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**Private action in contemporary art:
the experience of Palazzo Grassi S.p.A.**

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'Collectors will all
go to Heaven'

Pierre Rosenberg

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Introduction

Italy has always been one of the richest country and a cradle for European culture. In the past centuries, our country was one of the inevitable stages of the education of young artists and scholars. Doubtless, this predominant importance was assured by the immense cultural, architectonical and artistic heritage that our ancestors have contributed to create in many centuries and that we still take care of. This importance however was also due to the continuous activities of merchants, prelates and wealthy people, willing to donate their money for the creation of art and caring of their cultural education as well as their fellow citizens. Indicative of this involvement is the fact that the term used to identify this phenomenon *mecenatismo* has its roots in the times of Christ, referring to the patron of the art Gaio Cilnio Mecenate, councilor of the emperor Augusto. The international literature moreover, is full of examples of epistles written by musicians, painters, playwrights for their financiers, always underlining the fact that without their supports, they couldn't afford their activities anymore. As the notary and scholar Enrico Bellezza argues for example '[w]ithout patrons, today we wouldn't enjoy the music of Mozart as well as the operas of Richard Wagner' (Bellezza in *Impresa e Cultura* 2002:66).

Obviously, the presence of these important actors in the cultural scenario was predominant in historical times when the economic difference between social classes was extreme and just a few individuals could afford this kind of generosity. The greater diffusion of well-being characterizing our times (at least in our continent), has instead profoundly changed the profile of these donors, that are no longer nobles and aristocrats, but now mainly corporations and rich entrepreneurs. With the rise of the so-called welfare state however, culture and the art started to be considered as meritorious goods and the sector began to be subsidized increasingly by the states, especially in Europe. Starting from the 80's instead, the Treaty of Maastricht and the Thatcher's

categorical imperative 'roll back the role of the state' influenced the spreading of a new paradigm: the light state, coordinating and overseeing some sectors, but not directly managing them. Obviously, the cultural sector was and still is one of the first suffering from these huge cuts of resources and nowadays it seems obvious that the State couldn't be any longer the only patron of the art.

This trend is currently more evident than ever and in the last decades cultural operators, at first hostile to the participation of privates, are now fostering their relations with these stakeholders and recognizing their importance. Specifically in the visual art, their contribution has always been and still is vital for the acquisition of collections and works of art that are now showed in public museums and belong to the State. As Kristof Pomian states in his masterpiece *Collectors and Curiosities*: 'the vast majority of the collections presently preserved in public museums derives from private collections' (Pomian 1995:250). Considering moreover the narrowness of resources dedicated to the acquisition of collections by the state, their role is nowadays fundamental if we hope to preserve our contemporary art for the next generations. Unfortunately, their participation in Italy is not always promoted and propelled by public entities and the tools that could help fostering this relation are not well implemented. In this dissertation, at first it will be tried to define the external and internal reasons why in Italy the support to contemporary art is extremely lacking, especially if compared to other countries. Following the figure of the collector and his collection will be briefly identified and explained through the academic literature and diverse sources referring to the specific phenomenon. Then, the different tools proposed today by the Italian state to implement public collections with the collaboration of privates subjects will be underlined, trying to quantify their accomplishment. It will be then presented one of the most important and maybe unique example in our country of a balanced partnership between the public and private: Palazzo Grassi S.p.A.. For study purposes, the analysis will focus just on Palazzo Grassi, introducing briefly in the end the recent and interesting experience of Punta della Dogana.

1. Specific problems of the Italian contemporary art scenario: when art is a merit memorial

As it is underlined in the introduction, the role of privates in the art sector has been always crucial in times and still is considering the progressive disengagement of modern governments. Nevertheless, some specific problems and issues have been identified in Italy that make this involvement more and more important for the flowering of the sector and the survival of our contemporary art for the next generations. These issues will be analyzed afterward trying to compare the Italian situation with those of other countries where possible.

1.1. Predominance of classic art

Everywhere and everyone in the world would describe Italy as the country of the Coliseum, of the Temples' Valley, of the beautiful buildings on the Grand Canal in Venice. The fact of being for decades the first destination in tourists' dreams all over the world is definitely due to the incredible richness of our cultural, artistic and architectonic heritage from the past. Nevertheless, it is fundamental for the growth and flowering of a country and its citizens to continuously foster art and culture, intercept the creative blood of contemporary generations and artists in order to remain culturally vital. In this disconnection is manifested the duplicity of Italian cultural policy: the protection and conservation of our heritage, sometimes even considered excessive, is not balanced by an adequate attention to the contemporary.

It is not a case that almost the majority of the important Italian institutions dedicating to contemporary art originated thanks to the support and partnership of private operators and collectors like the MART, MADRE or the *Castello di Rivoli*. In all these cases in fact, the collections showed have been built up thanks to clever public-private partnerships, long term loans and other

innovative solutions. This greater attention to classic art by the central government is testified then by the balance sheet of the Ministry as well as by the Eight Annual Report on Foundations by ACRI (*Associazione di Fondazioni e Casse di Risparmio S.p.a.*). This important study in fact testifies how the foundations operating in the contemporary art result less dependent upon public funds and more on private resources (*Giornale dell'Arte* 2008). Till when this approach will be predominant, Italy will be considered as a 'country of art and not a country producing culture' (Santagata 1998: 165).

1.2. Insufficient economic involvement of the state

All the European countries have understood the importance of fostering contemporary art productions and acquiring works of art for the creation of public collections. In the last thirty years, different tools and mechanisms have been introduced for that purpose all over the world. An important forerunner to this regard and to the promotion of culture in general is definitely France, that in the 1981 instituted the F.R.A.C. (*Fonds Régionaux d'Art Contemporain*). Financed mainly by the *conseil régional* and the State, these funds participate to the fulfillment of three main goals:

1. Constitute a regional collection of contemporary art and foster the creation thanks to the joined action of acquisitions and commissioned works of art;
2. Spread and distribute these funds all over the regions involving also local institutions, schools and collectivities;
3. Sensitize people to the contemporary art trend through guided tours, mediations to the visit, meetings with the artists.

In almost twenty years of existence, the F.R.A.C. have allowed France to constitute a remarkable collection consisting of more than 17.000 works of art realized by about 3.000 artists. The great success however can't be testified just by these big numbers, but also by the 'quality of the works gathered, the

good national and international coverage' (Giannelli and Paquement 1996:17). This policy also replies to the need verified in France as well as in Italy to sustain the production of national artists in a country where, with respect to others countries, 'private collectors are insufficiently involved and French artists rarely attract international attention' (Paquement 1996:20). In 2003 moreover, in order to celebrate the twenty years of existence of these funds, it has been organized a series of exhibitions called '*Trésors publics, 20 ans de creation dans le Fonds régionaux d'art*'.

Important also to notice that despite the existence of regional funds like the F.R.A.C., in France it is also instituted by the State the F.N.A.C. (*Fond National d'art contemporaine*). This fund helped gathering a collection of more than 70.000 art works including paintings, photographs, design pieces preserved since 1991 in Puteaux. This collection, enriched also trough the years by the donations of wealthy collectors, is not exhibited in Puteaux, but the main seat just manages a policy of loans to museums so that the works of art can travel through France. In addition to the creation of these important funds, in France are instituted the *Centres d'art contemporain*, institutions that exhibit and sustain the production of works of art through the organisation of workshops, exhibitions conferences and residencies. These *Centres* are on the whole thirty-two, spread all over the French territory and created thanks to 'associative experiences of the 70's like the model of Kunsthalle' (Lavanga and Trimarchi in Sacco, Santagata e Trimarchi 2005: 128). Important to notice that in the financial management, the participation of the State to these *Centres* can't be superior to the 50%. Another important tool experimented in France for the promotion of contemporary collecting are the so called *Artothèques*, created starting from the 60's and currently about sixty. These are institutions like libraries, where instead of books, art works can be borrowed freely or at a very low prices. The 85% of these *Artothèques* are managed by public institutions, while the remaining 15% by private galleries or institutions (ibidem).

Even though the French experience is doubtless the most interesting and developed, similar mechanisms and tools for the promotion of contemporary art have been implemented by other European countries. In Switzerland, for example, the *Fonds cantonal d'art contemporain* have been instituted, funds specifically dedicated to the constitution of a collection of contemporary art. In other countries like Austria, Belgium and Germany, the support to contemporary art is carried on through the so-called *Kunsthalle*. These are facilities and institutions specifically thought for the installation of temporary exhibitions and widely spread on the territory; they also acquire the works of the most promising local artists. These structures are managed and supported by the local *Kunstverein*, a private no-profit association gathering artists and local collectors, as well as the local institutions and private sponsors. In numerous cities, especially in Germany, the local *Kunstverein* created the *Kunstmuseum*, that is to say a public museum showing a permanent collection belonging to the local community. Among these, the *Kunstmuseum* of Basilea is distinguished for the value of the works of art, considering that it is actually hosting the biggest and most important public collection of the Switzerland.

In Italy, only in 2001 with the article 3 of the Law n.29 of the 23rd of February has been introduced the *Piano per l'arte contemporanea* (from now on PAC). The adoptive ministerial decree has been issued then the 24th of April 2004 and in its important premise contains a sort of admission of guilt:

‘In the Italian cultural scenario, contemporary art has a marginal role from a qualitative and quantitative point of view. This lack, particularly evident in state museums, has burdened negatively on the knowledge of modern and contemporary art, on the promotion of creativity as well as on the development of a modern system of art. For that purpose is necessary the presence of purchasers and public commissioner acting selectively and regularly’.

The PAC is therefore issued for the fulfillment of a double objective: to launch a strategy of implementation of state collections of contemporary art and to begin a wider cooperation between the Ministry for the cultural goods and

activities (from now on MiBAC), the Regions, the autonomous Provinces and Local institutions as regard contemporary art (*Patto per l'arte contemporanea*). Objects of the PAC are works of art made by living artists or at least in the last 50 years, including creations of photographs and industrial design, drawings and architecture's models with a cultural interest justifying their purchase.

The annual expense allocated for the actuation of this PAC starting from 2002 is about € 5.164.569 a year, reduced by law to € 3.164.569 in 2005. This amount is divided among some main lines of interventions:

- acquisitions
- commissioned works
- competitions and prizes that involve the purchase of the works winner
- preparatory activities for the management

This allocation is partly established in the PAC in itself: it is stated that not less than the 60% of this amount should be used concretely for the acquisition of works of art. This would mean that currently the state is spending yearly at least 1.898.741 € for the acquisition of works of art. This figure is in itself quite modest if we compare it with the auction prices of the so-called top artists of our times like Damien Hirst or Maurizio Cattelan. Obviously, the great art is not represented exclusively by these big names and the majority of artists' works cost definitely not as much of them. Nevertheless, it is doubtless paradoxical thinking that the State could buy one piece of these important artists using the amount equal to three years of funds and some collectors just drawing a check. Despite this quite provocative comparison, the situation is even worse according to what Monica Pignatti Morano, responsible for the sector Architecture and Contemporary art of the MiBAC, stated when interviewed on the functioning of the PAC. She underlined that in all these eight years of existence, this amount has always been reduced considerably because of the narrowness of resources dedicated to art and culture in general and that the total figure has never been respected and allocated. Moreover, the great majority of the funds destined to the collections has been used almost

exclusively to acquire works of art for the MAXXI and the National Gallery of Modern Art in Rome.

In order to integrate the funds allocated by the central government to acquire public collections, some regions are creating regional funds like the ones established in France. At the moment, just the region Piedmont has created the FRAC, *Fondo Regionale Arte Contemporanea* in 2007. The annual budget of it consists of 150.000 € that the Region allocates to acquire works of young emergent artists, selected during *Artissima* by a Committee of three renowned curators.

1.3. Slowness and rigidity of the State to follow the new trends

It was the distant 1987 when Kristof Pomian stated that ‘the relation between the two poles [public and private] is characterized by a permanent tension between some sort of conservatism on one hand and an attempt of innovation from the other hand’. Because of this different approach then, ‘it is understood the importance of private collections, that not only hold objects neglected by public contemporary collections, but also translate more rapidly the changes in tastes and historical interests’ (Pomian 1987:86).

This apparent disconnection between art and public is partly justified by the fact that, differently from private collectors, the mechanism of acquisition of works of art for the State is quite bureaucratic and muddled. This slowness is in fact hardly compatible with the dynamism and velocity of the contemporary art market. More generically, it could be said that this gap is actually a defect of the system museum-contemporary: ‘the historicization in real time of art in a modality simultaneous to its creation, resets the critical distance necessary to legitimate the entrance in a museum’ (Polveroni 2007: 74). Investing in art is instead betting, attributing a judgment and a value to a work of art before time and history would do it: this means sometimes risk and courage. Moreover, the product of this market in itself, considering its emotional and subjective value,

is 'a product whose nature is ambiguous and interbred and whose evaluation can differ highly considering the role or the aesthetical knowledge of the evaluator' (Trimarchi in AA.VV. 2004:25).

In addition to the peculiar characteristics of the product 'work of art', the specificities of the market of contemporary art make more complicated the exchanges between participants. Four main characteristics are identified by Trimarchi for the specific art market (see Trimarchi in AA.VV. 2004:26):

- Expansion: considering that the borders of culture and what is conceived as art are continuously changing, the markets where these particular goods are traded are subject to constant changes. The street art, for example, was not conceived as art before the great success of artists like Jean Michel Basquiat: now instead this kind of creation is acknowledged as art officially by the public as well as the market.
- Stratification: the works of art are not traded just in a single official market, but there are different scenarios that coexist for their exchanges. These kind of goods can be traded for example in private galleries, fairs or by the artists directly to institutional museums.
- Imprecision: the multiplicity of all these markets and their diverse relations imply a high level of confusion among operators and artists in the economic and financial evaluation of these kind of goods. This imprecision is worsen by the high informative asymmetry among participants to these markets and the great relevance of information in determining the economic value of art goods. Because of this high asymmetry, the purchase of a work of art implies high transaction costs due to the necessary reference to conventional experts like critics and art historians.

- Democratization: the greater diffusion of well-being in our society and the growing of artistic knowledge are favoring a wider participation to these markets of people that were excluded before. This greater acceptance of contemporary art characterizing the last decade has been partly opposed previously by the great cultural offer related to the past characterizing our country.

Synthetically, it could be said that the price of a work of art depends on nine variables that have to be considered, identified by Alberto Fiz:

1. the quality of the work of art;
2. the degree of commercialization and pleasantness;
3. the economic power and importance of the art dealer;
4. the referential critic;
5. the National and International diffusion;
6. the publications and the curriculum of past exhibitions;
7. the advertising investments;
8. the collectors;
9. the role of museums and public institutions;(Fiz 1995:13).

The specificities of the product 'work of art' and of the art market explained up to now, obviously conflict with the rigid mechanisms and tools established by the state for the purchase of art. An exemplification of this rigidity are the dispositions contained in the Ministerial Decree of the 24th of April 2004 '*Adozione del Piano per l'arte contemporanea*', well expressing this apparent irreconcilability. One of the more controversial and difficult rule to be applied is that 'museums and beneficiaries of the fund are asked to define previously their policy of acquisition of contemporary art'. Obviously, it is extremely difficult to define previously the frontiers of something that is about to happen and ever changing like contemporary art, especially if the proposals are formulated by the superintendence and local institutes of the Ministry.

Moreover, the proposal has to be formulated presenting a very detailed and precise card including: indications regarding the motivation for the purchase, the consistency with the acquisition policy, the importance of the works in the artist's production. It is also asked an accurate economic assessment carried out considering the current quotations of the artist and of other 'similar artists', the possibilities of rebate, the eventual urgency. This proposal is then analyzed by a Committee that expresses an opinion considering the priorities, motivations for the purchase and consistency with the policy of acquisition established. It is therefore evident, after having analyzed all these rules, the slowness and rigidity of the process of acquisition of works of art established by the Ministry. This rigidity obviously collides with the 'market of works of art [...] very vivacious and that presents some trends not very predictable, because subject to irregular fluctuations generated by the influence of subjective and unrepeatable' (Trimarchi in AA.VV. 200: 29).

2. On collectors and collecting in general

The specific problems and issues affecting the contemporary art world in Italy have been explored so far, focusing on the inadequate mechanisms provided by the State that make this particular art sector at the mercy of other institutions and actors. One of the main actors of this scenario are therefore private collectors, whose relevance and importance is growing and whose role should be fostered in order to integrate the defective cultural policy. Before getting into depth in the tools offered by the State to involve them, it would be useful trying to analyze the typical profile of these actors from a more theoretical point of view, defining also the object of their interest that is to say the collection.

2.1. The collection

Krystof Pomian, one of the most important scholars of the phenomenon 'collecting' in general, defines a collection as:

'every whole of natural or artificial objects, temporarily or definitely kept outside from economical activities, subject of a special protection in a place specifically dedicated to this purpose and exposed to the public fruition' (Pomian 1987).

Differently from useful objects, collectible items are for Pomian 'semiophore', that means that they have a strong symbolic content and perform the 'role of intermediaries between the present and the future, the spectator and an invisible world spread by myths, tales, stories' (Pomian 1987: 36). This relation obviously implies that if the value of normal objects is linked to their utility, the semiophore reveals its value only if exposed to the public gaze.

Therefore, it can be said doubtless that the objects belonging to a collection or preserved in a museum, 'have an exchange value without having a use value' (Pomian 1987: 42). This exchange value, apart from being definitely linked with the aesthetical esteem of works of art, is doubtless tied to the social significance attributed to these kind of goods. The anthropologist Mary Douglas and the economist Isherwood define this social significance as 'marking' conferred by the ownership of these pieces of art. In the past in fact, precise systems of social identification were recognized like ethnic groups, families, religions, social classes. Nowadays instead, the two scholars argue that the individual very often defines himself through the possess of goods and symbolic objects. These symbolic goods, like the works of art in the specific case analyzed, become 'the thin yarns of a veil camouflaging the social relations underneath' (Insherwood and Douglas in Molfino: 1997).

Interesting also to notice that the collectible items are not necessarily semiophore from the beginning of their life, but they can become it following a historical/sociological process. This process has been defined by Susan Pearce, professor of Museological Studies at the University of Leicester and

author of one of the reference book on the topic named 'On collecting'. The sequence that for Pearce the majority of collectible items cross before being preserved in a museum is: consumer goods, waste/collection, enduring good protected in a museum. This process, attesting and creating the value of collectible items as well as works of art, is determined by different agents like the art market, critics, artists, collectors and other gate keepers.

2.2. The collector

In her reference book, Susan Pearce defines three different modalities of collecting:

- Souvenir: the individual creates some sort of 'romanticisation' of his personal history selecting objects in order to create a collection that can also be defined an autobiography of objects;
- Fetishistic: the role of the objects is predominant and the collector responds to an obsessive impulse gathering the bigger number possible of objects without a precise order or idea;
- Systematic: a precise and likely intellectual logic is followed and the principal aim is gathering an entire sets of goods, testing the attainment of the result that can be also the economic profit.

The figure of the collector is always described and analyzed as in the balance between these three modalities, between the two poles of the obsessive and romantic passion for the art and the prudent investment for the sake of economic profit. Nevertheless, one of the most recurrent motivation under the phenomenon of collecting is doubtless the search for prestige, the need for legitimation and for 'the mobility of cultural interests, in opposition to the despicability of businesses' (Molfino 1997:151). As Susan Pearce states:

'It is absolutely clear that pictures have the power to transform money earned in business into nobility. Business men have always been able to gain an halo of refinement showing their taste in the purchase of works

of art and their magnificence in the donations to citizens. This was true for the Medici, [...] as it has been true for the big collectors of the XIX century like Rockefeller and Guggenheim and it is still true today for the Saatchi and Sainsbury' (Pearce 1995:233).

Therefore, independently from the real personal reasons at the base of collecting, this particular passion can be seen as 'positive dedication, blessed obsession' (Belk 1995) because it has always contributed to the creation of public knowledge and legacy. This is because the vast majority of collections preserved nowadays in museums derives from the donations of private collectors or art lovers. Krystof Pomian in fact, identifies four different models of the formation and creation of public museum, explained following:

1. Traditional: an important cultural institution, carrying out its activities, host a collection enjoyed by the public. Examples of this model are the majority of churches, the *Uffizi* and the Vatican;
2. Revolutionary: museums originated by a decree and containing works of various kind confiscated by the State to the legitimate owners and placed in a building that has no relation with the works of art. This category of museums, typical of countries that have lived a revolution or a foreign conquest, includes for example the Louvre or the *Gallerie dell'Accademia* in Venice;
3. Evergetic: the name of this model derives from an ancient term indicating the benefactor of the city. The nucleus of these museums in fact is the collections left by private donors to an educational or religious institution of the town or state for public access. The majority of these museums have been formed rather recently and predominantly between the XIX and XX century thanks to the donations of industrialists, traders and financiers. These business men in fact, enriched thanks to the economic expansion, dedicated part of their times and money to the creation of art collections. While in Europe this kind of museums initially combines to the role of big national

museums, in the US they have no competition: examples are the Metropolitan, the MOMA and the National Gallery of Washington;

4. Commercial: museums constituted thanks to the purchase of precise works of art or entire collections designated to be part of it. The first example is the *Galleria d'arte moderna* in Venice, formed thanks to the acquisition of art works from the International Biennials. Another important example is also the British Museum.

Important also to underline that this classification is not strict and static: independently from its origin, a museum develops receiving donations, acquiring objects, sometime with money given by donors, some others with allocations from the state or local institutions.

Generally however, the role of the collectors, could be summarized in two important activities and tasks. The first is the creation of public museums since as it can be easily proved just reading the captions of all the most important museums in the world, the result of centuries of private collecting is the presence of all the most important masters of art no longer in private collections but in public museums, where the fruition is allowed to everybody. Secondly, the collector contributes also to the development and valorization of contemporary art through the fostering and sustain to the activities of artists and their creation. Through this symbiotic process of selection, the collector 'has created and represented changes of culture and mentality' (Molfino 1997:14). Promoting and sustaining artists, acquiring their works and very often allowing the public fruition of them, the collectors throughout the ages has allowed the enrichment of the art in itself, 'assuring the enjoyment of the great art to the next generations all over the world and not only in private enclave' (Perosa in Mamoli Zorzi 2001:253). The double role of collectors can be defined as donor and activator of the art of their period and this role is still valid nowadays and this is the reason why motivating collectors with incentives and recognition is or at least should be crucial for museums.

3. Tools for the implementation of art collecting thanks to private actors or public mechanisms

As underlined formerly, the Italian government dedicates insufficient funds and efforts for the accumulation of a public contemporary collection. Considering this deficiency, it would be clever then trying to foster all the mechanisms that promote the role of private individuals as well as companies in this important objective. As it will be underlined in the next paragraphs, currently some mechanisms have been already introduced by the Italian government, even though the majority of them are widely unused. The correct application of these tools instead will be incredibly useful to integrate the inadequate policy and economic sustain of the direct financing.

3.1. Legge del Due per Cento

One of the first and most interesting law in Italy promoting the creation of a public collection of art is the so called '*Legge del 2%*', instituted formally under the name '*Legge 29 luglio 1949, n. 717 - Norme per l'arte negli edifici pubblici*'. The basic principle instituted by this law in 1942 is the following:

'The Central administration, even if autonomous as well as Regions, Provinces and Municipalities that create new buildings or reconstruct those destroyed by the war, must assign to the embellishment through works of art of those buildings an amount not inferior to the 2% of the total expense expected for the project' (Law n.717 29th of July 1949).

This two per cent can be used either for the creation of site specific art works or for the purchase of 'mobile art works of painting or sculpture that integrate the decoration of the interior'. Notice that the rule issued in 1942 was not valid at the beginning for the constructions and reconstructions of buildings intended for industrial use or public housing. The choice of the artists should take place through a public competition arranged by a Commission composed

by a representative of the administration paying for the building, the designer, the superintendent and two notorious artists named by the public administration.

Some changes to this procedure have been introduced by the law 352/97, but its accomplishment has been thrown again and implemented thanks to a Decree of the Minister of Infrastructure called '*Linee Guida per l'applicazione della legge 29.7.1949 n.717 - Arte negli edifici pubblici*' approved the 23rd of March 2006. This decree introduces three main modifications: the first is the extension of the prescription to restoration works as well as building and urban renovations. Moreover, the decree states that art in public buildings is a matter of concurrent legislative power according to the modified article 117 of the Constitution, therefore Regions are asked to legislate on that matter. In addition, it is established a sanction in case of non-fulfillment of the law: the unsuccessful test or the payment to the appropriate Superintendence of the amount planned increased till the 5%. Important to notice that the ratio of this law was certainly to foster the improvement of public buildings thanks to art, but it was conceived originally also to be a tool for the support of contemporary creation and to 'soothe unemployment among artists' (Circular letter of the Minister of Public Buildings 9th of February 1935).

Nevertheless, the fulfillment of this important rule that would have helped enormously the State to create a public collection of contemporary art and foster the activity of artists is minimum at the moment. After the '49 this law produced some results, but in the majority of cases these were 'low quality works of art included in architectures not very memorable and using the method of insertion' (Orlandi in IBC:23). An important study and census on that implementation, that can be considered a reference point, is the one started in 2003 by the Region Emilia Romagna called '*Il per cento per l'arte in Emilia Romagna*'. According to that analysis, the law 717/49 has been applied to a moderate extent till 1975 in schools of every grade, sport centers and hospitals involving mainly local artists. Then, it is verified a decrease and a resumption in

the 90's specifically in police stations and penitentiaries. On the whole, in 67 years of existence, the law has been applied in the Region in 158 cases of which 149 realized, that is to say less than three times per year. In all these cases moreover, the application of the law is restricted to the insertion of works of art after the planning and without any relation with the architecture or to the purchase of works of art as furnishings. This wrong interpretation of the law happened despite it requires in the project at least the summary indication of the works of art to be realized and their style. Sometimes moreover, this lack of a relation between the art and architecture is so evident that it occurs the effect of non-involvement that the notorious architect Norman Foster called 'lipstick on the face of a gorilla'. In order to realize the precious symbiosis between art and architecture that really improves the aesthetic value of a building, the planning should be integrated and the art works shouldn't be conceived as part of the street furniture.

So far, the first Italian project implemented in this direction is the *Stazioni dell'Arte of Metronapoli*, promoted by the Municipality of Naples and artistically supervised by Achille Bonito Oliva. In this case in fact, important architects like Mendini and Aulenti have been asked to work in accordance with artists selected by the renowned critic since the early stages of development. Thank to this collaboration '[T]his art is not simple furnishings or comment to the architecture, but a structure interacting with it, born with it' (Oliva in *The underground of Naples* 2001:50). This important example of interaction between art and architecture however is not representative of the application of the law analyzed. Giovanna Torcia, responsible of the press office and public relations of metropolitan di Napoli S.p.A., explained us in a interview that the expense for the works of art in fact was about the 0,5% of the total and these costs were considered as furnishings and finish of the underground stations.

This law presented can be considered definitely an important even though misused tool that the State can exploit for the creation of a collection of contemporary public art. Moreover, it could also help the requalification of

urban spaces as well helping the process of turning the non-place of our peripheries into social spaces through art. As the famous art historian Argan stated: 'the integration of arts constitutes a vital need of modern artistic culture and its development toward a greater social functionality of art' (Argan in IBC:86)

Far from the exclusive and elite halo characterizing some spaces dedicated to contemporary art, daily and without emphasis and celebration, this opportunity can help people to familiarize with different artistic languages that they wouldn't know otherwise. According to recent researches led in Italy in 2008 by the I.S.P.O. (Institute for the study on public opinion) in fact, the 44% of the population interviewed considers contemporary art as a sector for connoisseurs and the 60% of the champion has never visited exhibitions, fairs or galleries in the last six months. In order to reach this result and considering that one of the prerogative underneath this law is the qualification and improvement of social spaces through public art, it would be important to involve the community in the process of selection of works of art to be realized in their territory. The project '*Nuovi Committenti*', imported from France by the *Fondazione Adriano Olivetti* in 2000, could be considered in Italy an example of this involvement. It is based on the interaction between three characters: the mediator, the clients and the artist. Initially, the mediator, an expert chosen by the *Fondazione Olivetti*, identifies the clients that are usually groups of citizens, students or local institutions and help them to detect their needs in terms of artistic expression and interest. The mediator then individuates and present an artist to the clients and if everyone agrees the realization of the works of art begins, always supervised by the mediator.

In spite of the integrations and improvements that the *Legge del Due Per Cento* requires, it is certainly an important tool and Italy had been the forerunner and first country adopting a 'Percent for art' policy. Only after the Second World War in fact, a lot of countries have issued similar instrument like France, Germany and the US and nowadays this rule is issued in the majority of European countries and in the USA. Important to notice that the American

experience is particularly developed and has even led to the creation of private companies like Architecture & Art Company selecting the works of art or artists to be involved in the construction of the building planned. This process is possible because differently from Italy, the planning of the works of art is made through a direct entrustment to agencies that individuate the artists. Obviously, this can streamline the procedures and the process of selection of artists as well as planning and creations of the works of art, because these phases are not subject to public bureaucracy and control. In the case of public realization instead, this direct entrustment is not allowed and a greater regulation and openness is needed in order to assure fair opportunity to every artist who wants to be involved.

In order to clarify the controversial issues and questions linked to that matter, Claudia Collina has been interviewed, responsible of the Project in Emilia Romagna and curator of the volume *'Il Percento per l'arte'*. She stated that obviously one of the main lack of the law that has caused its misuse, is the noncompliance of the sanctions established. This was due to the absence of a control body and in fact, the project of law that the Region has prepared at the moment imagines the creation of a Monitoring Commission controlling the implementation of the law through all the process. In some cases in fact, these funds, even though set aside in the planning process, are then used for other purposes because of the continuing narrowness of resources. For example, she cited the emblematic case of a primary school where the funds for the works of art have been set aside in the planning phase. After the construction of the building however, the school used this money for the purchase of a ceramics oven and the maintenance of the garden. In honor of the law although, they asked children to realize a bas-relief representing a beautiful garden with bees like the one maintained with the money destined to works of art. Another important aspect of the law that in the opinion of Dr. Collina has to be reformed is the selection of the artists to be included in the Commission. Currently, they should be 'two artists of renowned reputation', but obviously this judgment is

subject to relative interpretations and parochialism. For that reasons, the project of regional law hopes for the creation of a regional list identifying experts in art history and review, architecture and visual art to be included in the judging Commission. The relevance of the Regions ratified by the recognition of the concurrent power of that matter, is also in the opinion of the interviewee an important improvement in the implementation of the law. This recognition in fact will assure greater autonomy and flexibility to Regions and also a greater control and coercion in case of non fulfillment. Crucial for the social value of these interventions of public art is also according to Claudia Collina the participation of the community to the process and the mediation and explanation of these works of art, especially if contemporary. The involvement of the public fosters in fact the development of a sense of belonging, sharing and identification in these kind of art that is not perceived in that way as extraneous body colliding with the social spaces. A reference example in this direction could be the application of the law in France that provides for the presence in the judging commission of a 'final user' of the building that has to be decorated.

3.2. Law n. 512 of the 1982 - Legge Guttuso

The law 512/1982 known as *Legge Guttuso* or *Legge sulla dazione* states that the debt with the tax office can be paid with the donation of a particular kind of goods: works of art or other goods of cultural value. More into depth, all the goods that can be used in order to pay taxes are listed in the articles 1,2 and 5 of the Law n. 1089 of the 1939 and are essentially: 'mobile goods and real estates of artistic, historical, archeological interest'. Normally, all the taxes and debts should be covered with money; nevertheless, the article number 1197 of the Civil Code states that an obligation can be covered with a different performance of the same or higher value of the one owed, but only if the creditor agrees. This tool is called *datio in solutum*. Different kind of taxes can

be paid thanks to this tool: from IRPEF to IVA, until the tax on inheritance and donation. In order to do so, a request should be presented to the MiBAC asking to accomplish to the debt donating to the State goods of cultural interest: this request doesn't suspend the debt. The Ministry replies with a decree expressing its interest regarding the exchange and evaluate the economic value of the piece of art. If the contributor agrees on the condition established by the Ministry, the cultural good is delivered to the Treasury and the debt is settled.

Important to notice that the idea beneath this law is not to introduce a different kind of payment in order to help contributors to cover their debts. It is conceived to be instead as a way to prevent collectors and art lovers from dispelling or undersell their treasures in order to pay taxes and grant the protection and fruition of those treasures to the public. Despite the facilitations that this law implies, in twenty seven years of existence, it has been applied not more that forty times. An emblematic example of the importance of a tool like the *Legge Guttuso* is the one happened dramatically in October 2008 in New York, but representing a situation occurring frequently all over the world as well as in Italy: the dispersion of the collection of Ileana Sonnabend. She was the historical wife of the art dealer Leo Castelli, friend of great artists like Johns, Kounellis, Koons and a point of reference for contemporary art, defined by the critic Achille Bonito Oliva as 'the greatest art dealer of the second half of the XX century'. At her death in 2008, her heirs announced the sale at auction to cover their estate taxes and in April 2009 they sold works of art for an estimated amount of 600 millions of dollars, breaking up their mother collection. This example is indicative of the importance of mechanisms of promotion and sustain to private collectors: the death of Ileana Sonnabend as well as others could have been an important opportunity for the State to preserve and acquire such a precious collection instead of dispelling it all over the world. Going back in time in Italy, a similar case happened at the death of the lawyer Rino Valdemari, that in 1942 boasted an exceptional

collection of more than 450 works from the Italian masters from Modigliani to Morandi. The collection after his death scattered and all these works were acquired separately by other private owners. Unfortunately, the lack of specific laws and the not far-seeing approach of the State made this happen.

3.3. Corporate collections

The last twenty years are characterized by the widening of the range of opportunities and modalities of intervention of privates in the cultural scenario. From sponsoring of restoration works or artistic events, scholarships to universities, partnership and coproduction: all these tools have allowed an approach and a connection between two worlds that appeared so distant before. One of the expressions of this union are the corporate collections, that is to say art collection gathered by companies or entrepreneur and presented or open to the public under the name of the firm, distinguished from the private collecting of the individual. The modalities of creation of corporate collections identified by Cesare Annibaldi are basically four:

- the entrepreneur is a collector personally and privately;
- the entrepreneur creates the collection for the company;
- the corporate collection reflects tightly the personality and tastes of the entrepreneur;
- the collection responds to the policies and needs of the company
(Annibaldi in Bondardo 2002: 13)

Apart from the first modality, all the different approaches described are characterized by the same element: the prestige that the collection brings to the company.

The corporate collection in fact very often develops as a subtle communicative channel and marketing tool. While in the past in fact, culture was conceived

by companies as a possible form of charity, a way to use its surplus for social issues, today the situation is completely changed. Art and culture are in fact at the very centre of the process of creation of economic value since the process of consumption in itself is radically modified. Having satisfied the logic of the need of goods and services for survival, the process of purchase is currently a sort of process of construction of personal identity through the acquisition of the belonging to a certain community. The added value of the majority of products then 'doesn't lie in the physical characteristics of the goods, [...] but in the capacity to transfer to the individual the identity surplus' (Sacco in Bondardo 2002:23). Therefore, the central role and the unique power of art in the accumulation of this symbolic capital is clear and this is the main reason why all the most important and innovative companies are currently investing in the sector as a strategic lever. Moreover, art holds an important role as regard the so-called Corporate social responsibility (CSR) and the creation of the corporate image that should be as much innovative, creative and enterprising as possible. Vanguard contemporary art, being provocative, challenging and often not very expensive, is the key to the creation of this corporate image. Furthermore, differently from sponsorship and grants, the corporate collection is also a form of investment, because its value usually grows through time and sometimes investing in art can be considered simply as a way to diversify the portfolio of investments of a company. Moreover, all the most important companies are also organizing prizes, contests and commissioning works to the most famous artists, working not only as important actors of the art sector, but really as market maker.

An important example in Italy of this phenomenon is the *Fondazione Teseco per l'arte*, created in 1998 by the enlighten will of Gualtiero and Maria Masini and winner of the first '*Premio Guggenheim Impresa e Cultura*' in 2000. The *Fondazione Teseco*, gathered in all these years an interesting corporate collection of contemporary art exhibited not only in the offices, showroom and conference rooms, but also in a big shed within his factory near Pisa and open

to the public. In parallel to the collection, the Foundation created a Laboratory for the art that is to say a multifunction space hosting conferences, concerts and workshops. Important to notice then, that the Foundation is working together with the most important cultural realities of the territory like the *Palazzo delle Papesse* in Siena and the *Associazione Arte Continua* of San Gimignano. The example discussed so far perfectly shows how companies are changing radically their approach to the cultural world: is not just only a matter of sponsors and grants. Companies are starting to consider art and culture as an important tool for their marketing and communication activities as well as an inspiration and source of ideas and suggestions for their research and development processes. The most innovative and cutting edge companies now are 'abandoning the passive and narrow role of the enthusiastic, uncritical and occasional sustainer, transforming themselves in co-designer and conscious facilitator' (De Luca and Trimarchi in AA.VV. 2004:18). Obviously, the capacity to develop important partnership with these new actors and foster this relation is crucial as well as necessary for the cultural world nowadays.

3.4. Banking Foundations

The banking foundations are 'no-profit legal entities, endowed of full managerial and statute autonomy' (article 2, D. lgs. 153/1999 enforcement of the so called *Legge Ciampi*), holding qualified participations in companies operating in the credit sector. These institutions are obliged by law to pursue exclusively aims of social utility and economic development established in their statutes and limited to twenty sectors like: scientific research, instruction, art, health etc. The banking foundations distributed yearly an amount esteemed at one billion and a half euro totally: in the last six years the grants increased on average the 8% for year. Among the twenty sectors recognized by the D. lgs. 153/1999, the first sector for grants received is 'Art, cultural goods and activities' with a quota of the 30,6% on the total and a

global amount equal to about 525 millions euro (ACRI 2007). Specifically, the main activities funded in the artistic and cultural sector are specified in the chart 1.

Activities	Percentage
Preservation and restoration	95%
Exhibitions and shows	75%
Management and promotion of museums	45%
Studies and documentation on art	40%
Acquisitions	33%
Artistica education and comunication	22%
Libraries and archives	19%
Scholarships, prizes and competitions	15%

Chart 1 - Activities funded by banking foundations in the cultural and artistic sector, *Il giornale dell'arte* - September 2008

As it is underlined in the graph, one of the principal activity of these institutions is the acquisition of works of art for their corporate collections or donations to public museums. This phenomenon is incredibly expanding and at the moment, almost all the most important banking foundations nationally and internationally boast important collections of ancient, modern and contemporary art, very often open to the public. Some of the most important banking collections collaborating and loaning artworks to the most important museums in the world are for example those of Deutsche Bank, UBS, La Caixa, De Nederlandsche Bank, ABN AMRO. In Italy for example as regarding contemporary art, two foundations must be cited:

- Fondazione CRT: born in 1991 from the privatization of the *Cassa di Risparmio di Torino*, the Fondazione CRT has always worked for the promotion of culture in Piedmont and Aosta Valley, being a fundamental

partner for the creation of the museum of the Rivoli Castle. In 2000, a specific body called *Fondazione CRT per l'arte moderna e contemporanea* has been created whose main project is participating to the 'enrichment and valorization of the cultural and artistic heritage of Turin and Piedmont', especially acquiring works for the permanent collections of the *Castello di Rivoli* and the GAM of Turin. From 2000 to 2008, the Foundation acquired more than 240 works and 350 photography for a total investment of more than 25 million euro, which means about 3,1 million yearly equal to the amount of the funds allocated for the PAC. All the works belonging to the collections are also exhibited in a sort of virtual museum in the website of the Foundation explained in details thanks to explicative cards and focus.

- Unidea - Unicredit Foundation: this banking holding boasts at the moment one of the richest European collection with about 60.000 artworks from Mesopotamia's finds to Christo's creations. Within such conspicuous collection, great attention is reserved to contemporary art thanks to a precise and accurate policy of acquisitions. The valorization of these art works also happens thanks to numerous bailment and loans to international cultural institutions, more than 200 in just one year. Moreover, the Foundation participates to projects with some partner museums like MAMBO, MART and *Galleria Borghese* and Foundations of the Banks of the group. A selection of the artworks gathered in the collection is also presented on the website of Unidea, sometimes arranged in thematic exhibitions and explained in details thanks to explicative cards and focus. Important then to underline one of the last project of the Foundation called *Committenze Contemporanee*, created in 2007 in collaboration with *Galleria Borghese* and the PARC, whose last part has been realized by the Belgian artist Hans Op de Beeck. An artist is asked to realize a work that could dialogue and reinterpret the works of a Master like Raphael or Correggio, exposed at the Galleria Borghese in a big annual exhibitions.

4. The unique experience of Palazzo Grassi S.p.A.

After the presentation of some of the tools that public institutions have to acquire public collections or to develop important relations, it will be presented one of the most important and exemplary case of partnership between public and private in the management of culture: Palazzo Grassi S.p.a. This case is considered as particularly interesting because is one of the few example in Italy of a cultural institution run as a S.p.a., but partly participated by a Municipality that has an important role in the definition of its activities. For study purposes, the analysis will focus just on Palazzo Grassi, introducing briefly in the end the recent and interesting experience of Punta della Dogana.

4.1. The story of Palazzo Grassi

The importance of Palazzo Grassi-Stucky has its root in the very past and the ancient building is deeply connected with the local culture and community considering also its strategic and central position. Despite the many uses and modifications brought by the many owners alternating in the long history, the Venetians have always felt a deep attachment and bond with the building. Confirmation of this bond are the infinite stories and legends referring to Palazzo Grassi that you can hear just asking to the few 'original' venetians you can meet on the lanes. Moreover, confirmation of this bond are the important protests and clamor aroused with every news referring to it or to the many transfers of ownership. Following, the story of Palazzo Grassi will be presented briefly starting from its construction in the 18th century to the acquisition by François Pinault.

4.1.1. From the construction to the FIAT administration

The project for Palazzo Grassi, one of the most important on the Grand Canal in Venice, dates back to the second half of the 18th century by Giorgio Massari. This building was ordered to the well know architect by the family Grassi from Chioggia and the construction works ended probably in the 1772. With the decay of the family, the building changed its use frequently according to the different owners and periods: from Antonio Poggi, Józsej Agost Schöffft, Giovanni Stucky and Vittorio Cini till 1949. At the beginning of the 50's, the building was then acquired by the SNIA Viscosa that implemented important restructuring works like the covering of the courtyard and the substitution of the old paving made of Istria stones with inlayed and smoothed marbles. The company transformed Palazzo Grassi into an international Centre for art and costume, using the building as an important window for the company's activities.

In 1983 then, the FIAT Group acquired Palazzo Grassi thanks to the creation of the homonym S.p.A. and the notorious architect Gae Aulenti was appointed for the renovation which was one of the most important in the story of the building. In twenty-two years of FIAT administration, Palazzo Grassi became one of the most prestigious exhibitions' space in Europe, maintaining a balance between exhibitions of the art of ancient cultures (the Maya, Etruscan, Egyptian, the Celtic) as well as the works of individual artists and thematic exhibitions exploring various periods in art history. The first show, dedicated to Futurism and inaugurated in 1986, gathered 321.153 visitors in 163 days, while the best result in terms of public for the institution as well as record of that time was reached for the exhibition dedicated to Pharaohs: 619.478 visitors in 297 days. The success of Palazzo Grassi and its exhibitions was probably linked to a different approach to setting: more popular and direct, with clear paths and explanations comprehensible even by the not so cultivated visitors. Thanks to these suggestive and expensive settings realized by important architects (suffice is to remind that realized by Gae Aulenti for the Phoenicians), Palazzo

Grassi managed every time to renew its identity, presenting himself like a stage more than a static and aseptic exhibition space.

At the beginning of the new century then, the automobile sector went through an important productive and financial crisis and the FIAT Group was one of the most affected in the world. The production collapsed with peaks reaching the 13% yearly, the FIAT shares lost dramatically in the Stock Exchange and in the two year period 2000/2001 the Group accumulated losses for two billion euro. Therefore, in order to face the heavy debts, the company started to make over all the activities not directly connected to the core business like the *Toro Assicurazioni* and *Fiat Avio* and already in 2002 the first rumors regarding the possible handover of Palazzo Grassi started to circulate. After the death of the advocate Gianni Agnelli and the increasing economical difficulties that the company was facing, in 2003 the FIAT Group decided to make over Palazzo Grassi. The last exhibition dedicated to Dalì, closed with an honorable result: 237.000 visitors for a daily average close to 2.000 (1.917).

4.1.2. From Angelo Terruzzi to François Pinault

Since the news of the handover, the affaire Palazzo Grassi heightened the attention of national and international media, causing important polemics and institutional strife. Since the very beginning however, one thing has always been sought by the venetian institutions as well as by the FIAT Group: Palazzo Grassi should have to remain an important exhibition space. The fear regarding the possible transformation of it into a luxury hotel fortunately was even warded off by the destination of use of the building, so that the Municipality was even ready to block possible speculations, enacting more restrictive laws as regard to it. Fortunately, the complex and delicate negotiations for the handover didn't last too long and arrived to a turning point in January 2005,

when the Fiat Group sold the entire capital of Palazzo Grassi S.p.A. to the Casino of Venice, controlled by the Municipality of Venice, for the incredible amount of 28 million and 900 thousands euro. The agreement scheduled an immediate sale of the 51% of the S.p.A. controlling Palazzo Grassi and the acquisition of the remaining 49% within eighteen months. The Casino was then supposed to pay immediately four million euro and gather the remaining capital thanks to bank loans and diverse partnerships. Two companies expressed their interest to participate in the business respectively for the 5% and the 3%, Skirà and Arteria, but the majority of the private capital was supposed to be acquired by a single investor.

In this period of transition, some major investors expressed their interest for Palazzo Grassi as the *Fondazione Venezia*, the Biennal, but probably the one who more concretely tried to acquire the building was the entrepreneur Guido Angelo Terruzzi. Famous for being the 'king of nickel' and owner of a collection of art appraised of about 500 millions euro, he signed the 18th of February 2005 a preliminary contract assuring the 95% of Palazzo Grassi S.p.A. for a total amount of 28 millions. This contract stated that the entrepreneur was supposed to have the exclusive use of part of the main and last floor of the building to display his collection of eighteenth century's paintings. The remaining part of the building instead was at the disposal of the Casino, managing big exhibitions organized by the Municipality under the brand Palazzo Grassi as in the tradition of the institution. Moreover, Terruzzi was supposed to restore the little theatre just behind the building on the Grand Canal.

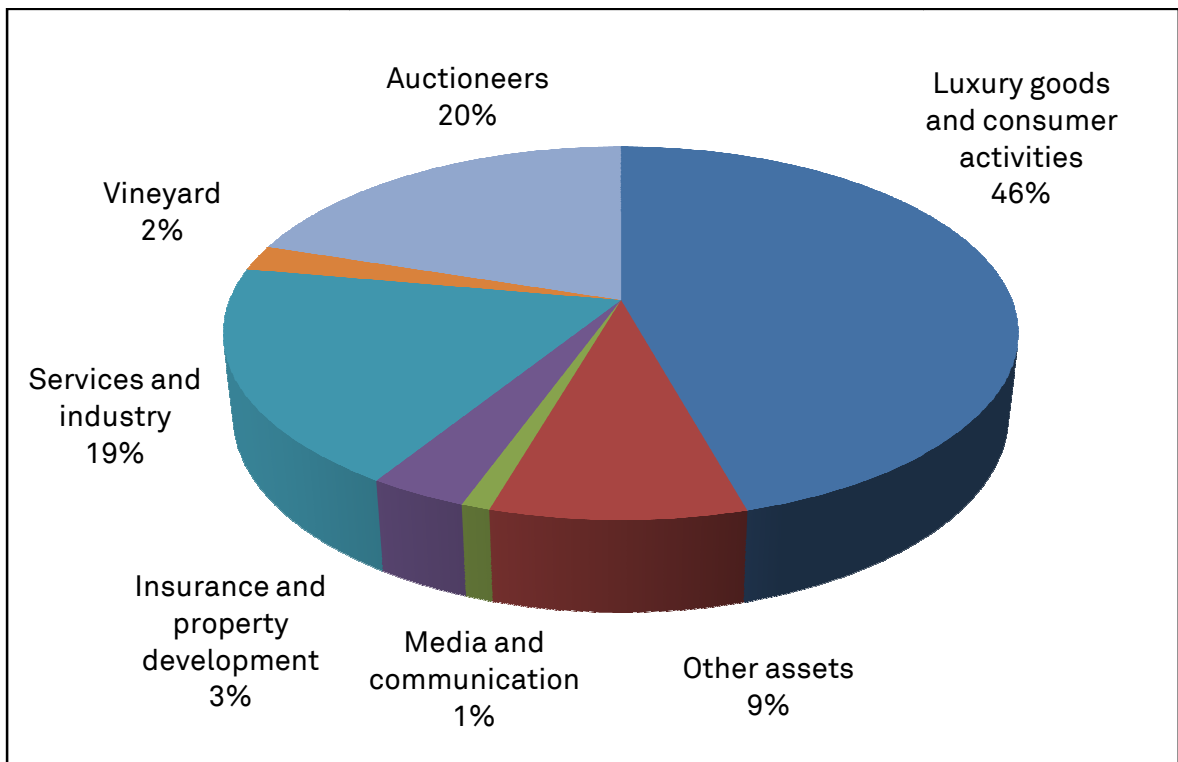
However, the condition of this preliminary contract were considered by the Municipality with a little bit of disappointment since the very beginning. The problems were basically related to the slenderness of the spaces dedicated to the big temporary exhibitions, the managing costs and the duration of the contract. The Casino was in fact supposed to pay for the current expenses of all the exhibitions, including the display of the collection Terruzzi and the cost of

the personnel, esteemed at around 1,5 million per year. Terruzzi instead had to pay 'just' for the extraordinary maintenance of the building as well as the assurance's costs for his paintings. As regarding the duration, in the contract it was established the period of 30 years, while Terruzzi asked for a commitment for life with a jointly and severally involvement of the Municipality. Moreover, in one of the clause, it was established the payment of a fine equal to the restoration costs of the theatre, if the Municipality for two years would have not organize exhibitions. The 'unfavorable' conditions of the contract led the Municipality to continue to look for another major investor and at this point another important entrepreneur showed his interest: Monsieur François Pinault.

4.1.3. François Pinault and the contract of acquisition

Born in 1936 and enriched thanks to the timber industry, François Pinault is according to Forbes 2009 World billionaires' chart the sixtieth richest man of the world. His estate is esteemed around \$ 7.6 billion and is currently linked to the fact of being the founder as well as the majority shareholder of the Group PPR (Pinault-Printemps-Redoute). This group, at the moment managed by the son François-Henri Pinault, gathers the most important luxury brands like Gucci, Yves Saint Laurent and Stella McCartney as well as companies operating in other sectors like FNAC, Conforama and Puma. Moreover, Pinault owns the magazine Le Point, a French general information magazine, L'Agefi, a French daily specialized in finance and some other big participations. All the financial participations of François Pinault are gathered into the holding Artémis, founded in 1992 and 100% property of the family Pinault (see Appendix 1). The consolidated sales of this holding in 2008 amounted to €21.179 million and the breakdown of sales divided into macro area of activities is shown in the graph one below.

Some indiscretions stated that the agreement with Pinault for Palazzo Grassi had been searched by the Major of Venice since the very beginning of the affaire. As a matter of fact, since the end of the 2004, the ‘possibility Pinault’ was introduced and discussed by the press, but then it seemed to have faded, eclipsed by other proposals.



Graph 1 -Breakdown of Artemis Group’s Portfolio in 2008

Some indiscretions stated that the agreement with Pinault for Palazzo Grassi had been searched by the Major of Venice since the very beginning of the affaire. As a matter of fact, since the end of the 2004, the ‘possibility Pinault’ was introduced and discussed by the press, but then it seemed to have faded, eclipsed by other proposals. On the contrary, few weeks just after the sign of the preliminary contract between the Municipality and the Terruzzi family, the indiscretions regarding a possible acquisition by François Pinault started to increase. The 24th of March 2005 then, replying to the request to continue the negotiations proceeded by Terruzzi, the Casino S.p.A., alleging improvise divergences linked to the duration of the contract, communicated its freedom from commitments established previously. The 2nd of April 2005 then, with a

letter to papers, the Terruzzi family, despite themselves, complied with the consensual resolution without advancing lawsuits, eclipsing from the future of Palazzo Grassi.

Some people involved in the business said that the Major was forced to accept the advantageous offer of Pinault, offer outlined in less than three days by an incredible number of lawyers and experts. Pinault in fact had just renounced to the project of 150 million euro of a new centre of contemporary art for his collection at the Renault's plants on the Île Seguin because of bureaucratic obstructionism. The delusion and bitterness related to this affair was strong as testified by Pinault himself in an interview:

‘the times of a private cultural project can't be those of a public one. The times of an entrepreneur is that of his existence, of his age, of the impatience to realize his dream; the deadlines of public administration are instead linked to procedures, inertia and delays’

Therefore, already the 15th of April, the board of directors of the Casino S.p.A. discussed the conditions of the Pinault's agreement contemporaneously with the second ballot for the election of new major of Venice. The 12th of May 2005 Pinault and the Municipality of Venice represented by the new major Massimo Cacciari signed the definitive contract for the acquisition of Palazzo Grassi. The contract is particularly complex and long, but the main conditions established can be summarized as following:

- Monsieur Pinault through Artis S.a.s. will pay immediately 30 million euro for the ownership of the 80% of Palazzo Grassi S.p.A., owner of the building. The remaining 20% will be property of the Casino, so that the Municipality in this way will still have a consultative role in the cultural and exhibitions' activity;
- the concession will last 99 years and at the end of the period, the building will become again property of the Municipality for a symbolic price of one euro;

- the first Director will be Jean Jacques Aillagon, former French minister of Culture and the board of directors will be presided by François Pinault and composed by four members: three nominated by Artis S.a.s and one indicated by the Casino;
- according to the past tradition, Palazzo Grassi will still distinguish itself for the presentation of big temporary exhibitions and the programming will develop according to three main principles: contemporary art exhibitions; modern art, monographic and thematic exhibitions and finally exhibitions on the big civilizations of the past;
- the operating expenses costs and eventual losses will be covered by Pinault for the 95% and by the Casino for the remaining 5%;
- Pinault will also restore and use for 60 years the little theatre next to Palazzo Grassi for activities established independently from the exhibitions' policy of the main seat. The *Teatrino* was conceived at first by the baron Simeone Sina as a dike allowing the direct access from the mezzanine of the building. Fenced and covered by a mobile metallic roofing in the 60's, at the moment is completely abandoned. The project realized by Pinault for the restoration of this important space near *Campo San Samuele*, foresees the creation of an auditorium integrated with Palazzo Grassi to host debates, conferences and show cases.

Therefore, as resulting from the acquisition contract and from the balance sheets, Palazzo Grassi S.p.a. is a '*società soggetta all'attività di Direzione e coordinamento da parte di Artis S.a.s.*'. This co-ordination takes place according to the article 2497 of the Civil Code (Appendix 2) and consists basically in the definition of the general policy regarding financial management, provisions of productive factors and communication. The activity exercised by the firm, its mission as resulting from the balance sheets is:

'The firm Palazzo Grassi S.p.a. deals with the promotion of cultural and artistic activities in the spaces of Palazzo Grassi through the planning, the organisation and the direct or indirect management of permanent or

temporary exhibitions of collection either private or public, exhibitions, shows, meetings, symposiums, spectacles and performances in general.

The social capital of the firm, consisting of 4.575.000 euro entirely deposited, is split between the majority shareholder Artis S.a.s. owner of 3.600.000 ordinary shares corresponding to the 80% of the capital and the *Casinò Municipale di Venezia S.p.A.* owner of 915.000 preference shares corresponding to the 20% of the capital. It is important then to underline the distinction between the two kind of shares: the ordinary shares, also known as common stocks, do not have any predetermined dividend amounts and entitles the owner to a vote in matters put before shareholders in proportion to their percentage of ownership in the company. The ordinary shareholders are also entitled to receive dividends if any are available after dividends on preferred shares are paid but however, they are last in line after bondholders and preferred shareholders for receiving business proceeds. Preferred shares or stocks instead has a higher claim on the assets and earnings than common stock: generally a dividend that must be paid out before dividends to common stockholders and the shares usually do not have voting rights. Therefore, the distinction between the two owners of the company operated thanks to the provision of two types of shares, in practice establishes the coexistence of two different systems of responsibility. The majority shareholder Artis S.a.s, in charge of the management of the institution, is loaded with greater responsibilities and is subordinate to the preferred shareholder in participation to the financial gains.

4.2. The Pinault administration of Palazzo Grassi

The restoration works for Palazzo Grassi started in November 2005 and François Pinault charged Tadao Ando for the new arrangement. Inspired by minimalism, stylistic restore of the building and reversibility of the

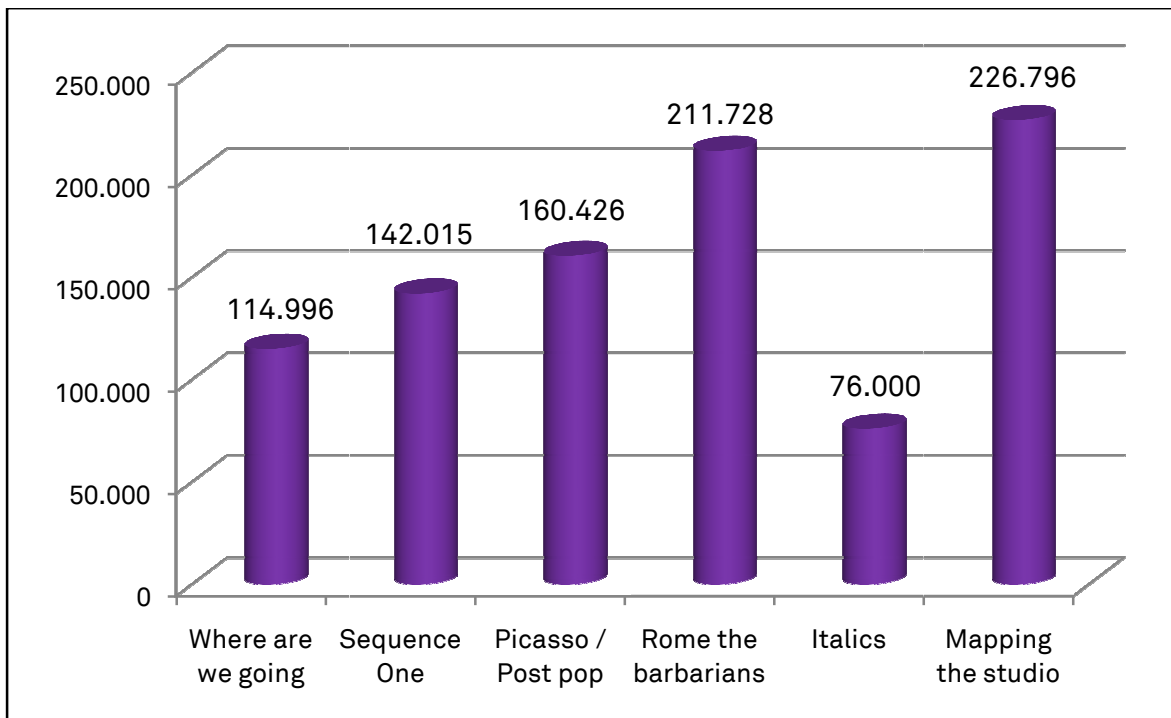
interventions, the sign of Tadao Ando is mild but evident as in the emblematic arrangement of 1.500 lights inserted in 120 aluminum for the lighting. An important attention has also be given to customers' greeting revolutionizing the cloakroom, toilettes, bookshop and the box office. To these works, lasted just five months, participated more than 120 specialists in the different fields. Some numbers: 5.000 mq of spaces renewed , 40 exhibitions rooms for a total area of 2.500 mq. The new exhibition space opened the 29th of April 2006 under the attention of national and international press, just like all the other events that have characterized these four year of management under François Pinault. Despite the brevity of the period, six important and successful exhibitions have been hosted by Palazzo Grassi so far: some of them picking works from Pinault collection, some others showing new perspective in contemporary or ancient art. Following a brief presentation of each one of these exhibitions:

1. 29/04/2006 - 01/10/2006 - 'Where are we going': this exhibition was the first preview of part of the huge collection of François Pinault. Rephrasing the famous title of the work by Gauguin, the exhibition presented some of the most important moments of the art of the last sixty years, focusing then on some contemporary artists;
2. 11/11/2006 - 11/03/2007 - 'Picasso, la joie de vivre. 1945 -1948' and 'Collection François Pinault. A selection Post Pop': these four months were characterized by the co-presence of two important exhibitions at the same time. The first one, Picasso, presented more than 200 works by the famous painter realized just after the second world war and characterized by a joyfulness and color that contrast with the well-known tragedy of Guernica. The other exhibition instead, A selection Post Pop, showed eighteen artists from the Pinault collection reinterpreting and updating the ideas of Pop art;
3. 05/05/2007 - 11/11/2007 - 'Sequence 1- Paintings and sculpture in François Pinault Collection': this exhibition, selecting sixteen artists from Pinault collection, showed how contemporary doesn't mean

necessarily the abandon of classic creative genres. These works, mainly sculptures and paintings, focus on the craft and traditional techniques in the art, even if contemporary;

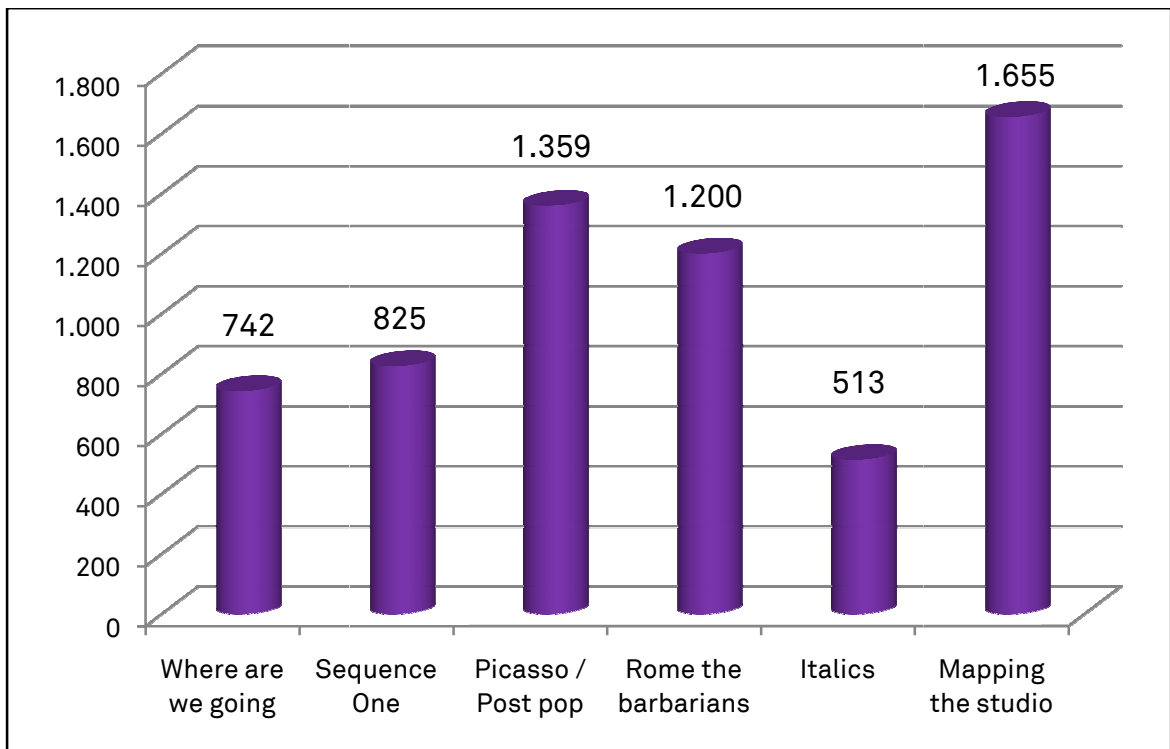
4. 26/01/2008 - 20/07/2008 - 'Rome and the barbarians. The birth of a new world': following the tradition of big historical shows, this exhibition presented more than 2.000 archeological treasures coming from museums all over the world and reflecting on contaminations. The idea underneath is in fact to underline the reciprocal influences between the Romans and the Barbarians, originating a new civility and a new perspective;
5. 27/09/2008 - 22/03/2009 - 'Italics. Italian art between tradition and revolution': presented in collaboration with the Museum of contemporary art of Chicago, this exhibition showed more than 250 works from 170 artists of the Italian art scenario between the 1968 and the 2008;
6. 06/06/2009 - now - 'Mapping the studio. Artists from François Pinault collection': presented not only in Palazzo Grassi, but also in Punta della Dogana, this double exhibition that is still running hosts 200 works from 60 artists. The works, selected by Alison M. Gingeras and Francesco Bonami within Pinault collection, focus on the particular relations between the collector and the artists sustained. All the most important artists from the collection are then gathered together, creating ideally a starting point for the future of the institution Palazzo Grassi S.p.A. that now boasts two important exhibitions' spaces in Venice.

All these exhibitions obtained a good result as regarding the audience, as it is summarized in the following graph 2. As it can be easily read from the graph, Italics is the only exhibition that performed widely under the average visitors of Palazzo Grassi, despite obtaining good results if compared with fluxes of visitors of exhibitions in Italy.



Graph 2 - Audience of the six exhibitions

Nevertheless, it should be considered the deep decrease in tourists' fluxes verified in those months of the 2008 because of the financial crisis and affecting all countries. In Venice, this important decrease registered for example a reduction of the booking of hotels equal to the 17,28 % and of the sales compared to the previous year of the 23,48%. As an average, Palazzo Grassi boasts 155.000 visitors for exhibition, but the most interesting data is the one referring to the average number of visitor per day, summarized in the following graph 3. Important to notice that all the exhibitions were included in the chart of the most visited exhibitions in Italy issued every year by *Il giornale dell'arte* and specifically for example Rome and the barbarians was the seventh in 2008 chart while Mapping the studio is at the moment the third most visited exhibition in Italy. The average number of visitors considering all the six exhibitions organized under Pinault administration is 1.059 per day, number that would include Palazzo Grassi and its exhibition within the ten most visited shows in 2008.



Graph 3 - Averages of the daily visitors of the exhibitions

Although the success of a cultural institution, can't be esteemed just analyzing the numbers of visitors, these numbers show how Palazzo Grassi probably succeeded in one of the main goals of the institution. This goal is helping a greater number of people to acquaint themselves with contemporary art and obtain a great success and popularity showing something really different from the past of the institution. One of the greater perplexity for the acquisition of François Pinault in fact, has been since the very beginning the probable complete change of cultural orientation for the institution. This perplexity can be easily summarized quoting an interview issued to the *Corriere del Veneto* the 3rd of April 2005 by Marco Goldin, main curator of the *Ca' dei Carraresi* in Treviso:

Palazzo Grassi dedicated to contemporary art would be a great change, but I strongly doubt that it would be so. If it's true that, as the major Paolo Costa said, Palazzo Grassi should remain a place hosting successful exhibitions, with a high number of visitors, the unconditional opening to contemporary art is not going in this direction.

Despite it would be impossible to present in a comprehensive way all the aspects of the management of this important institution, subsequently the most important elements that make this case exemplary and maybe successful will be investigated . In the author's opinion, the three distinguishing characteristics making this experience particularly interesting as a case study and partly results of a private management, presented and explained further on, are:

- the availability of a changeable, inestimable and rare collection of contemporary art to be shown;
- the relevance given so far to networking, communication and didactics in the implementation of the activities of the museum;
- a more managerial approach to the management of brand of the institution and its activities.

4.2.1. The Pinault collection

François Pinault is definitely at the moment one of the greatest and richest art collector in the world indicated in the 2006 and 2007 as the number one of the ArtReview 100 List and in 2009 as the sixth. He started his art collecting in the 70's:

'The first time I remember being deeply affected by a work of art was in the early 70's. During a visit to an art gallery, I found myself in front of a painting by Paul Sérusier, dated 1891, depicting an old woman from Brittany in the courtyard of a farm. I liked this painting. It touched me. [...] I took the painting home with me'

Initially, he started with the masters of the twentieth century like some works of Mondrian, then the American painters of the second after war and finally modern art like Willem de Kooning, Mark Rothko. Particularly, he boasts a precious selection of American minimalists like Robert Ryman, Donald Judd and Richard Serra, but the variety of his tastes let him appreciate and

approaching also Andy Warhol and Robert Rauschenberg. His knowledge for the art nevertheless, originated and still grows from the direct contact with artists and art works.

The results of more than thirty years of collecting is then the accumulation of an incredible collection of modern and contemporary art esteemed gathering more than 2.500 art works. This is not a museum-style collection, assembled according to systematic historical, geographical or thematic methods; it is driven only by the desire to possess the works he loves without a policy of acquisition. For this reason, some artists boast numerous pieces in his collection and recur frequently like Richard Prince, Piotr Ulanski, Takashi Murakami, Sigmar Polke, Charles Ray, Paul McCarty etc. The particular relation linking the collector with the artists is in fact also underlined in the current exhibition called Mapping the studio: the name refers to a Bruce Nauman performance consisting in a video shoot of the artist's studio during the night. The idea is showing how a collector, in this case François Pinault, thanks to his support and dedication fosters a deeper relation with the artists, promoting their activity thanks to productions and orders and entering in such an intimate and devout space as their studios. The support granted to many artists is also testified by the fact that for some of the exhibitions organized by Palazzo Grassi, Pinault asked some of them to realize site specific works. For example for Where are we going, Urs Fisher realized an installation to place on the stair, Raymond Pettibon some mural paintings and Olafur Eliasson a work placed on the façade on the Grand Canal. Mapping the studio also saw the specific realization of a sculpture of Charles Ray put on the magnificent location of Punta della Dogana and some other works specifically thought for the exhibition spaces.

Considering this continuous implementation, Pinault's collection has been defined as invisible, because it is basically preserved all over the world and no one really knows the real extent and the precise works contained. For that reason, François Pinault relies on trusted and faithful curators for the

arrangements of the exhibitions, like the young but expert chief curator of Palazzo Grassi: Alison Gingeras. Despite she is just thirty three, Alison Gingeras boast an important carrier: she has been curator at the Centre Pompidou and adjunct curator at the Guggenheim Museum. Now she is the responsible for the management and preservation of the section of contemporary and modern of the huge Pinault collection. The collection moreover is not changeless, because he continuously acquires works of art sometimes even before they get to the market thanks to the special relations with some artists. François Pinault moreover doesn't want his collection to reside in a single place, but would do it 'the primary node of an expandable exhibition network' (Aillagon 2007) thanks to loans to numerous museums. A part from Venice, selections from his art collection for example had been shown in Lille (Passage du Temps, 2007-2008), in Moscow (Un Certain Etat du Monde ? 2009) and at the Palais des Arts in Dinard (Qui a peur des artistes? 2009).

Despite it is not the object of this dissertation analyzing the influence that such a big collector had and still has on the art market and on singular artists, doubtless François Pinault is an important actor of the current contemporary art scenario. This importance is definitely enhanced by the fact that he is the owner of Christie's, the world's leading art business whose global auction and private sales in 2008 totaled £2.8 billion/\$5.1 billion. Definitely, there's a double key of investigation to this art collecting: despite the results are definitely positive for the collectivity, lots of critics have been raised. As a matter of fact, François Pinault being at the same time one of the greatest art collector in the world and the owner of the most important auction house, exerts a double influence on the art market, holding the control of two important gates. As for example Sarah Thornton states in her book *Il giro del mondo dell'arte in sette giorni*:

'Every works of art acquired by Pinault receives an added value for the prestige of the owner. The artist continues to be an important reference, but the intermediaries perform an important role to increase the value of a work of art'.

Basically, this is what Charles Saatchi is doing since the 1980 and the very reason why he is called 'collector of brands' (Thompson 2009): acquiring a work of art a collector can sew a sort of brand on it or its creator. The mere fact of being in a certain collection can be incredibly influential for the career of an artist and can legitimate enormously his artworks from a monetary point of view, sometimes even despite his artistic value. This mechanism, unfortunately incredibly spread in the present art market, is the basis of all the critics raised to the operation of Palazzo Grassi and Punta della Dogana by François Pinault.

4.2.2. The relevance of communication, networking and didactics

The results of an important survey led by the I.S.P.O. (*Istituto per gli studi sulla pubblica opinione*) in 2008 for the Premio Terna showed a serious disconnection between people and contemporary art. According to this analysis in fact, the 77% of the interviewed on a generic sample is not interested in contemporary art, the 44% considers it just for connoisseurs and the 25% of it agrees that art existed just in the past. This incredible indifference can be partly justified by the fact that today and more than other forms of creativity like music or theatre, art needs a process of mediation and sustain to the fruition. This mediation can help attenuating the deleterious inkling that contemporary art is not valid as the art of the past or the so called 'I could have done this' effect (Bonami 2007). The fruition of a contemporary art work is in fact characterized frequently by a considerable informative asymmetry. Generically, the majority of visitors doesn't have a specific cultural preparation necessary to go beyond the simple aesthetic enjoyment and decode the symbolic meanings of a work of art. In this sense, the communication of a museum, the importance of the education department as well as the ability to be rooted into the community is central to attenuate this informative gap and fulfill the primary goal of a museum that is to say transmit culture. The fundamental importance of communication is in fact also

underlined by the definition of museum itself of the ICOM that remarks between the different prerogatives of the institution 'communicates and exhibits the tangible and intangible heritage of humanity and its environment for the purposes of education, study and enjoyment' (ICCOM 1996).

Palazzo Grassi in these three years of activities individuated its primary goals in involving the audience thanks to a bigger interaction between the artists, other cultural institutions, students and the territory in general; to divulge, promoting the knowledge of contemporary art and to train a new audience more dynamic, curious and careful. As regarding the first two aims, definitely the tools to develop a dialogic relation with people are those of communication and networking with other local cultural institutions. Specifically, the communication and advertising costs are for example the 13% of the total costs for an absolute value of € 1.393.780: this percentage is particularly high if compared with the average value of other cultural institutions. This relevance is due to the multifaceted approach to communication that varies from traditional media like press, radio and posters to new media like social networks and the website. As regarding the last for example, the website of Palazzo Grassi is particularly important because basically it offers three levels of fruition. It can be used for 'traditional' functions like the purchase of tickets, practical information on the museum or contacts. Moreover, it could be used to enrich the imminent or past visit with supplementary information like video interviews of the curators, backstage of the setting and the restoration works. Furthermore, the website presents also a wide variety of the artworks and retrospectives of all the exhibitions organized: the idea is then to present in the future an immersive gallery of the works exposed. This tool helps outlining a different kind of user having a cultural valid experience, even though outside the museum: the virtual visitor. With regard to it, studies and researches show how the increase of virtual visitors doesn't correspond to a reduction of real visitors, but conversely to an enlargement of them, stimulating the desire of real fruition of the works of art (Galluzzi, P. in Galluzzi, P. e Valentino, P. A.

1997). Regardless of this effect by the way, the possibility offered by the web to convey the contents of museums is infinite and can help demolishing the geographical as well as mental barriers opposing the fruition of it for many people, favouring the so desirable cultural democratisation. Moreover, Palazzo Grassi is trying to take advantage of the new forms of communication offered by the Web 2.0 thanks to the presence on all the most important social networks like Facebook, Twitter, YouTube. As for marketing, all this very different activities should be implemented because the traditional one to many approach, that is to say a unique communication message for all the different targets and people is not valid anymore nowadays. The new approach, whose extreme is definitely the Web 2.0, is the many to many approach, characterized by a variety of communication messages orientated and directed toward different targets, corresponding to diverse needs and communication languages.

As regarding education and didactics Palazzo Grassi implemented a lot of activities thanks to *Codess Cultura*, the association managing this services as well as guided tours. *Codess Cultura* is a cooperative society operating since twenty years in the cultural sector and managing different services from the outsourcing of bookshops, guardianship, box office to the global service of museum. This society has clients all over Italy and in Venice is particularly important managing for example some functions of the Biennal, Fondazione Querini Stampalia, Fondazione Cini etc. For Palazzo Grassi, Codess arranged guided tours for all the six exhibitions organized since the new administration by François Pinault made by young art historian and didactic operators. Moreover, for some of the exhibitions Codess organized free laboratories and ateliers for children as well as all the activities included in the visit for schools. Particularly interesting for example, the *Bottega dei piccoli orafi* organized in occasion of the show Rome and the Barbarians or the tactile pathways for Italics. Just to quantify approximately these activities, for the exhibition Rome

and the barbarians, 25.000 students participated to didactic tours or laboratories, while for Italics about 2.000.

In addition to the activities managed by Codess, Palazzo Grassi always emphasized the importance of education and didactics through the organisation of numerous events and activities in order to convey the contents of each exhibitions. It would be impossible to present all the activities arranged so far for the six exhibitions under the Pinault management, so just the most important and exemplary will be presented later on.

- *Aspettando Punta della Dogana*: this cycle of six free conferences/meetings, organized by Palazzo Grassi in collaboration with the universities Ca'Foscari and IUAV, lasted from the 15th of January 2008 till the 17th of June 2008. In six months, Jeff Koons, Martial Raysse, Richard Serra, Subodh Gupta, Franz West, Michelangelo Pistoletto participated to these meetings, gathering hundreds of students and an audience 'comparable to a rock concert' (Veaute interview);
- Cultural mediators: an important group of students from the School of Art of the University Ca'Foscari, after being prepared by curators and historians, operated in some exhibitions as cultural mediators. This means that they had the task as well as the opportunity to convey their knowledge to the curious visitors asking for more information. This practice, quite diffused in Europe and particularly in France, can help students widen their knowledge and experience on the battlefield and at the same time offers to visitors a new perspective more dynamic and informal. An example of this practice, is the free event Made in Italics organized for the show Italics: this consisted of monographic itineraries guided by students from the Academy of art to discover the backstage of the show;
- Wednesday free of charge, Fortuna Junior Card and *L'opera parla*: Palazzo Grassi as well as Punta della Dogana introduced the gratuity for venetian residents as well as venetian students on Wednesday in both

museums. Moreover, from September 2009, a series of lectures in the museums called *L'opera Parla* are presenting the different artists of the exhibition Mapping the studio with the aid of curators, art historians or by the artists themselves. In order to involve as much as possible young people in the life of the museum, Palazzo Grassi introduced also a special membership card called Fortuna Junior at the special price of 25 euro, reserved to people from 12 to 25 years. This card allows for a year an unlimited and priority entrance as well as special discounts to Palazzo Grassi and Punta della Dogana in order to make the museums as much vital, participated and shared as possible from young people.

- **START:** Start is the new educative program just launched by Palazzo Grassi and presenting many opportunities to teachers and students that want to widen their knowledge of contemporary art. This program is divided into different age groups from three to infinite years and the activities proposed vary according to the different ages.

4.2.3. The managerial approach to the institution

The specific proprietary structure of Palazzo Grassi, making this case quite unique in Italy, allows a more independent and market oriented management, considering also that the institution doesn't receive any funds from the State like all the others museums. Considering this specificity, an important income items is provided thanks to the Marketing Department led at the moment by Ashok Adiceam. One of the main activity of this department are the so-called Incentives: since 2006 in fact, Palazzo Grassi has a clever policy of management of its structure, having understood the uniqueness and importance of the building. Beyond visiting hours in fact, the marketing department organizes cocktails and dinners for private, VIPs or corporate events. This activity is enjoyed for the 50% by French groups, for the 30% Italian and the remaining 20% from other countries: this groups and companies

are picked by Italian and French agencies. As regarding Palazzo Grassi for example, the spaces can give hospitality to 150 sit persons and about 300 standing. In order to quantify economically this important source of incomes, the data referred to 2009 revenues will be analyzed: in this year in fact, there has been an important increase in the events hosted by Palazzo Grassi thanks to the professionalism and capacity of the staff dedicated. In one year in fact, the incomes coming from Incentives totalized more than 530.000 euro for an amount of 64.000 euro of costs related: the net revenue for this activity amounted to about 466.000 euro. This result corresponds to 26 private events hosted, for an average price each of 15.000 euro: important to notice that sometimes the nature of the exchange is not monetary but in kind. Some firms for example, exchanged the possibility to organize events in Palazzo Grassi with advertising pages or diverse services offered. For privacy reasons, the nature of these contracts as well as the contractors can't be specified further, but suffice is to say that for example some of the firms taking advantage of this possibility are big firms like Vogue, Gucci or Telecom Italia.

Another important source of income managed by this department is the institutional merchandising: apart from all the merchandising provided in the bookshop, Palazzo Grassi creates a special line of institutional products. These products are realized in limited series in collaboration with some great names of fashion and design like Freitag, Moleskine, Stella McCartney. For example, for the last exhibition, Rob Pruitt realized 101 t-shirts remembering his work exposed 101 Art Ideas you can do yourself. In order to quantify this important income, the data referred to the six months from the opening of the new exhibitions to December 2009 will be taken in consideration. Differently from the ordinary merchandising, the division of the net revenues coming from this incomes is strongly in favor of Palazzo Grassi, considering that the conception and production of these objects is internal and only the sale is entrusted to the bookshop. For this reason, Palazzo Grassi deducts the 80% of the revenue, while the handler of the bookshop receives only the 20% for the sale services.

In the year considered for example, there were about 20 objects of institutional merchandising varying from jewels designed by the sculptor Jean-Michel Othoniel, limited edition bags, cards and stickers, posters and t-shirts. The prices of these objects were very different: from 1.400 euro for the mobile designed by Othoniel, 45 euro for the McCartney's bag to one euro for the institutional cards or bookmarks. At the start of December, for the six months period, this merchandising produced incomes after the payment of related costs for about 50.000 euro: this amount is then divided as said before, representing a revenue for Palazzo Grassi of about 35.000 euro. The most successful products were definitely the cards, bags, pencils, that is to say all the low prices objects, but also the most expensive like the collier or the t-shirts got a good results. As shown so far, the clever management of the brand and the ability to take advantage of the preferential relationships with some artist like Othoniel or Murakami, helped Palazzo Grassi in exploit an important form of income that will be probably incremented in the future.

4.3. Summary assessment of three years of management

After having presented so far the distinguishing elements of Palazzo Grassi quite in details, it would be interesting trying to summarize the results of these three years of Pinault administration. Evaluating a cultural institution is therefore an incredibly complicated issue, very debated and discussed by cultural operators, because there are no shared parameters or indicators that can summarize the success or the failure of such a complex reality. For example, a poor financial and economic management can be balanced by a enriching and precious cultural programming enjoyed by few people or some perfectly run organisation can present programs not very valuable from a cultural point of view. Moreover, estimating the value of cultural activities is in

itself incredibly complex and subject to personal evaluations, codified with immense difficulties.

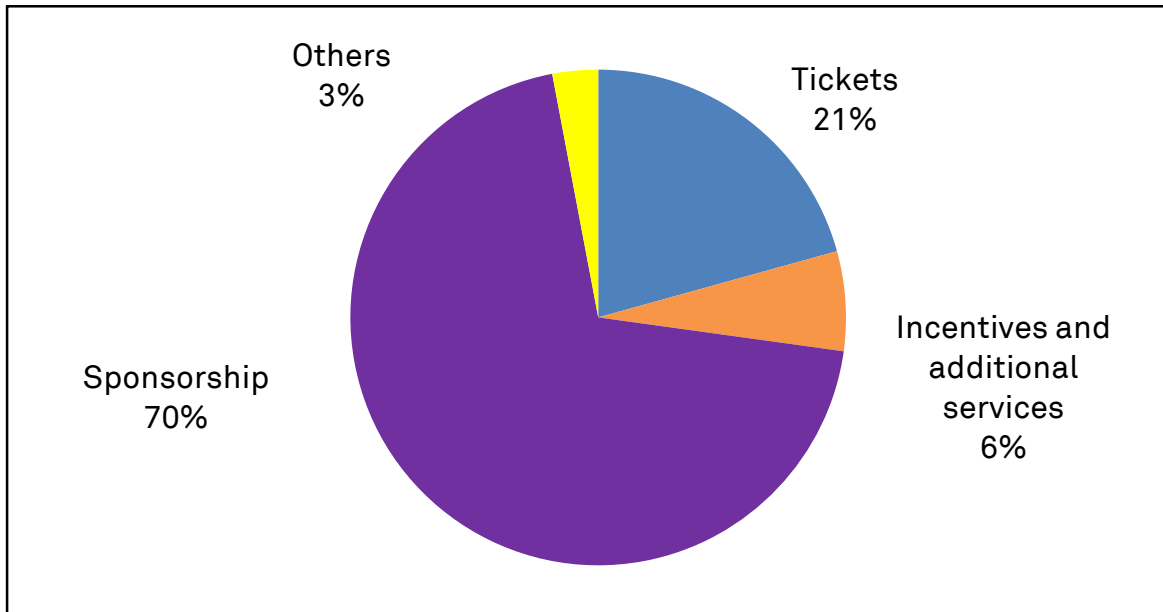
Therefore, considering out of our interest the evaluation of the specific artistic/cultural activities implemented by Palazzo Grassi, the results will be presented referring specifically to two of the four aspects identified by Kaplan and Norton in the Balanced Scorecard to measure the performances of the firm. The two aspects that will be then briefly analyzed are:

- the financial perspective: the economic and financial situation of the institution will be considered referring to the balance sheets from 2006 to 2008;
- the customer perspective: it will be disputed the ability to fulfill the needs of its audience and the level of satisfaction referring to the different services offered by the institution.

4.3.1. The financial perspective

Analyzing the financial management of Palazzo Grassi, the last balance sheet referring to 2008 will be taken in consideration principally, but in order to underline trends or general aspects of the new administration there will be references also to those of 2006 and 2007. Palazzo Grassi is a unique case as regarding financial management of the cultural sector because, being property of a private investor, doesn't receive any funds from local as well as central government. Contrarily from the majority of cultural institutions in Italy, the unique participation of public entities lies in the 20% of shares owned by the Casino of Venice S.p.a, company in which 100% of the shares is held by the Municipality of Venice. In order to clarify the economic results of such a particular governance structure, it is important to analyze the diverse sources of incomes and costs.

As regarding the incomes, totalizing in 2008 an amount of 7.551.357 euro, the division of them into macro areas can be summarized roughly as explained in the following graph:



Graph 4 - Sources of incomes in 2008

The tickets sold produced in 2008 incomes for 1.589.010 euro: the visitors were about 250.000 including gratuity and reductions. The incentives and additional services like cloak room, cafeteria, bookshop and guided tours participated to the incomes for 498.028 euro as explained previously more in details. As regarding sponsorships, important to notice that these come from the majority from the controlling company Artis S.a.s. or from companies belonging to the groups, despite it is quite difficult to identify the origins of these sponsors. This is not surprising if we consider that with difficulty any firm would sponsor a private cultural institution that being privately owned is not conceived as deserving and worthy of financial sustains. Moreover, there is no reason for a sponsor to exercise its 'benevolence' toward the institution owned by one of the richest man of the world even because this couldn't help achieving the very reasons propelling the present cultural sponsorships like corporate social responsibility or galvanizing the corporate image. The possible motives why firms would probably sponsor Palazzo Grassi is the possibility to associate

their brand to the idea of luxury and prestige and this reason has been widely and successfully implemented through the mechanism of Incentives.

As regarding the costs of productions, the most important in quantitative terms are presented in the chart below:

Cost item	Value (€)	% on costs
Setting of the exhibitions	1.788.153	16%
Personnel	1.483.078	13%
Advertising and promotion	1.393.780	13%
Consultancy	1.349.907	12%
Amortization	1.056.087	10%
Hostess, guides and vigilance	960.655	9%
Raw material	799.873	7%

Chart 2 - Main costs items in 2008

Considering the importance of the exhibitions hosted, especially in 2008, the costs related to the setting are those that weight the most on the total: these costs refer to the transport, setting up and dismantling of the exhibitions. Following, there are the personnel costs referring to the 19 members of the staff of Palazzo Grassi, divided into employees, workers and directors. As said in advance the advertising costs are very important too and this guarantees a huge resonance of all the exhibitions. The relevance of consultancy costs is linked to the specific year, characterized by all the studies and activities introductory and functional to the new Centre of Punta della Dogana. The sum of all the costs borne in 2008 is equal to 11.070.477 euro as it can be seen in the more detailed appendix 3. This means that Palazzo Grassi for the fiscal exercise 2008 registered a loss of 3.480.868 euro, loss covered thanks to the renunciation to funds due by Artis S.a.s. and the devolution of these funds to a reserve to cover future losses. Despite the *Casino Municipale of Venice S.p.a.* was supposed to pay a five per cents of this loss as stated in the acquisition contract of Palazzo Grassi and considering the proprietary structure, this loss was covered only by the majority shareholder. Moreover, in January 2008, the

majority shareholder Artis S.a.s made deposits for a total amount of 20.540.000 € as a reserve for the future investments in view of the restoration and opening of the new centre of Punta della Dogana happened in 2009.

The brief analysis of the balance sheet done so far, shows how the dependence of the institution from the majority shareholder and owner is enormous and it is manifested in mainly in three ways:

- the contributions to the incomes through direct and indirect sponsorships;
- the cover of losses when occurred through the renunciation to funds due or the transfer of funds to specific reserves;
- the transfer of funds for specific investments for the increase of capital stock.

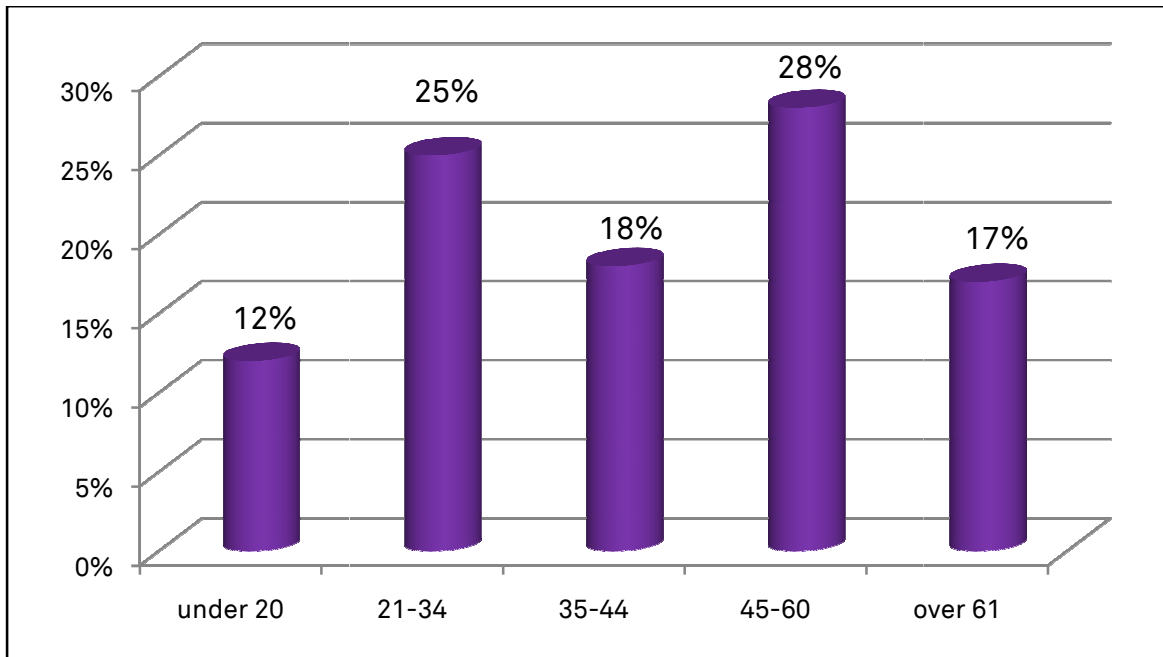
In order to reduce the big financial dependence on the main shareholder, one of these three forms of participation should be lowered. As regarding the cover of losses, this is necessary in order not to incur in the dispositions established by the article 2446 of the civil code referring to the reduction of capital stocks in case of losses (Appendix 2). The transfer of funds for capital investments moreover it is also absolutely needed considering the big development plans for the institutions that led to the opening of the new centre and will concern the Teatrino in the next future. Considering then that the Municipality is not participating economically at all neither to the ordinary management of the institution nor to the development of it, the financial sustain of the majority shareholder is therefore fundamental. The revenues coming from tickets sold should be instead improved and the esteems for 2009, considering the huge success of the current exhibition, presume an important increase. An important step in this direction, is the creation in 2009 of the two membership cards, offering particular conditions and advantageous prices: in five months, 250 cards have been signed. Moreover, the participation of the majority stakeholder to the incomes coming from sponsorships could be lowered,

differentiating as much as possible the forms and sources of it. Definitely, the mechanisms of incentives is fundamental in this direction and the institutions should try to orientate this activity towards firms not necessarily connected with Artis S.a.s. This could be reached thanks to a clever management of the brand Palazzo Grassi, the bigger exploitation of the spaces during closing hours and the organisation of particular events sponsored even in the opening times.

4.3.2. The customer perspective

As underlined in advance, the data referring to the numbers of visitors of Palazzo Grassi in these three years of Pinault administration shows a numerous audience comparable to that of big Italian cultural institution. It can be easily stated that in terms of visitors from a quantitative point of view, the success of the institution is sure. Nevertheless, it is equally interesting analyzing the qualitative aspects related to the audience, in order to determine whether the institution managed to have a diversified audience in terms sociological and demographic point of view and whether this audience is satisfied. Fortunately, since the new management by François Pinault, Palazzo Grassi carries out regularly for every exhibitions detailed customer satisfaction analysis, made thanks to the distributions of questionnaires to visitors. The constancy and regularity of these analyses allows the definition of a quite precise profile of the visitor of Palazzo Grassi.

According to the majority of the analysis on the audience of the cultural sector, the audience is composed mainly by women (60%) than men (40%). The distribution between the different age groups is quite homogeneous as it can be explicated by the following graph 5.



Graph 5 - Distribution of the audience between age groups

The average estimated age is 45 years, that means quite young. As regarding the level of instruction, the audience of Palazzo Grassi is extremely cultivated: the 94% of it has at least a bachelor. The high cultural profile is reflected into the professions of the visitors: free lance (27%), student (20%), teacher (15%) and employee (12%). Underlying the importance of Palazzo Grassi on the territory, the 70% of the audience is Italian and coming mainly from Veneto (34%) and Lombardia (31%) and specifically from Venice (15%) and Milan (22%). The visitor of Palazzo Grassi lives mainly in big cities and covers an average distance of 170 km to get to the museum. As regarding foreign visitors, the presence from France is predominant (40%) followed by UK (11%), Belgium (8%) and Germany (8%). Important to underline the missing presence of Spanish and Japanese, representing instead an important part of venetian tourists. According to the data on tourism in Venice, the short stay is prevailing and the 90% of the audience resides in Venice for a period varying from one to three days and in the majority of cases in high class hotels.

The visitor of Palazzo Grassi is a cultural omnivore and the 43% visited another museum of Venice during the stay: important to underline that these museums

visited are all exhibition spaces dedicated to contemporary/modern art. Interestingly in fact, the Guggenheim, the Biennial, *Gallerie dell'Accademia* have been mentioned mainly, but not even the *Palazzo Ducale*. This result can be justified by the fact that the 64% of the audience has visited Venice and Palazzo Grassi in the past, mainly in occasion of contemporary/modern art exhibitions. This predilection is also underlined by the fact that the exhibitions' themes indicated as more interesting for the future by the audience are contemporary and modern art. Nevertheless, when asked about the reasons of their journey in Venice, visitors replied: to visit the city (40%), to visit Palazzo Grassi (34%) and visit to a specific attraction depending on the period, like the Carnival (14%). Moreover, just the 32% of the audience decided to visit Palazzo Grassi when in Venice: the great majority, the 68% in fact organized the visit in advance showing a great motivation. The reasons of the visit are for the 54% the ongoing exhibition, for the 15% the recent reopening and for the 9% the prestige of the institution.

Considering moreover the high cultural profile, the visitor of Palazzo Grassi makes use of all the different communication channels uniformly. The visit usually takes place in little groups of friends or with the partner and lasts on the average for two hours. The satisfaction regarding all the different services offered by the museum (cloakroom, box office, captions, audio guide etc) is very high and approximately half of the audience takes advantage of the Café as well as the bookshop, buying mainly the catalogue of the exhibition and various books. Generically, the 91% of the audience declares himself satisfied of the visit to Palazzo Grassi.

This data present numerous affinities with those gathered on the audience of other similar institutions operating in contemporary art like the *Fondazione Sandretto Re Rebaudengo* or the *Fondazione Peggy Guggenheim*. Despite the great demographic variety of the public, the audience of Palazzo Grassi as well as contemporary art in general tends to be composed by people with a very high cultural and educative profile. Despite this preponderance, the data

shows a great success in the fulfillment of the needs of the audience and a very high profile of the exhibitions organized as well as all the services provided.

4.4. Perspectives and criticalities

Concluding this analysis of the case of Palazzo Grassi, it is important to focus on the perspectives for the future of the institution and the criticalities that could obstacle its activity. Definitely, one of the main issue is the very nature of the institution and its legitimacy: is there a space for a contemporary art museum in Venice, city characterized already by huge tourists' fluxes? Does it make sense to invest in contemporary creation in a city labeled already as the sanctuary of the wonder of the ancient art? In order to answer to these important questions, the tourists' fluxes will be briefly analyzed, trying to identify the possible targets as well as spaces for Palazzo Grassi. The need for legitimating and positioning the activity of the institution is then widened considering the big project that has just started and that will be presented briefly: the new Centre of Punta della Dogana. Completing the analysis, the possible criticalities of this unique case of management will be outlined.

4.4.1. Tourism in Venice and the contemporary art audience

The news of the acquisition of Palazzo Grassi by a contemporary art collector like François Pinault aroused the perplexities of some opponents who feared the end of a great exhibition space dedicated to classic art and cultures. Venice is a city characterized by a unique history and this history attracts every year more than 18 millions of tourists from all over the world about which an unofficial evaluation counts 10 million day trippers. The data on tourism collected in 2008 and concerning only the Municipality of Venice moreover shows that last year 3.433.775 tourists stayed in Venice for at least one night,

the 65% staying in the historical centre while the remaining 35% in *terraferma*. The 17% comes from Italy while the 83% from abroad and specifically the 45% from other European countries and the 38% from non EU countries. As regarding Italian tourists, the regions of provenance are mainly Lazio (22%), Lombardia (18%), Piemonte (8%), Toscana (7%) and Veneto, Emilia Romagna and Campania (6% each). The 45% of tourists coming from other European countries instead arrives mainly from France (21%), UK (18%), Spain (14%), Germany (12%) and Austria (4%). Finally, the remaining 38% of tourists coming from non EU countries comes principally from USA (38%), Japan (12%), South/Central America (13%), Australia (8%), Canada (6%) and China (5%). The average staying for tourists in Venice is 2,45 days, that is classified as a short stay compared with the cultural attractions of such a unique city. Considering the incredible number of tourists visiting Venice, there are no qualitative studies concerning the specific reasons and causes of it, but these can be inferred using the data on the museums as well as reasoning on the specificity of the city in itself. For example, the *Fondazione Musei Civici* of Venice, gathering eleven of the most important museums of the City including the Palazzo Ducale, Museo Correr and Ca'Pesaro, had 2.039.198 visitors in 2008. Specifically, Palazzo Ducale that is the main attraction of the system gathers approximately 1.469.081 visitors yearly. This means that approximately just one ninth of the tourists in Venice visited one of the museums of the system. Another important attraction is also the Basilica of San Marco: considering that there is no ticket for the entrance, the administration officer of the Basilica Bianchini stated that the approximated number of tourists esteemed yearly is 10 million. Therefore, comparing the flows of tourists arriving in Venice with the visitors of the most important cultural institutions, it seems that the visit to Venice for the majority of tourists is actually a beautiful en-plein air walk through the beauties of Venice, especially if it's their first visit.

Nevertheless, in the last years, a different kind of visitor and target is increasing: the audience of contemporary art. The city is becoming more and

more definitely one of the most important stage for contemporary art thanks to the presence every two years of the International Exposition of art that in the 2009 attracted 375.702 visitors being the most visited exhibition in Italy with an average of 2.223 visitors per day. The 52nd expositions that has just closed registered in fact an important increase in the audience of 18% compared to the previous one, establishing a new record. Important also to highlight the international interest, the presence of 5.868 journalists of which the 69% from abroad while the remaining 31% from Italy. Moreover, also the last edition of the Biennial Architecture registered an important increase in its audience quantified in 129.323, showing an increasing importance of the city in the contemporary scenario. Despite such an important catalyst of contemporary art, Venice is lacking permanent centre dedicated to the exhibition of contemporary art.

The most important spaces devoted to this kind of expressions in Venice a part from the Biennial and all the pavilions related are:

- Fondazione Bevilacqua La Masa: created in 1898 thanks to the donation of the general La Masa, this foundation manages two spaces presenting temporary exhibitions, residencies and projects focused mainly on young and local artists;
- Peggy Guggenheim Collection: a little museum presenting mainly American art of the first half of the 20th century and temporary exhibitions concerning principally modern art;
- Fondazione Querini Stampalia: created in 1868 thanks to the will of Giovanni Querini Stampalia, this Foundation has always operated since its foundation as a reference point in Venice for contemporary culture. Through conferences, temporary exhibitions and specific projects, this foundation is a leading edge space for contemporary art in Venice.

Despite the presence of some important institutions, the need of a more stable collection of contemporary art in Venice has been felt in the last decade. The

city is lacking the presence of a museum of contemporary art and for that reason, the Biennial in fact is going through deep changes toward a permanent activity with some important concessions from the Municipality. First of all, the restructuring of the historical Italian Pavilion in the Giardini, now called *Palazzo delle Esposizioni* representing the first permanent space for the Biennial there and hosting important activities like educational spaces, a bookshop and a cafeteria. Therefore, the creation of the ASAC (*Archivio Storico Arti Contemporanee*) and the restoration of the historical seat of Ca' Giustinian boasting some spaces dedicated to temporary exhibitions. The importance of a permanent seat presenting the story of 114 years of existence of the Biennale is definitely fundamental and the role of such an important institution in Venice as well as all over the world is definitely leading. Nevertheless, Palazzo Grassi initially and Punta della Dogana then, integrated this panorama with the creation of the first museum in Venice, exhibiting contemporary art all year long and presenting a unique collection changeable and update. This could help Venice presenting a new perspective and a new life beyond its important past, creating new opportunities even for the few citizens.

4.4.2. The new Centre of Punta della Dogana

Despite for study purposes the analysis focused only on the experience of Palazzo Grassi, it is important to present at least briefly the recent reopening of Punta della Dogana. The new museum opened on the 6th of June 2009 and is now integral part of the institution Palazzo Grassi that is actually operating on a double seats as for the current exhibition Mapping the studios. Considering short existence that makes almost impossible expressing judgments, it will be presented just the case of the outsourcing and the restoration works made in order to reopen it to the public.

The construction of the Dogana da Mar is dated at the XV century when this incredible building was used as customs and a key place for the trades in

Venice considering its strategic position. For more than four centuries, the functional role of the Dogana never changed while its aspect was continuously modified till the mid of the XVII century, when it assumed the present configuration in harmony with the adjacent Church of *Santa Maria della Salute*. Between the XVIII and the XIX century, the Dogana underwent a lot of changes especially those made by the Austrians during the occupation and the enlargement by the architect Alvise Pigazzi in 1835. In the '900 then, the building suffered a lot of modifications especially in the structures of the lofts and covers, modifications careless of the original constructive characters. Nevertheless, all these interventions didn't prevent the building from decay till when the Italian customs was forced to abandon the building, sentencing its decline. For more than fifty years, the building was completely abandoned and subject to illegal use insomuch as the Municipality was forced to close the surrounding walk, depriving the Venetians of an important and suggestive location.

After years of disquisitions and bureaucratic slowness concerning the possible reuse of the building, in 2006 the *Agenzia per il Demanio* signed the concession act of the building in use for 99 years by the Municipality of Venice. The 19th July of 2006 the Municipality published the announcement of a public tender for the recovery and reuse of the Dogana as an exhibition space. Palazzo Grassi, under the direction of Jean-Jacques Aillagon, presented its candidature, competing mainly with the Fondazione Peggy Guggenheim. The elements required were essentially three:

1. the quality of the art collection that the proponent will offer for the new Centre (maximum 50 points on the total);
2. the international reputation of the architect taking care of the restoration that will be paid by the proponent (maximum 40 points on the total);
3. the global project, that should consider the interactions of the new Centre with the great cultural institutions of Venice (maximum 10 points)

On equal terms, the project with the best collection offered would have won. This is exactly what happened in January 2007 that both concurrent took 95 points on 100: same judgments for the architects, same for the collection as well as the overall cultural project. The competition then reopened for more integrations and the 27th of April, the Municipality communicated that the winner of the tender was the group led by François Pinault. The reason provided by the major for the prevalence of Palazzo Grassi was that the Guggenheim Foundation didn't supply as required the exact list of the art works to be shown in the new Centre. The 8th of June 2008 then, François Pinault signed the convention for the partnership between the Municipality of Venice and Palazzo Grassi S.p.a. for thirty-three years. After the public presentation of the project by the architect Tadao Ando, the restoration works started in the autumn 2007 under the main contractor Dottor Group and lasted for about 14 months. The building occupies an area of about 5.000 mq and the interventions of restoration have been quite complex because of the state of degrade in which the building was. Some important numbers can help summarizing some of the main facts of the interventions that concerned the building as a whole from the foundations to the sculpted group on the terrace: 10.000 tons of materials carried via sea in more than 2.000 displacements from the main land. The construction site mobilized an average of 120 workers for a total of 300.000 working hours: the total cost of the operation amounted to 20 million euro. At the end of March 2009, the building was consigned to Palazzo Grassi for the setting of the exhibition that opened the 6th of June 2009. The brevity of this experience make rather premature expressing judgments or evaluations regarding it, what instead can be stated definitely is that Punta della Dogana is one of the biggest investment made by a private in the cultural sector in the last twenty years. A part from banking foundations which are asked by law to donate part of their proceeds to deserving sectors, privates usually are usually more 'parsimonious'. Considering that there are no organic studies on this issue, an indicator to quantify their contribution can be considered the flux of *erogazioni liberali* to culture. This flux added up 32

million euro per year on the period 2005/2007, assigned primarily to the performing art sector and never exceeding singular amount superior to 2-3 millions euro (Grossi 2008). In order to trace in the economical Italian history an intervention by a private comparable to the one done for Punta della Dogana, we should go back to the '80s and to the acquisition and restore of Palazzo Grassi by the Fiat Group (Veaute 2009).

4.4.3. Possible criticalities for the future

The case presented so far is definitely exemplary strict meaning, because it could be considered one of the first implementation of private management of a cultural institution in Italy. Doubtless, despite viewing it as a reference point or a trivialization of the value of art, this case is interesting because it can provide important elements of reflection for the future of the cultural sector. It can't be neglected in fact the ever increasing cuts of public funds to the sector characterizing the last decades and the indifference of the State in the development of an accurate and substantial cultural policy. This important defection is certainly moving the cultural sector toward a new paradigm and the sustain of privates is getting fundamental and should definitely be implemented. The experience of Palazzo Grassi can be then considered in this sense an important forerunner of the future perspective: analyzing its criticalities and problems could help in the future.

1. The first and most important criticality identified in the institution is the complete dependence and interference of the person François Pinault in the management and financing of it. It can be said unquestionably, analyzing the balance sheets, that without him Palazzo Grassi would be closed and without his support, it wouldn't be sustainable from an economic point of view. This economic, moral and of image dependence obviously, grants to the owner a huge power of influence on the activities of the institution, while freedom should be the *condition sine qua non*

culture exists and flourish, at least in theory. Moreover, being deeply linked to the person François Pinault, the duration and the flourishing of Palazzo Grassi as a cultural institution is tied strongly to the events and moods of his personal life.

2. The results of such a strong interest in the institution are definitely positive, because thousands of people have the possibility to enjoy important works of art. Despite the eventual negative aspects of the case, Palazzo Grassi represents still a stage offered to people, favoring cultural addition and incrementing their knowledge. Despite this, the danger of an instrumental use of culture by the owner is always present in all the experiences of private involvements in the sector, even more in this case. As said previously in fact, François Pinault is the owner of Christie's and lots of luxury brands, besides being one of the most important art collector at the moment. Palazzo Grassi could be then considered as a privileged showcase and advertising platform for his commercial activities. If this assumption was true, the costs of the 'operation Palazzo Grassi' would have been ridiculous if compared to the benefits, revaluation and return of image for his collection, brands and personal profile. The borders between *mecenatismo* and alternative forms of advertising and communication are incredibly subtle and the role of a cultural manager should be really that of balancing these diverse issues. But considering the total economic dependence..are there rooms for the balancing?
3. Results of this dependence, expressed also in the very name of the institution 'Palazzo Grassi - François Pinault Foundation', is the indifference of other sponsors as well as of public bodies. Hardly a public institutions would sustain economically the museum of a multimillionaire, furthermore considering the heavy crisis of the public funded cultural scenario. Moreover, other privates firms would sponsor it with great difficulty, risking to be gobble up by the big name of the main patron, nullifying the advertising validity of the investment. This

perverse mechanism amplifies further the dependence of the institution on the main investor, opposing the creation of a multistakeholders model (Hansmann 1981).

4. Moreover, the lack of public supports basically makes impossible a policy of prices' control, because the high costs of the exhibitions should be covered as much as possible by the incomes coming from box office. The prices of the tickets of Palazzo Grassi are in fact higher if compared to other public funded institution, but it is ridiculous and inopportune thinking that a private would also bear the costs of cultural democratization. At the same time, the association of Palazzo Grassi to the *aurea* of luxury is evident and this probably represents a barrier to the fruition for many people. Nevertheless, are privates those charged of changing the perception of culture in a country?

All these issues and problems raised definitely are open and unsettled considering the brevity and the leading edge of the experience, but should be considered as the presuppositions of a question mark to be faced in the future. Probably, the conclusion that could be outlined is that Palazzo Grassi is the other extreme of the policy of exclusive public support for culture of the past and as all the extremes in general, this case presents some negative issues because, as the Latin said, *In medio stat virtus*. The desirable model for the future as regarding economic management is probably the multistakeholders model that is to say cultural organisations should try in short to diversify as much as possible their portfolio of funders and sponsors, avoiding to rely too much on a specific one. Mixing together different sources of income coming from box office, governments' grants, individual and corporate donors could help a cultural organisation to reduce the danger of influences on the artistic content. This process of balancing is extremely delicate and requires incredible diplomacy, foresight and shrewdness in order to take the best and the maximum from every stakeholders, instead of begging from a single one and being subject to it either if a public institution or a private ones. This is what we

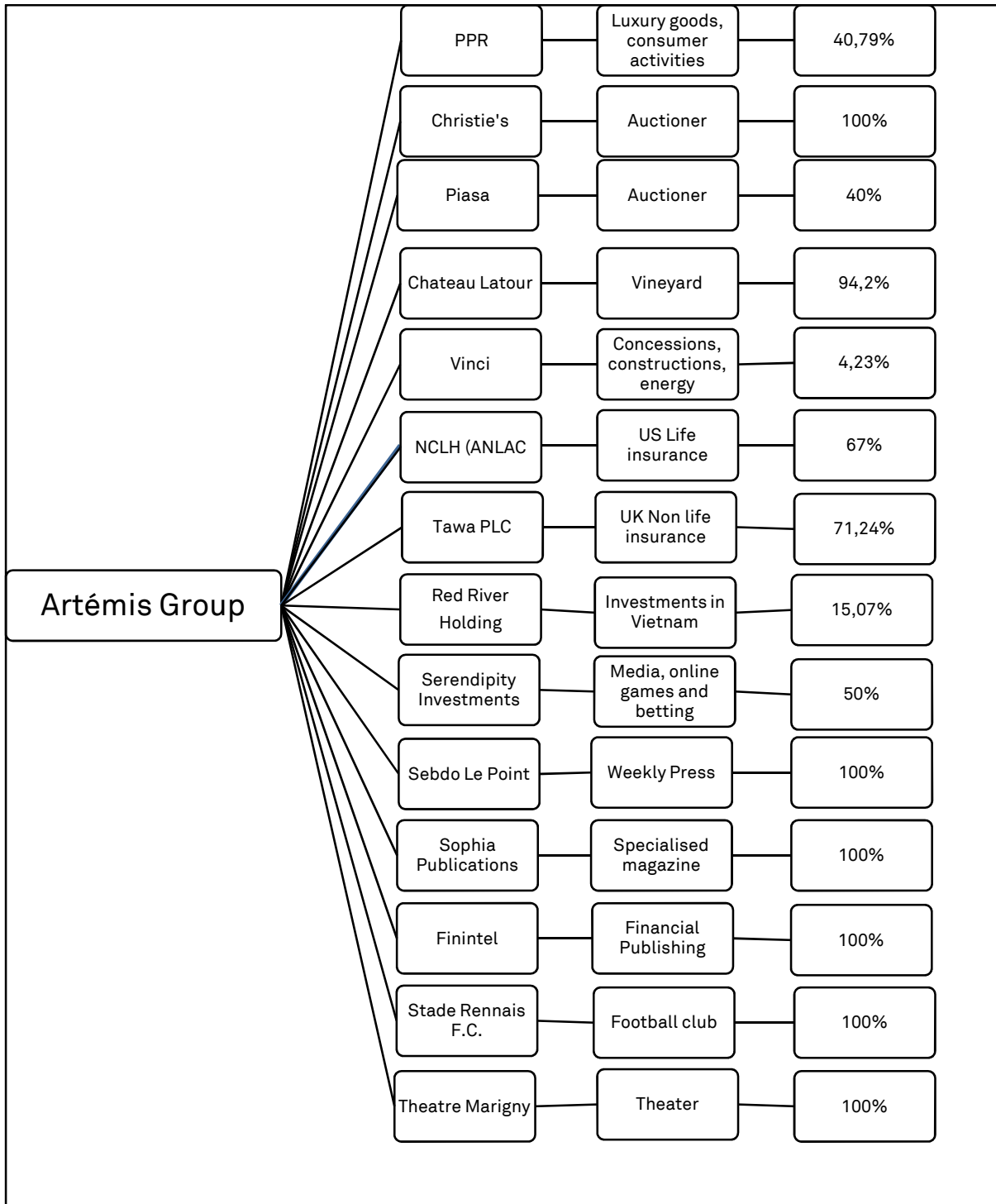
are asked to do in the future as cultural managers and I am sure that all my dear fellows will be incredibly successful in doing so.

Conclusion

The experiences, ideas and suggestions presented so far in this dissertation are just an infinitesimal part of the challenges characterizing the present cultural scenario. The progressive reduction in the support granted by the state to art seems to confirm the phenomenon that is evolving in the last twenty years: the involvement of privates. Far from wishing a complete privatization of the sector, that would line Italy with the American system, a balanced policy of public- private partnership would be the most desirable perspective to alleviate the critical situation of Italian culture. The experience of Palazzo Grassi S.p.A. could be considered an important reference point in that sense, because it has allowed the reasonable coexistence of the interests of a private collector with those of the collectivity and institutions of Venice. This result has been reached thanks to a more managerial approach and openness of the public, despite the initial criticism and controversies caused by the acquisition of François Pinault. Nevertheless, in order to benefit as much as possible from these new private stakeholders and facilitate these kind of partnerships, the State should develop new mechanisms and tools. Fiscal incentives, bureaucratic facilitations, projects shared could be turned into new and richest perspectives in the management of culture. Regardless of the diverse reasons underneath this involvement, that could be marketing, communication or personal prestige, privates could offer new important opportunities of fruition for everyone like in the cases presented of Palazzo Grassi and private collecting. Therefore, if the result of their dedication is something that everyone can enjoy, Pierre Rosenberg was definitely right: collectors will all go to Heaven.

Appendix

Appendix 1 - Participations of the Artémis Group



Appendix 2 - Article 2497 / 2446 c.c.

Considering the specificity and importance of the original language in juridical jargon, the full text of the articles will be presented in Italian.

Art 2497 cc. - Responsabilità

- [1] Le società o gli enti che, esercitando attività di direzione e coordinamento di società agiscono nell'interesse imprenditoriale proprio o altrui in violazione dei principi di corretta gestione societaria e imprenditoriale delle società medesime, sono direttamente responsabili nei confronti dei soci di queste per il pregiudizio arrecato alla redditività ed al valore della partecipazione sociale, nonché nei confronti dei creditori sociali per la lesione cagionata all'integrità del patrimonio della società. Non vi è responsabilità quando il danno risulta mancante alla luce del risultato complessivo dell'attività di direzione e coordinamento ovvero integralmente eliminato anche a seguito di operazioni a ciò dirette.

- [2] Risponde in solido chi abbia comunque preso parte al fatto lesivo e, nei limiti del vantaggio conseguito, chi ne abbia consapevolmente tratto beneficio.

- [3] Il socio ed il creditore sociale possono agire contro la società o l'ente che esercita l'attività di direzione e coordinamento, solo se non sono stati soddisfatti dalla società soggetta alla attività di direzione e coordinamento.

- [4] Nel caso di fallimento, liquidazione coatta amministrativa e amministrazione straordinaria di società soggetta ad altrui direzione e coordinamento, l'azione spettante ai creditori di questa è esercitata dal curatore o dal commissario liquidatore o dal commissario straordinario.

Art 2446 c.c. - Riduzione del capitale per perdite

- [1] Quando risulta che il capitale è diminuito di oltre un terzo in conseguenza di perdite, gli amministratori o il consiglio di gestione, e nel caso di loro inerzia il collegio sindacale ovvero il consiglio di sorveglianza, devono senza indugio convocare l'assemblea per gli opportuni provvedimenti. All'assemblea deve essere sottoposta una relazione sulla situazione patrimoniale della società,

con le osservazioni del collegio sindacale o del comitato per il controllo sulla gestione. La relazione e le osservazioni devono restare depositate in copia nella sede della società durante gli otto giorni che precedono l'assemblea, perché i soci possano prenderne visione.

- [2] Nell'assemblea gli amministratori devono dare conto dei fatti di rilievo avvenuti dopo la redazione della relazione.

- [3] Se entro l'esercizio successivo la perdita non risulta diminuita a meno di un terzo, l'assemblea ordinaria o il consiglio di sorveglianza che approva il bilancio di tale esercizio deve ridurre il capitale in proporzione delle perdite accertate. In mancanza gli amministratori e i sindaci o il consiglio di sorveglianza devono chiedere al tribunale che venga disposta la riduzione del capitale in ragione delle perdite risultanti dal bilancio. Il tribunale provvede, sentito il pubblico ministero, con decreto soggetto a reclamo, che deve essere iscritto nel registro delle imprese a cura degli amministratori.

- [4] Nel caso in cui le azioni emesse dalla società siano senza valore nominale, lo statuto, una sua modificazione ovvero una deliberazione adottata con le maggioranze previste per l'assemblea straordinaria possono prevedere che la riduzione del capitale di cui al precedente comma sia deliberata dal consiglio di amministrazione. Si applica in tal caso l'articolo 2436.

Appendix 3 - Distribution of the costs of the 2008 balance sheet

Cost items	Value (€)	% on costs
setting exhibitions	1.788.153	16%
personnel	1.483.078	13%
advertising and promotion	1.393.780	13%
consultancy	1.349.907	12%
amortization	1.056.087	10%
hostess, guides and vigilance	960.655	9%
raw material	799.873	7%
Assurance	399.643	4%
various utilities	397.163	4%
maintenance	313.667	3%
various burdens	258.771	2%
travels and transfers	238.873	2%
enjoyment of assets of third parties	207.745	2%
governance costs	203.692	1%
other costs	219.390	2%
Total	11.070.477	100%

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