritage where it is accorded a rather low priority.

Since the distributed proceeds from cinema takings can deal only with volume of trade, serious and 'art' film makers see themselves as at a permanent disadvantage. The FUS safety net is, of course, designed in part to compensate, but the amount of money available is never remotely a match for the scale of needs, and little-known younger film makers are particularly vulnerable. Whilst TV channels do regularly rerun classic Italian films, current commissioning policies are very much orientated towards the 'safe' mass market, so that subjects which contain serious social or critical political content inevitably tend to be excluded. In the current political situation within Italy, this is clearly a cultural issue of the utmost importance to the development of civil society.

Broadcasting

5.4.7 Italy, with the most fiercely competitive television market in Europe, is an interesting laboratory for others to observe with varying degrees of apprehension. The Examiners pursued a particular line of enquiry into the effects of this competition on the cultural remit of the national public service broadcasting system. As in other European countries, the ratings battle in television tends to increase the importance of public service radio as the main 'cultural' medium. Under the pressures of commercial competition, RAI's three television channels are all being diversified in output in order to maintain audience share. During 1993, prime time viewing was as follows:

RAI	48 %
Fininvest	44%
Other private TV	8%

RAI 2 and 3 maintain cultural value in their output. Daytime viewing figures for RAI are slightly lower, with most of the gain being taken by smaller local television companies.

Policy on television output is increasingly dominated by advertising and the ratings war, which leads to programming concentration on sport and purely escapist entertainment. Research shows that there is an increasing divergence between the RAI and Fininvest audience, with the profile of the former noticeably more middle class and middle aged. Measurement of what is, or is not, 'cultural' in broadcasting output is a rather crude science, but according to RAI, the balance is in their favour at 22.6% of output.

	<u>Entertainment</u>	<u>Information</u>	<u>Culture</u>
RAI	50.7	26.7	22.6
Fininvest	75.0	16.4	8.6

5.4.8 RAI

It is worth noting the present sources of RAI's revenues:

- Licence fee 57%
- Advertising 32%
- Government departments 11%

The government contributions are made to cover certain specific public information functions as well as external services and broadcasting to the Italian-speaking audience abroad. As a result of a rather progressive law of 1948, a small percentage of the licence revenue still returns to support live music and theatre organisations. RAI, however, in spite of the pressures of commercial competitors and the dangerous dive downmarket, continues to be a major cultural patron in music, drama and the spoken word, as well as in film.

Although the climate has turned much more chilly since the days when RAI directly employed four full-time orchestras and a chorus and was largely instrumental in establishing the world reputation of Luciano Berio, there are still 40 full-time musicians in the light orchestra based in Rome, and 90 in the Turin-based symphony orchestra with

its long and glorious reputation. We have seen how the crucial intervention of the Compagnia di San Paolo succeeded, at least for the time being, in retaining the orchestra in Turin when rationalisation of orchestral resources threatened predictable centralisation. The Prix Italia, initiated by RAI in 1948 in radio (television was added in 1957) remains the most respected competition in Europe to mark and celebrate imaginativeness and high quality in broadcasting.

RAI television is still a significant player in commissioning film production even if not on the same scale of patronage that was once possible. During 1992, in compliance with the EU 'Film Without Frontiers' Directive, 50% of films transmitted were European (many of them obviously repeats), with 60% of those of Italian original. To gauge the scale and continuing importance of RAI as a producer it should be recorded that in 1993 out of 5,928 hours of transmission, up to 22.6% could be broadly classified as 'cultural and educational' in addition to films. Videosapere, a special department, has developed out of the former RAI Education Unit, and is making informative and specifically educational material (518 hours' worth of the latter in 1992) for transmission and sale.

5.4.9 Radio

RAI's three national radio channels (notably RADIO TRE which has a faithful following of well over one million or 2% of the global RAI audience), which have comparatively greater programming freedom, in 1992 managed to record a 'cultural' output of up to 35%. Of this, 21% was serious music and 3% drama/fiction. The estimated listening figures for the three stations are:

RADIO UNO	8.0 million
RADIO DUE	7.0 million
RADIO TRE	1.1 million

The three stations are now merged under a single managing director so that it is no longer meaningful to disaggregate their respective budgets. We were told that the resources available to all three were broadly equal, which seems to confirm that a degree of cultural priority is being defended to the benefit of RADIO TRE listeners, and maintaining a shining beacon of broadcasting quality within Italy. The other two radio stations also incorporate some artistic programming, although more often in a lighter vein. Minority language broadcasting is also maintained and considered to be culturally important in those regions to which it has particular relevance.

Writers, books and publishing

5.4.10 The literary world of Italy operates very much in the market place. A law of 1981 exists in favour of publishing, but the major beneficiaries seem to be newspapers with their direct bearing on the political process. There is no public assistance for specialist publishing. We came across no evidence of worked-out public schemes of assistance to creative writers. Most of them, we were told, are obliged to earn the bulk of their living from journalism or university teaching. Few authors seem to be registered with SIAE - to which they have legal access - hoping that better financial rewards can be negotiated direct with their publishers on the basis of contracts. Such SIAE payments as there are for authors tend, therefore, to be restricted to the use of literature in live performance.

5.4.11 The public for books

The serious Italian book buying public is relatively small - estimated at around 500,000 - less than 2% of the population - which probably corresponds to the low national percentage which have been through higher education. A 1989 ISTAT inquiry concluded that 37.5% of the Italian population do read books. Media attention is patchy, with some radio programmes surviving (notably on RAI's Radio 3) although in ghetto listening slots, and any television coverage is usually restricted to sensations or 'Top Ten' promotion. This partly reflects the structure of the publishing trade in Italy, within which four or five large groups with media links, and concentrated in Milan, are responsible for at least half the national output (i.e. titles), while the number of significant distributors is even smaller.

5.4.12 Small publishers

Diversity is assured through the operations of around 300 general publishers and over 2,000 small publishing houses which largely survive through targeting niche markets. In 1990, there were 2,540 registered publishing houses in Italy, with a further six in the Vatican City and 33 Italian language publishers in Switzerland. So far as national media exposure is concerned, the small firms can be no match for the well supported PR machines of the major groups.

5.4.13 Concentration in Milan and Rome

Geographical distribution of publishers reflects the obvious concentrations in Milan and Rome:

North	54%
Centre	32%
South	14%

Print and production capacity to a great extent follows the same pattern, with Lombardy alone accounting for over 44% of the national total. Regions with a significant publishing presence, apart from Lombardy (25%) and Lazio (19%), are Tuscany and Piedmont (both over 8%), Emilia-Romagna (almost 8%) Veneto (over 6%), Campania and Sicily (both over 4%).

5.4.14 Sales and distribution

Take up from the public library system varies but seems to offer no great guarantee of purchase numbers on which small publishers could make reasonably safe commercial print run calculations. Libraries only account for up to 10% of sales nationally. From the authors' point of view, public lending right is not operational since the Italian government has yet to decide whether to implement the European Union guidelines or not. Small publishers have recently cooperated through their national association to produce combined lists of titles by subject area for use by booksellers and libraries. They have not yet been able to tap into the mail order market in a significant way but are developing a scheme known as 'Flying Carpet' to try and expand potential in this area of the market through the direct mailing of specialised subject catalogues to prospective mail order purchasers.

Distribution is seen as the greatest problem, with bookshops in ancient town centres usually lacking adequate display space for over 30,000 new titles which annually compete for prominence. Taking 1990 as an average year, there were over 200,000 separate titles in print, of which almost 88% are categorised as 'general', with 9% academic and 3% for children. The number of book-shops in Italy with floor space of over 200 square metres is quite limited with perhaps only Milan (Mondadori - linked to other major financial concerns) having modern bookshops which compare with current northern European trade practice and relying on huge investment. The city of Milan during 1995, as an experiment, is offering the Association of Small Publishers a small piazza (with good public access) for one month to promote and sell their members' titles. Turin's 'Salone del Libro' held every May in Lingotto attracts over 100,000 paying visitors, many of whom purchase books but who are not usually bookshop customers.

The Examiners regret that they were unable to review the public library system in any detail. From what they heard, there seems to be a wide variation in standards of provision throughout Italy, with many small comuni having to rely on volunteers.

b) Needs

- 5.4.15 Within the realm of commercial production there are strict constraints on which national cultural policy is unlikely to have much influence. It was, however, clear to the Examiners that amongst the interested sectors, and also quite widely amongst the informed public, there is very real concern over checks and balances within the system, and that rampant commercialism may be having a detrimental effect upon the quality and continuity of Italian culture as a whole.

Above all, we had a sense that for a mixture of reasons (both political and administrative) the government is not exercising sufficient concern over the conditions for production and distribution of quality goods within the cultural industries, or recognising the extent to which the interlinking of the commercial and subsidised within the mixed economy is a feature of much cultural production in the late twentieth century. The desirable improved national overview and coordination of cultural policy, which is a consistent theme of this Report, would at least provide a vantage point from which the relevant judgements might be made.

c) Some suggestions

- 5.4.16 Film production, distribution and exhibition touch upon one of the most lively areas of current EU debate, with varying views over the desirability of countenancing further penetration of cinema and TV outlets by 'dumped' American products. The Italian film industry is clearly in crisis, and it appears that existing measures to support production and develop (and maintain) young talent are insufficient. The decline in operating cinemas has been marked, but the multiplex phenomenon which (together with the development of more integrated practice within 'art' cinemas) has led to a revival in attendance in northern Europe, does not yet seem to have had much influence on patterns in Italy. Many residential and newly developed areas have

no access to good quality screens and sound, and we believe there is considerable potential for private development. It was surprising to hear of examples where public authorities (outside the 'art house' context) are operating cinemas with taxpayers' money.

Broadcasting and future regulations on satellite will obviously continue to have crucial importance for film production as it adapts to changing markets. RAI as Italy's public service broadcaster has been through the most traumatic decade of its history. Despite retrenchment and the requirement to operate in a more commercial environment RAI has done well in its efforts to retain quality thresholds. It remains to be seen whether the new approach of RAI television's thematic 'red lines' can provide continuing protection to mainstream cultural dissemination in the face of business and political pressures.

As with the rest of Europe, we noted the difficulties which face small publishers and independent booksellers who lack the financial muscle to compete on equal terms with the large conglomerates. But in finding and satisfying niche markets, and providing a service to small population areas, they both play a vital role in maintaining the vitality and diversity of Italian culture. Improvements to the local public library service are overdue and could be of considerable benefit to both readers and the book trade itself.

5.5 Tourism: problem or opportunity?

a) Observations

5.5.1 Tourism and its effects was a topic frequently raised with the Examiners. Usually the connotations were negative - fuelled by fears over the trail of destruction left by the Vandal hordes in Rome, Florence, Venice, Pompeii, and more recently in Assisi and Siena. Florence, with a core population of around 400,000 plays host to between four and six million tourist trips per year, over 60% by foreigners (Censis Tourism Report 1992). Since the economy of the city (and others like it) has become hugely dependent on this tourist influx, it is obliged without remission to prostitute its unique treasures to the masses, who assault its fabric with bus and car exhausts, incessant flash cameras and over exposure to human breath. Padua's surviving mediaeval street plan is incompatible with the tourist traffic it has to bear.

Travel of the current mass-package variety hardly promotes mutual understanding. On the contrary, its very superficiality tends to confirm and reinforce the cliched stereotypes in both directions of the exploiter and the exploited. The conflict between exploitation and preservation is all too real for those charged with protecting the heritage, where the familiar issue of inadequately coordinated responsibilities once again arises. The Region of Sicily, for example, is currently running a major international promotion of tourism based on the island's archaeological and historic monuments, yet is not, we were told, in proper dialogue with those responsible concerning the management and erosion implications of a sharp increase in numbers. In this case there is not even the customary get-out of unconnected duties - both functions rest with the autonomous region.

5.5.2 Creating new possibilities

Italy cannot, however, have it both ways. The tourists will continue to come, and the economy of the country will need them to come. The situation must, therefore, be better managed to avoid repetitions of disasters such as 'the second destruction of Pompeii'. But at the same time we recognise the very real fears of a switch from a conservation based rationale to a US-style theme park free-for-all. We were disappointed to learn that the joint plans of local and regional authorities in the south of the peninsula to develop Arab/Norman historic routes had not found sufficient financial backing (particularly from the private sector) to go ahead. Some of the groundbreaking economic impact work taken to an initial stage by the (soon to be defunct) special soprintendenza set up following the November 1980 and February 1981 earthquakes in Campania and Basilicata seems to point in the right direction. Some exploratory work has been done by the Touring Club Italiano, working with the national historical and archaeological services on 'themes' and routes to encourage a move 'from occupation to exploitation'.

Italy's unparalleled richness in heritage should, if sensitively managed in cooperation with the relevant authorities, offer a positive opportunity to develop the economies of those regions which most need help. Difficulties, of course, occur through 'the system'. The 'frozen' attitude to historic museum collections makes sub-division and

rearrangement virtually impossible and hinders the development of new attractions in places where they would be of real benefit, or the return of objects to the areas from which they originally came. The open air opera season at the Baths of Caracalla in Rome has been lost as a result of withdrawal of permission by the state soprintendenza on conservation grounds. The city feel they were inadequately consulted over this virtually unilateral decision and are now in the process of creating their own 5,000 seater auditorium nearby. Uncertainty over budgets and levels of grant aid, coupled with tardy and unpredictable cash-flow payments makes it near-impossible for festivals to plan far enough ahead with confidence, to engage artists who will draw widely and attract commercial sponsorship and bring in foreign audiences.

Yet such developments would be of great benefit to their areas besides helping take some of the pressure off the overutilised (but underappreciated) key sites. Granted that you cannot recreate another Venice elsewhere or provide a substitute for the Colosseum, more ingenuity must be exercised in finding construction ways to limit the damage. Fixation on the Classical, Renaissance and Baroque has led to an undervaluing of the prehistoric and industrial eras. Italy, extraordinarily, has no museum of fashion or design despite its clear position as a world leader in both fields.

5.5.3 Concentrations in a few cities

According to a recently published report by the Department of Cultural Heritage, during 1993 only two cultural attractions in Italy achieved over one million visitors. These were the Uffizi Gallery in Florence (1,020,972) and Pompeii (1,296,633). Only seven other archaeological sites and eleven museums attained totals in excess of 100,000 (and almost all well below 250,000). Five of the museums which get into this group are situated in Florence. What this demonstrates is that Italy's varied and unregulated museums and galleries are operating with a very different market attitude to some of the large 'national' museums abroad (the British Museum, Louvre, Hermitage or Rijksmuseum, for example) which cater for vastly greater visitor numbers and succeed in earning significant sums of money from ancillary trading. Admission prices at the Uffizi have probably reached their ceiling, but within Italian museums there is a complete absence of staff experienced in the non-curatorial aspects of running a successful enterprise. Four national museums in London annually cater for well over 10 million visitors; the Italian 1993 figures for the top twelve total 3,548,020 (Florence alone accounting for 2.3 million of that number).

b) Needs

- 5.5.4 Italy needs tourists, but at present officially seems to view them as a growing problem. As we did not have any discussions with the tourist authorities themselves, our impressions may be coloured by the views expressed to us by individuals who see tourism as a threat to the heritage. Although we received a strong message that those responsible for the management of Italy's economy failed to see the whole picture and its interconnections, better planning and dialogue amongst the key agents on the ground would bring improvements. Whilst the tourism promotion function below national level (except in the autonomous regions) rests with the provinces, the links with and between local authorities are clearly inadequate. It was put to us that the regions could have a useful balancing role.

Visitor trends with reference to museums and historic sites are fairly stable. With the exception of the very limited number of attractions where the pressure of numbers is damagingly high, there is scope for constructive development through adapting modern management expertise and techniques. Some museum buildings admittedly create limitations but, as we found in some of the cities, the solution partly lies in attitude. Clearly there is a general sense of unease at the deplorable record in keeping major sites and museums open regularly, and for reasonable hours, and the encouraging initiative taken by the city of Venice has set a standard for the rest of Italy to emulate.

c) Some suggestions

- 5.5.5 Whether tourist numbers have peaked and stabilised or not within Italy as a whole, it is clear that there is an urgent need for greater cooperation between the various authorities to address the issues of distribution - both geographically and seasonally. Despite the feelings of certain cultural institutions that they were almost under siege, visitor figures and trends suggest that with improved management, the situation is containable and could be exploited to considerable financial advantage. With a very few notable exceptions, it is actually the cities that are under intense pressure, rather than particular sites, buildings or museums themselves. This makes it all the more necessary for constructive dialogue and partnership between the various concerned bodies, especially the local authorities.

The 1992 Censis Tourism Report data illustrates that two centuries after the boom of the Grand Tour, it is the northern European cognoscenti who are giving up on Italy. The package trade - especially from the Far East - is buoyant, although foreign visitors to Rome, Florence and Venice have declined by a factor which varies from -30% to -15%. Above all, the absentees from the cities are the British and German cultivated independent travellers (though Germany still accounts for up to 40% of all foreign visitors to Italy). These 'lost' visitors, with changed work and leisure patterns, are of the type most likely to be won back through 'cultural' tourism, exploring the less saturated areas and taking advantage of weekend breaks and off-peak periods.

'Exploration' is still possible in Italy because of the inexhaustibility of its cultural heritage. Improved signposting and local interpretation could encourage the dispersal of tourists away from the damaging city centre concentrations. This is a major challenge to the Regions where there is already (e.g. Umbria) good practice to be followed.

The growth over recent years in new styles of holiday, such as walking and cycling, opens up possibilities focusing on aspects of rural life. A huge number of Italy's 30,000 notable churches are outside city areas, and still contain a wealth of fascinating artistic material outnumbering the exhibits in many important museums.

Section 6 SUMMARY OF EXAMINERS' CONCLUSIONS

6.1 Process

This Review of cultural policy in Italy was undertaken as part of the programme of country reviews being carried out under the auspices of the Council of Europe. The agreed process is that the national authorities concerned provide a 'National Report' and invite a small team of European examiners to comment. The Examiners' Report is drawn up after a series of meetings and interviews with key institutions and individuals both 'nationally' and regionally. The Report is used as the basis of discussion between the national authorities and the Examiners before the Council of Europe's Culture Committee. The Italian Review Meeting takes place in Strasbourg in April 1995.

6.2 The National Report and the Examiners' Report

The Examiners made three visits to Italy (in October and December 1994 and January 1995). The Regions selected are shown in the Chronology on p.ii, and details of those people the Examiners met from pp.iii-vi. The final version of the Italian National Report (not yet translated into English or French) appeared only after the Examiners' Report had been produced in draft form. It was not therefore possible for the Examiners to proceed to evaluate from a uniform and authoritative information base.

Whilst the various drafts of the National Report presented a wealth of information and data within a descriptive and conceptual framework, they were lacking in self-evaluation. The Examiners' Report concentrates on key issues which arose as the most important questions in the course of the review process. Most of them are common to virtually all areas of the cultural sector where public subsidy is involved. The Examiners found a great amount of agreement in Italy about what was right and what was wrong, requiring reform, although opinions were much more varied concerning solutions.

6.3 General Background

Italy's cultural inheritance is unique in its extent and unparalleled in its diversity and continuity. Safeguarding the omnipresent past is a responsibility of massive proportions, and there is an understandable tension between available financial resources and a virtually infinite task. It is also worth noting the extraordinary wealth and variety of cultural initiatives (exhibitions, festivals and colloquies, for example) constantly held not just in the main cities, but also in much smaller provincial centres. These events often have the participation and support of the relevant government agencies and local authorities.

At the same time the great stress laid on the heritage of the past can have the unintended consequence of marginalising the contribution of contemporary cultural creativity. The rapid urbanisation of Italy and rise in wealth over the past fifty years have led to dramatic changes in habits of cultural consumption and production. Artists should have a vital role as commentators and interpreters in the development of civil society, all the more necessary in the light of the trite quality of much contemporary mass entertainment to which Italy is certainly no exception.

The frequently short duration of Italian administration puts a very considerable amount of power into the hands of the permanent bureaucracy centred in Rome. The process of delegating powers to the Regions, clearly set out in the 1947 Constitution, has been delayed and only implemented piecemeal. The present unsatisfactory situation is unhelpful to the development and effective delivery of cultural policy (see Section 4.3).

6.4 Key Themes

The Examiners' research and interviews in Italy produced a checklist of constant themes which ran like a thread through all their investigations. To highlight the issues here, they are set out as a series of opposing concepts, reflecting a tension between past, present and future, which is perhaps the strongest feature of the cultural scene and its organisation in contemporary Italy:

- ◆ protection and restoration of the heritage versus their presentation and promotion to the public;
- ◆ the excellence versus access dilemma;
- ◆ production versus distribution and consumption;
- ◆ passive consumption versus education and active participation;
- ◆ coordination versus fragmentation of authority;
- ◆ decentralisation versus recentralisation at the regional level;
- ◆ traditional bureaucratic practices versus modern management methods;
- ◆ extraordinary, 'ad hoc' laws versus regular laws;
- ◆ 'special' budget measures versus ordinary budget (and planning) cycles;
- ◆ direct provision by the public sector authorities versus an 'enabling' role;
- ◆ theorisation versus pragmatic action.

The Examiners found widespread recognition of these dilemmas, and noted that such opposing concepts often coexist simultaneously in the minds of individuals and in the practice of administration.

6.5 Fragmentation of Competence and Limited Overall Coordination

Competences in cultural matters are dispersed amongst at least eight separate departments of central government. Internal and external communication is insufficiently promoted, whilst important links (e.g. with the Ministry of Education) are underdeveloped. There is a significant amount of crossover with regional and local authorities, but no institutional forum for resolving differences, or for ensuring cooperation between the tiers of government variously empowered with cultural competences. This results in duplication and occasional confusion. Dispersal of competences leads directly to the situation where no one carries the ultimate national responsibility for setting the strategic policy framework for the overall cultural policy, while each department independently creates its own priorities (see Sections 2.2, 4.1.).

There are roles for central government to be developed in the following areas:

- ◆ high level policy coordination;
- ◆ cooperative public sector strategy with clearer objectives;
- ◆ decentralisation of defined and agreed functions;
- ◆ setting minimum standards of operation;
- ◆ control and implementation of legal provisions.
- ◆ evaluation of results.

6.6 Legal Profusion

Italy has an extremely extensive range of legislation in the cultural field. This quantity is being regularly increased both at national and regional level. Proliferation, especially in the cultural heritage, seems to make implementation cumulatively more difficult to achieve. The overlay of special ('ad hoc' or emergency) legislation in response to particular crises or needs has the effect of downgrading the effectiveness of standard 'normal' legislation. The passage of special laws gives the sense that problems are being addressed and solved but in fact too often the legislative process is used as an escape route. The Examiners concluded that too often the law was being brought into situations where firm administrative action would be more appropriate and effective. The issue is not so much about the law as an instrument of policy as of some misunderstanding of the proper role of legislation in the process of delivering policy. There is also an urgent and major task in codifying the existing plethora of legislation on cultural matters, so that it can be reduced to manageable proportions and be capable of more effective application (see Sections 2.3, 4.2).

6.7 Financial Management

The virtual absence of long term strategic financial management, and government practice of dealing with fiscal allocations in single year units, inhibits satisfactory planning. Government allocations arising out of extraordinary legal measures lead to fluctuations in available resources from year to year. Thus, for example, in 1988 only 27% of the Ministry of Cultural Heritage's total finances could be classified as 'ordinary'. In the previous year the figure was 60% (see Section 4.2.5). Not only do these fluctuations render internal planning difficult, they also adversely affect partnership working with other public authorities and with the private sector. At the same time, a further constraint on flexibility arises from the raft of government fiscal rules and regulations. Virement is difficult, and last minute spending sprees at the very end of the financial year are common practice. Grant aid for the performing arts through the FUS (see Section 5.2) rests on a longer planning timescale, but suffers from the same lack of flexibility. We were also unconvinced concerning effective targeting through present methods. Problems in cultural policy cannot, of course, be solved through better management of resources alone. The Examiners believe, however, that implementation could be greatly improved through making much better use of resources on methods which are now widely harnessed to the benefit of the sector elsewhere in Europe. Greater flexibility in financial procedures is needed to improve the targeting of public funds and 'value for money' (see Section 4.2).

6.8 The Need for Improved Articulation between Levels of Government

There is a wide variety of practice in cultural policy at national, regional, provincial and local levels. A few regions with their comuni have made attempts to evolve policies which are complementary and thus provide a better range of opportunities for their residents. There is no formally established mechanism (in spite of existing outline legislation from 1975) for joint working either regionally or nationally. Even within the autonomous regions there is a failure to make connections which could and should be made. In certain regions where the majority of the comuni are small there may be a major opportunity for the region to act as the dominant partner in the provision for cultural services. In others, which contain a large metropolis, the natural dynamo may be within a city, with the region assuming a stronger role in distribution for the benefit of the rest of the territory. Currently at the local level extreme situations can occur where no public authority takes up responsibility for ensuring reasonable levels of cultural provision. Alternatively cities and regions can vie with each other on political grounds to make large and costly cultural gestures - but not according to jointly agreed strategy (see Sections 4.3 and 5.2.4).

6.9 Decentralisation and Cooperation

The pace of devolution to the regions in general is obviously a central issue to government. In the cultural field, we believe that there is an urgent need to establish the locally based joint national/regional coordinating committees foreseen in 1975 as this will enable faster progress to be made toward genuine cooperation. In this context, the role of the comuni is also important. Their legitimate interests are very much affected by whatever resolution eventually happens on the question of the FUS responsibilities. The regions, left to their own devices, will always run the risk of being tempted to try and 'recentralise' functions upon themselves and overindulge in regulatory activity. Many of the great Italian cultural institutions are, as they always have been, firmly rooted in their own municipal contexts, but exist within an international peer group which transcends both regional and national government. There may be legitimate cases where decentralisation should go all the way - on a proper application of the principle of subsidiarity (i.e. as a result of considering the issues from the bottom up, rather than top down). (See Sections 2.4, 5.1.15.)

6.10 Greater Autonomy for Cultural Institutions

The Examiners feel that the overcentralisation of some cultural responsibilities has led to political and functional difficulties. This is seen more clearly in the cultural heritage and museums, but also in the way in which the performing arts are supported with taxpayers' money. The current structures sometimes tend to sap the energies and commitment of those who work within them. The Examiners are convinced that, as regards the structures of the Cultural Heritage Ministry, there is a case for both territorial and functional decentralisation to allow for more independent, and locally responsive, units of control and management to be created. A degree of devolution of authority - to regions, cities and individual institutions - would help clarify the current complex system, and greatly improve standards of management and return on public investment. It would also oblige central government and its bureaucracy to concentrate upon a more selected range of important and truly national strategic roles (see Sections 4.4., 5.1.9).

6.11 Management and Training

Just as there is a need to reform structures in order to bring about improvements in standards of management, so management in the public sector must get better in order to produce more effective structures. There is an urgent need for the main government departments concerned to take up the challenge, escape from the prevalent 'emergency' mode and introduce more advanced methods of operation. Emphasis needs to be put on four particular aspects:

- ◆ flexible and creative approaches in the use of finance;
- ◆ greater efficiency of operation;
- ◆ better distribution and motivation of personnel;
- ◆ streamlining the process of delivering policy.

We believe there is a central requirement to promote sensitive training in the appropriate skills for the cultural sector as a national priority (see Section 4.5). Within some of the semi-autonomous performing arts institutions and private companies operating within the cultural field in Italy there is excellent practice and an ability to transmit skills.

6.12 Expansion of Cooperation between the Public, Private and Voluntary Sectors

Levels of private investment in culture in Italy are high compared with other European countries, but these impressive sums are mostly accounted for by one particular sector of the market (public banks). Recent legislation to privatise these banks could prove detrimental to cultural sponsorship, whilst other forms of support for cultural objectives across the private sector generally do not seem to have been as successful as was hoped. Regulations which offer tax advantages to companies which support restoration work seem to be perceived as too complex, restrictive and bureaucratic to be very successful.

Local authorities are acting as brokers between the heritage and the private sector in their areas quite effectively. There is also an encouraging growth in non-profit foundations which are successfully positioning themselves to achieve improvements in their area of benefit, working with both the private and the public sectors. A lot of voluntary energy and goodwill is being released, particularly on a local basis. The moment is favourable for the government to ensure that the regulations surrounding restoration and private sector donation are sufficiently flexible to take advantage of existing opportunities.

Sponsorship is expanding into other areas apart from the heritage - notably music and opera. There are examples of incentive schemes elsewhere in Europe which might be worth adapting as a means of the government increasing involvement in the performing and contemporary arts. There is also an opportunity for cultural institutions and performing companies to harness the expertise of commercial partners locally to improve their own planning, management, financial performing and marketing (see Sections 3, 4.6).

6.13 Participation

The Examiners noted only limited national concern for participation as an important cultural policy aim. This would seem to be the result of (a) fragmentation of responsibilities, and (b) an overriding financial concern with maintaining or restoring institutions and historic evidence of the past. Local (and regional) authorities were more sensitive to this issue, but policies tended to have a poor focus. We believe there is an important national role to be developed in communicating the importance of this area and, in particular, to make it easier for local connections to be made with the state education system. Greater prominence needs to be given to the following issues:

- ◆ identifying the creative needs of the public (as locally expressed);
- ◆ safeguarding and encouraging cultural practices and traditions for future generations, including amateur activity;
- ◆ recognising the interests of cultural minorities within Italy and encouraging an effective multi-cultural artistic life.

Obviously this is not an easy area for state intervention, but it is nevertheless a matter of national concern (see Section 4.7).

6.14 The Cultural Heritage

The size of Italy's heritage, together with the cost and problems involved in fully safeguarding it from deterioration and theft, seem to have led to its being progressively regarded as rather burdensome. A by-product of this view is the overshadowing of the role of the heritage as one of the country's and Italian society's most important assets. Whilst appreciating the scale of the problem and its concomitant responsibilities, as well as the dedication of the professional staff, the Examiners were surprised at the extent to which it was assumed that the principle of protection should have higher priority than public access or interpretation.

The Examiners were intrigued by a paradox. Considerable sums of public and private money are applied to the Italian heritage, and there are also impressive amounts of professional expertise and unstinting devotion to the task of protection on the part of the many soprintendenti. Yet we could frequently perceive feelings of inadequacy with regard to the high expectations laid on individuals as a consequence of their multiple roles. There was a wide consensus about the need for change, to be applied - in the view of the Examiners - to three main areas:

- ◆ outmoded techniques of public management in general (see Section 4.5);
- ◆ lack of a proper scale of priorities, and selection according to these;
- ◆ limited dialogue internally and inadequate communication externally.

Communication must be a strategic priority for the Ministry and for the other government departments involved in cultural policy, if they want to increase support for their efforts from both the general public and the private sector.

Aspirations are often set very high - so high that some of them are quite unattainable within a reasonable planning timescale. The absence of a regular strategic overview of objectives, which could be realistically achievable, increases the likelihood of crises occurring. The Examiners felt that museums, sites and projects should be graded according to their importance or immediate needs. Earned income requires a much higher priority. As regards attitudes to the public, experience is often more satisfactory in civic and local museums and galleries than in the major national institutions. It is therefore advisable to promote:

- ♦ smaller identifiable units of management;
- ♦ territorial/functional decentralisation.

(See Sections 4.5, 5.1.)

6.15 The Performing Arts

Italy, as the birthplace of opera, unsurprisingly shows high levels of public expenditure on the art form, which takes the lion's share of available music funding. By far the largest proportion of this (almost Lire 445 bn. in 1992) is divided amongst the thirteen enti lirici specified by law through the Fondo Unico dello Spettacolo (FUS). Some of the highest standards in the world are still set by Italian opera companies - but at a high price. Milan, which is said currently to earn about 35% of its total turnover, is unique in Italy in achieving anything like that level. Around 10% seems to be acceptable elsewhere. High costs, short seasons, and low earnings (as a proportion) are endemic.

Although FUS does make some attempt to spread money around the country for music, these thirteen named institutions are a massive and constant inhibiting factor on music policy more generally. Despite the existence of an Advisory Committee which legally has influence over the allocations, its procedures seem somewhat opaque, and there is very little variation in relative levels of funding from year to year. Some criteria are applied, but the Examiners were unconvinced that there is much qualitative assessment or targeting which is sensitive to actual needs or rewards management performance. The mismatch between the numbers of 'soloists' trained in the numerous Italian conservatoires and the level of intake to the musical profession suggests that matters have got seriously out of balance (see Sections 4.4.5, 5.2.17 ff).

Drama is going through a crisis of confidence, and has suffered some decline in audience. The teatri stabili in particular feel they may have lost their way and require a new lease of life. The number of grants made through FUS is still very high and, not surprisingly, the local authorities (as in the case of opera) who own the theatres are sceptical about allocation processes. The regions are especially angry over the frustrated outcome of the 1993 Referendum, whose intention was that the national performing arts money should be devolved to them. This is a complex issue, but the Examiners are convinced it should be resolved speedily one way or the other for the good of all parties concerned - not least the arts institutions themselves. It is hard to detect that FUS has any real strategic policy approach nationally and, despite the criteria, there is little flexibility (see Section 5.2 ff).

6.16 Contemporary Visual Art

There is legislation from the 1940s to support artists, but it is not much applied. Public policy tends to leave contemporary visual arts matters to the market place and, so far as collections go, the contemporary is nationally subsumed under the Heritage. The issues around contemporary exhibition and collection are very different from those which affect historic collections and museums, and the Examiners concluded that present national arrangements require reconsideration. The weight of Italy's glorious art history risks unintentionally making public policy towards the contemporary somewhat insular. There is some interesting local authority practice in the employment of artists in urban regeneration contexts, which should be more widely known (see Section 5.3).

6.17 The Commercial Market

In relation to television and the print media, the Examiners were made aware of wide concerns about the debasement of the culture. On the other hand, within such a furiously competitive market, there are severe limits on anything a strategic national cultural policy might achieve. This dilemma does, however, underline the crucial role of artists as interpreters of the mores of their time, and the reducing access to the commercial entertainment-driven national television channels. Film production is clearly in crisis, and cinema exhibition has not yet experienced a revival on the scale which has happened in other parts of Europe over recent years. The Examiners were impressed with RAI's continuing commitment to schedule as much high quality cultural programming as is compatible with maintaining audience ratings, and with the successful efforts of small publishers to maintain diversity within the publishing market (see Section 5.14).

6.18 Tourism

The Examiners found that within the cultural heritage sector, attitudes to tourism are somewhat diffident. Whether tourist numbers in Italy have peaked or not, the 'problem' is not going to go away. We believe that there is an urgent need for improved dialogue between the local and regional authorities, the heritage sector and the tourist authorities to work at solutions to the difficulties of excessive pressure on particular sites and towns. Because of the richness of Italy's heritage, 'exploration' is still very possible, and more determination and imagination is required to develop new - but authentic - attractions away from the most threatened areas. This could well be to the economic advantage of regions which desperately require investment. The situation has to be managed sensitively, with the appropriate balances being struck between protection and promotion.

6.19 The Risk of Insularity

The Examiners made an observation which may strike Italian readers as initially strange. It arises out of different but connected perceptions. The first is that current public cultural policy is predominantly internally focussed on what already exists within Italy. The second is that a 57 million population provides a profitable commercial market in cultural products including, for example, dubbed films and translated books. The commercial (often conglomerate) operators have very great power to influence and dictate public taste and consumption, and to some extent are the 'gatekeepers' on what

comes in and what goes out. Italy is a large enough market to feel it is culturally self-sufficient, but the fact that Italian is not a major world language actually increases the power of the commercial interests. Public cultural policy exists in parallel, but runs the risk of being progressively marginalised. There is a danger of increasing insularity resulting both through the internal focus of policy and the exclusion of other innovative influences from abroad which are not perceived as profitable. In this connection, the Italian Cultural Institutes abroad are important two-way channels of communication, whose roles and significance may be being underestimated when viewed from Rome in a purely national context.

6.20 Final Thoughts

The financial allocations from the government for culture are substantial by European standards, although most people we met felt they were insufficient. This Report questions the largely dominant emphasis put on preserving the heritage, in itself a limitless task. More circumscribed ambitions, coupled with a more articulate definition of priorities in the wider field of cultural activities, would probably yield better value for money. We also suggest that sharper attention be paid to the issues of more advanced management practices, of more streamlined policy making procedures and of better coordination amongst the government agencies and tiers concerned.

The Examiners perceived awareness of these needs in government as well as within the bureaucracy. The seedbed of a more innovative approach to the various segments in which Italian history and administrative practice have subdivided national cultural policy is prepared. The Ministry of Cultural Heritage, for example, seems to have entered a phase of new thinking, albeit cautiously, in the last three years. The watershed was probably represented by the Ronchey Law of 1993. This legal provision allows for a certain degree of devolution of responsibilities. For the first time it also offers a role to the private sector in cultural services to supplement that of the public agencies.

The Examiners were impressed with the qualifications, dedication and commitment of the considerable number of people they met. Yet some of those professionals' vision, idealism and energy appeared to be at odds with what was perceived as 'the system'. Our conclusions focus inwards upon Italy rather than outwards. Whilst many of those to whom we spoke were, as individuals, aware of good and potentially helpful practice followed elsewhere, the Examiners were surprised at the only limited will at bureaucratic level to translate this awareness into positive action. We also noted some reluctance to pay heed to the many interesting examples already available within Italy itself.

At the same time we appreciate that a lively debate is now taking place within government departments on the prospects opened up by a more managerial approach to cultural property and production and on the benefits of greater autonomy for major public institutions. The latter is an objective which the current Minister for Cultural Heritage, Professor Antonio Paolucci, has clearly made a top priority for government action.

Virtually everybody the Examiners interviewed - whatever his or her respective role and responsibility - seemed to accept the need for change, and often radical change at that. However, this realisation was more often than not coupled with a wish that a step by step approach be taken. We frequently detected a St. Augustine of Hippo-like subtext of "but not yet". We respectfully urge the Italian authorities to accept that time is of the essence in a world, and a Europe in particular, where there is increasing interdependence, not least in the field of cultural policy and activity.