

Art Cities, Cultural Districts and Museums.
An economic and managerial study
of the culture sector in Florence

edited by Luciana Lazzeretti

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Dedicated to Dublin, city and desire
L.L.

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If I were a traveller...

If I were a traveller to the Court of the Gran Kan, like Marco Polo in Calvino's *Le città invisibili* and I had to talk about Florence and what it meant to produce wealth from one's artistic, cultural and environmental resources, how would I set out my argument? And then, which *city named after a woman* could I best use as an example to express the idea of the art city proposed here?

I could refer to cities and memory, like *Zora the city which once seen can never be forgotten* (p. 34), or to cities and eyes like *Valdrada*, the mirrored city, which encompasses at the same time *two cities: one the right way up above the lake and one upside down reflection* (p. 53), or to *Eudossia*, a city and the brilliant sky with its carpet-like symmetries (p. 97); or to *Smeraldina* (Venice perhaps), the city on the water, a grid of canals and roads laid over each other, a splendid example of city and junctions (p. 89).

I certainly wouldn't tell Kublai Kan of the *continuous cities*, I wouldn't speak of *Trude*, for instance, where if the person arriving didn't read the name of the city they'd think they'd never left home *the world is covered by a single Trude which doesn't have a beginning or an end but where only the name of the airport changes* (p. 29); nor of *Cecilia*, a city without a name for the goatherd and his beasts, *a place without leaves between one pasture and another* (p. 152); nor of *Pentesilea* where *after hours of walking it's still not clear whether you're in the middle of the city or still outside it* (p. 156)... where the people you meet, whether there to work or to sleep fail to reply when you ask: *But where's the city where people live?*

All and none of the *invisible cities* told of, whether *hidden or tenuous, cities and the dead or cities and desire*, appear to fully express the idea of Florence, the city of art and trade, proposed here. A city able to produce not just art and culture but also old and new trades, old and new products and services, in a rediscovered model of economic development based on a new production factor: the CAEH or in other words the cultural, artistic and environmental heritage of the city.

Our art city is a place dense with meaning, with contexts, as Bateson would say which do not just identify and define the place in itself

Se io fossi un Viaggiatore...

Se io fossi un Viaggiatore alla corte del Gran Kan, come il Marco Polo delle *Città invisibili* di Calvino, e dovessi raccontare di Firenze e di che cosa significa produrre ricchezza con le sue risorse artistiche, culturali e naturali, come argomenterei? Ed ancora: a quale delle città con nome di donna potrei ricorrere per esprimere meglio l'idea di città d'arte che qui si propone?

Potrei fare riferimento alle città e la memoria, come *Zora, città che chi l'ha vista non può più dimenticare* (p. 34), o alle città e gli occhi come *Valdrada*, la città dello specchio, che è al contempo *due città: una diritta sopra il lago e una riflessa capovolta* (p. 53), o ad *Eudossia*, una città e il cielo che splende con le sue simmetrie di tappeto (p. 97); oppure a *Smeraldina* (forse Venezia), città acquatica, reticolo di canali e di strade che si sovrappongono, splendido esempio di città e scambi (p. 89).

Di certo non racconterei al Kublai Kan, delle città continue, non parlerei di *Trude*, ad esempio, dove chi vi arriva, se non avesse letto il nome della città avrebbe pensato di non essere mai partito. *il mondo è ricoperto da un'unica Trude che non comincia e non finisce, cambia solo il nome dell'aeroporto*.p.29; né di *Cecilia*, città senza nome per il capraio e le sue bestie, *luogo senza foglie tra un pascolo e l'altro* (p. 152); né di *Pentesilea* dove *sono ore che avanzi e non ti è chiaro se sei già in mezzo alla città o ancora fuori* (p. 156)... dove a chi incontri, sia esso venuto per lavorare o dormire, chiedi senza ottenere risposta *Ma la città dove si vive? dov'è?*

Tutte e nessuna delle città invisibili di cui si narra, siano esse città nascoste o sottili, città e i morti o città e il desiderio, pare sintetizzare appieno l'idea di Firenze, città d'arte e di scambi, che qui si propone. Una città capace di produrre non solo arte e cultura, ma anche nuovi e vecchi mestieri, nuovi e vecchi prodotti e servizi, per un ritrovato modello di sviluppo economico basato su un nuovo fattore di produzione: il PACA ovvero il patrimonio artistico culturale e ambientale della città.

La nostra città d'arte è un luogo denso di significati, di contesti, come direbbe Bateson che definisce ed identifica non solo il luogo di per sé, ma anche gli attori e le risorse che in esso si

but the actors and resources within it too, whether economic, non-economic or institutional actors; whether tangible, intangible, human or non-human resources; creating a collective identity of the community in a single kaleidoscope.

That's what I'd like to talk about, to trace a new Atlas with the Gran Kan of places with a high cultural density, of art cities or cultural districts, of museums or whatever else can be traced back to the sphere of the so-called "process of cultural districtualisation". It's an important challenge, a dream perhaps, which tries to combine economics, culture and society, which tries to safeguard and protect the artistic, cultural and environmental heritage while also exploiting it in economic terms. All this is not without risk and Kan is well aware of it when he says to Marco Polo: *And cities are as dreams: everything imaginable may be dreamt but even the most extraordinary dream is a puzzle which conceals a desire, or its opposite, a fear. Cities, like dreams, are built of desire and fear, even if the thread of discourse is secret, their rules absurd, perspectives deceiving and every thing conceals another* (p. 44).

trovano, siano essi attori economici, non economici ed istituzionali; siano esse risorse materiali o immateriali, umane o non umane; raccogliendo in un unico caleidoscopio l'identità collettiva della sua comunità.

È di questo che vorrei parlare, per disegnare insieme al Gran Kan un nuovo Atlante fatto di luoghi ad alta densità culturale, di città d'arte o di distretti culturali, di musei o di quant'altro possa essere ricondotto nell'ambito del cosiddetto "processo di distettualizzazione culturale". È un sfida importante, forse un sogno, che cerca di unire economia, cultura e società, che cerca al contempo di conservare e tutelare il Patrimonio artistico culturale e naturale e valorizzarlo economicamente. Non è senza rischio tutto ciò e lo sa bene il Kan quando si rivolge con queste parole a Marco Polo: *È delle città come dei sogni: tutto l'immaginabile può essere sognato, ma anche il sogno più inatteso è un rebus che nasconde un desiderio, oppure il suo rovescio, una paura. Le città come i sogni sono costruite di desideri e di paure, anche se il filo del loro discorso è segreto, le loro regole assurde, le prospettive ingannevoli, e ogni cosa ne nasconde un'altra* (p. 44).

Luciana Lazzeretti, Firenze 2003

Quotations from: I. Calvino, *Le città invisibili*, Oscar Mondadori, Milano, 1993

Introduction

Non-places illustrate the counter-type of the anthropological place, presented by Marc Augé [...] What is geography on nowhere? It is of course, the opposite of somewhere, that is of place or milieu. It is a space devoid of the symbolic expression of identity, relations and history: examples include airport, motorways, anonymous hotel rooms, public transport [...]. Never before in the history of the world have non- places occupied so much space.

G. Benko, *Introduction: Modernity, Post-modernity and the Social Sciences*, 1997, p. 23.

1. Introduction

This book consists of a series of essays on the subject of the economic valorisation of the cultural, artistic and environmental heritage (CAEH) of the art city of Florence using a micro-macro economic approach which avails of three basic groups: the art city, cultural districts and museums. The project took shape from the experience of a group of Florentine researchers at senior and junior levels. Their participation in the postgraduate course in Economics and the Management of Museum Assets organised by the Faculty of Economics of Florence since the academic year 2000/2001 provided the opportunity for encounter and discussion starting with a common field of analysis: the city and its cultural organisations. Fiesole, the cultural city bordering Florence, hosted the didactic activities with lecturers and students from many regions of Italy and Europe contributing to an important moment of growth and the creation of knowledge.

The subject of economic valorisation has now become a current topic and the idea that culture can be considered a factor of economic production able to generate wealth appears to have been generally accepted. It was only a few years

ago that the safeguarding and conservation of the heritage were the only aspects considered while those people involved in managing the artistic and cultural heritage were almost exclusively figures with a training in the arts or humanities, whether art historians, archaeologists, men of letters or others. Today, while on the one hand these same people ponder about the methods for managing a heritage that is increasingly difficult to conserve and maintain given the growing lack of financial and organisational support, on the other, company managers have begun to involve themselves in running cultural and artistic institutions, offering their skills. In practice, the question is being addressed of how to achieve a new model of heritage management which tends towards public-private type solutions, with growing interest in the methods for transforming such organisations into businesses able to improve management efficiency and efficacy and even changing the institutional set-up.

It really is only a short time since we struggled to demonstrate the need to consider the economic valorisation of culture as a possible new frontier for a new model of sustainable economic development of the cultural driven type for High Cultural (HC) places. We worked on this idea (the move from safeguarding and conservation to economic valorisation) starting with the case of the art city of Florence and its artistic heritage (CAEH), with the study of the artistic restoration cluster and the processes of cultural districtualisation.

This book contains the most important findings from that course of study and its more recent developments as well as those of business economists who have, instead effectively investigated the problems of controlling management and regulation with particular reference to museums.

However even as I am writing this brief introduction a promising new area of study has opened up with regard to the process of becoming a company based cultural institution, namely that of the risks which this process may bring with it. An effective and consistent application of managerial categories to the artistic and cultural institutions of our country has not yet been made and we are already asking ourselves: what might the risks of economic valorisation be? We too posed this question when we spoke of the “three excesses”, of *surmodernité* (Augé’s time, space and ego, 1992), introducing the concept of the “risk of non-place”, for museums and art cities seen as anthropological places full of meaning, occurring if you like for reasons of the behaviour of demand and/or the management of supply and proximity to non-places (Lazzeretti, 2003). The opening quote from Benko is an explicit reference. But this is not what we are going to talk about.

What we have done in this book is to gather together the main work done by this group of authors whose study and research has contributed to clarifying what is meant by the economic valorisation of art and culture in art cities.

2. A short overview

The book is divided into two parts. The first contains the main contribution regarding the issue of the economic valorisation of the art city's heritage. This is first explored following a business logic, and then from the perspective of cultural districtualisation. The sectors studied are the art restoration and the museum system of Florence, together with the benchmarking between Florence and Seville hotel industries. This first part concludes with an analytical review of the most significant programmes promoted by the European Community on this issue. The contributions presented in the second part, instead, are centred on pre-eminent Florence museums, which are approached from a business-like – strategic and managerial – perspective, either theoretical or empirical, specifically the issues of controlling economic-financial management are addressed, with the exception of the last paper which deals with the museum as a knowledge creating system. A short comment on each chapter is given below.

The art city as a unit of analysis for strategic management. From the government of complexity to the government in evolution is the first theoretical contribution by L. Lazzeretti on the issue of art city. In placing the study of art cities within the perspective of managerial economics, the city is viewed as an autonomous unit of economic analysis, with two specific characteristics: (a) that it can be considered an unit of analysis of a complex type, and (b) that it represents a dynamic unit, because it evolves over time. This chapter also introduces the concept of art heritage (CAEH), as the factor which sets the art city apart from other cities. However, art heritage is not only tangible, in other words, a collection of works of art and monuments, but also cultural and environmental, that is, an area which not only constitutes a resource for the local community, but also an important factor of aggregation to be shared by all economic subjects. From this point of view, the city cannot be considered solely as a geographical area convenient for circumscribing the field of observation of sectoral studies aimed at investigating tourism in art cities, as opposed to the hotel supply or the museum system. Rather, the city of art should be more aptly acknowledged as an autonomous local system.

In the second chapter, *The city of art as a HCLocal System and cultural districtualisation processes: the art-restoration cluster in Florence*, L. Lazzeretti enters the debate on the issues of the economics of culture in order to focus on two particular aspects: the art city as an autonomous socio-economic unit of analysis, and the hypothesis of its districtualisation as a driving force for culture-driven and sustainable economic development. In this context the art city is considered as a high-culture local system and some theories of cultural districtualisation in the art city of Florence are tested. Thus, the author concentrates on the study of the 'artistic component' of the productive factor CAEH, only considering private firms operating in the field of art restoration and located in the Florence city area. As a

result, the analysis of all the actors in the Florentine art restoration cluster has not been investigated further as yet. With a view to this, the author proceeds to a re-elaboration and integration of the questionnaires collected in a survey by ARTEX (1998) that accounted for 145 firms in the cluster of ‘art’ restoration. The analyses raised various interesting points showing the occurrence of some sort of cultural districtualisation at different degrees.

In the third chapter, *The cluster of Florence museums and Network Analysis: the case study of “Museo dei Ragazzi”*, L. Lazzeretti, T. Cinti and M. Mariani concentrate on the museum as an actor and resource in the art city, meant as a form of organisation relevant to a high-culture local system. By applying CAEH methodology, they first identify the main features of the Florentine cluster of museums, and secondly study the network of relationships among museums. Specifically, they analyse the single processes of co-ordination, by applying network analysis to the case of the “Museo dei Ragazzi di Firenze” (Youth Museum of Florence).

In the fourth chapter *Dynamic and localised density dependence in the hotel industry: benchmarking between Florence (1940-1996) and Seville (1945-1999)*, L. Lazzeretti, G. Brusoni and F. Capone state that rates of mortality and start-ups of organisations are effective tools for explaining the changes in the industry using an evolutionary approach. In this research paper they focus on the benchmarking of two art cities, Florence and Seville, as significant examples given the richness of their artistic, cultural and environmental heritages. The paper compares two studies, analysing the evolution of the Florence and Seville Hotel population with a range of data covering respectively 60 and 54 years, through start-up and mortality rates. Specifically, the authors test the basic hypothesis of population ecology start-ups using regressive exponential models (with Poisson distribution): density dependence, mass dependence, interactions between density and period variables for the two cities’ populations. The aim of this chapter is to discuss the different results achieved and the methodological problems which arose, indicating new research assumptions. In both studies the basic assumptions are almost always confirmed and the relation between the start-up rate and density is significant.

The first section ends with *The economic enhancement of cultural and artistic heritage: a focus on Community programmes*, by L. Lazzeretti, T. Cinti and F. Capone. In this chapter, a general background of the concepts of sustainable development, the city and culture in Community policies is presented and compared at a European level. The authors analyse a framework of European Community policies concerning the “city-cultural heritage” dyad. From this point of view, “culture” is seen as the essential factor for the achievement of sustainable development by European cities and regions. A specific long view focuses on the Fifth Framework Programme (FP5) and its main features are outlined as far as the relevant issues are concerned. Finally, some references from the Sixth Framework Programme (FP6) are emphasised. Specifically, reference is made to the concept of

Cultural, Artistic, and Environmental Heritage (CAEH), which represents a specific productive factor able to “drive” the economic engine in places with a high cultural density.

The second section begins with a theoretical contribution by B. Sibilio, on *The control system in non-profit organisations. A consideration of cultural organisations*. The definition of the non-profit organization’s objectives, consistent with its mission, and the control of the activities implemented for their achievement requires an effective “multidimensional” information system. This should be capable of gathering all the information of a quantitative (monetary and otherwise) and qualitative nature appropriate for assessing its management and social performance and evaluating the general efficiency and productivity of the structure. Of the many control instruments, performance measures can play an important role. Being a special type of non-profit organization, the museum shows many important variables expressing different relevant strategic aspects, which must be integrated and balanced. This action of interrelation and co-ordination can be developed by means of a specific device for strategic control: the balanced scorecard. In this chapter there is a model of the balanced scorecard of a museum, that does not set out to be an operational proposition, but an opportunity to try to co-ordinate and integrate the numerous aspects of strategic importance in this organization.

The enhancement of art assets through the establishment of foundations: the case of the Marino Marini Foundation in Florence by F. Papini and N. Persiani is the seventh contribution: it analyses the basic, formal steps regarding the setting up, management and financial reporting of the activities of a small museum. More specifically, having analysed the fiscal, accounting and legal issues related to the deed of donation, company structure and relations with various stakeholders (public bodies, users, donors), with reference to the main activities of a museum firm, the authors investigate the most suitable forms of profit and loss statement and highlight their specific characteristics. The analysis is conducted through a case study of the Marino Marini Foundation of Florence.

The eighth contribution is *Opificio delle Pietre Dure in Florence (1882-1905)* by M. Mainardi and M. Valeri. An ability to modernise, even through the modification of some assets consolidated over time, has always represented a critical factor for the development of any organization and sometimes even a prerequisite for its survival. With this interpretative perspective, the authors analyse the historical events of the Opificio delle Pietre Dure of Florence during the last decades of the 19th century, an Institute which faced a delicate period of transition that had even endangered its existence. The study underlines a number of relevant elements of change regarding the institutional mission, the inventory process of the State heritage and the financing sources of the Opificio.

The ninth chapter is *The Museum of the Opera of Santa Maria del Fiore: the history of the first twenty-five years of activity* by F. Dainelli and F. Ciaponi. The

subject of this research paper is the museum of “Opera del Duomo di Firenze”, opened in 1891. The research was conducted along two different lines: (a) an analysis of the causes that induced the “Opera del Duomo di Firenze” to build a museum and the main economic obstacles facing it; (b) a reconstruction of the economic and financial results achieved by the museum in the first 25 years of its life.

The second, and last part of this book is concluded with the paper by E. Livi on *The network of resources in museum management: the “New Palazzo Vecchio” in Florence*. Changes in cultural tourism and the problems of rebuilding and revitalising cultural heritage require a new concept of museum in which innovative instruments and projects lead to a “knowledge-creating system”. The “New Palazzo Vecchio” project in Florence can be analysed as an example of cultural innovation, as it merges different cultural resources to create an “interactive historical museum”.

PART I

Art cities and cultural districts

1. The art city as a unit of analysis for strategic management. From the government of complexity to the government in evolution

Luciana Lazzeretti

1. The importance of the city as an economic unit of analysis: general framework and lines of research

What we are about to formulate here, being at the first stage of this research, is more of a programme of study than an exposition of the results achieved, since what we have reconstructed up to now only constitutes a small piece of the jigsaw we would like to put together. The issue we are introducing here is not the kind one can tackle in a short time or by improvising. In our opinion, the study of urban economies and city governments, particularly in art cities, may very well represent one of the frontiers that academics involved in analysing economic facts face at the beginning of this third millennium.

In a time when the economies of developed countries are moving towards a progressive de-industrialisation in favour of the tertiary sector, fundamental changes do not just apply to the decline or revitalisation of specific sectors, or to the advent of new ones (such as telecommunications, multimedia, or non-profit sectors), but to the units of economic analysis themselves, as they increasingly take on both local and global dimension.

For instance, although characterised as local systems of small and medium-sized firms, districts are now beginning to tread the stage of the international scenario, confronting themselves with multinational companies of a global type, and sometimes supplying global products¹. The same approach might be recommended for art cities, as these can be seen as local systems producing a global product.

The art heritage of a city is not only a set of material assets² having a determined geographical location and an institutional community to administer it

¹ An updated bibliography on industrial districts, which also includes contributions by Italian scholars of industrial and managerial economics, can be found in Varaldo and Ferrucci (1997).

² For instance, the image of Florence also represents an immaterial asset that can be used at a global level, directly through the traditional products of publishing and, more recently, multimedia

(the Municipality), the function of which is limited to a local level. It is also a valuable asset in as far as it can activate a “system of substitutes” for the use of the art city, or whatever is connected to it (Becattini, 1988, p. 90), which may very well be of benefit outside the city itself³.

If we follow this line of thought, the identification of the entirety of economic activities bearing on the city’s art heritage and image with the tourist sector alone would be reductive, even if the latter may certainly be considered as the *core industry* with which most of the other economic activities may be directly or indirectly associated. So, perhaps it would be useful to get to know this unit of analysis – the art city – in depth before setting up procedures for its government paying special attention to its complex nature and also to the underlying evolutionary dynamics.

Many scholars have devoted themselves to studying the city, first among them the economic geographers and urban economists⁴; but recently, in our opinion, a special role could be played, on the one hand by economists studying the larger area of local systems, and on the other by business economists.

The former have worked considerably on units of analysis such as the industrial district, the economic hub, the technological hub, but less incisively, in my opinion, on the city in general and the art city in particular. In any case, we think that the passage from the study of the *company town* typical of the Fordist era to the *tecnopolis* (Castells, 1994) seen as an “incubator”, might very well lead to the study of the art city, or what we might call the *ars polis*, conceived as a “creative city”; and this should be especially true for Italian and European economists living in countries with a “high artistic and cultural density”.

The relevance of tertiary activities in post-industrial economies – cleverly anticipated at an urban level by scholars such as Jacobs (1970) – together with the advent of the computer and multimedial technologies, makes the art city a potential analytical entity to be studied as a possible “floating asset” of economic development connected to a category of intangible assets that are unique but which also show a variety of consumption on various fronts, such as those linked to artistic assets and the image of the art city⁵.

Those studying economic facts are presented with a further advantage in using the city as a unit of observation, in as much as it has both a local and an

products (such as CDs) and even BOCs, or indirectly through a mark of origin (such as Florentine straw hats) or the use of an emblem-image of Made in Italy (such as the Biennial of Fashion).

³ A necessary premise for this paper is that we will refer mainly to Florence for example, simply because our research activity was basically focused on this city.

⁴ For a review of the main contributions to this issue, we refer to the list of references contained in the following volumes: Bertuglia and La Bella, 1991; Camagni, 1993; Ciciotti, 1993; Martiniotti, 1993.

⁵ Such a potentiality can be easily attributed to art cities like Venice, which are characterised by an economy centred almost solely on tourism, while in multi-sectoral cities, like Florence or Rome, in-field testing is required.

international dimension. From this point of view, the city might in fact be taken into serious consideration as a laboratory-hypothesis, if we agree that it permits the study on a reduced scale – and sometimes even in anticipation – of events that may occur on a wider scale in the economies of industrialised countries.

As far as business economists are concerned, the recent contributions made by the economics of complexity, and the study of inter-organisational networks fit the picture very well since the city's multifarious forms of organisation may constitute a valid example of complexity and connected to established view of the city as a network⁶.

The city is a network, or rather, a «system of networks or a network of systems» (Choay, 1991, p. 152), with “internal and external networks” so that cities like London, Paris, or New York are seen as the fulcrums of international networks and the global dynamics of industrialised countries' economic development (Gottmann, 1991); and then there is the metaphor of the network for the computerised city (Castells, 1989); and so on ...

All this provides interesting ideas for the continuation to a subsequent phase involving the microeconomic sphere of the individual city in general and in the case in point of the art city; in which the city is seen as a reticular macro-organisation characterised by a network of actors (public and private, business and institutional) to which the categories of “strategic management” can be applied. This way, the concept of *city government* may be introduced, and by inference, a *city management* created to govern the new macro-enterprise in its complexity.

For some time now however, scholars have not limited themselves to discussing the economic issues associated with a theoretical framework of development, in the sense of growth; rather, they have tackled the issue of the “crisis of the city” deriving from metropolitan degeneration (Martinotti, 1993) connected with environmental problems of habitability and congestion. Studies of the city are thus moving towards a sort of “ethics” of the city, to discuss the idea of a “perfect”, sustainable city (Vallega, 1996) which does not ensure growth alone but future survival.

From this point of view, a current attitude is to refer to theoretical configurations aimed at the study of evolution and sustainable development in the city using eco-biological models, or else, to reconnect to those contributions which – on the strategic management front too – once again propose the well-established concept of the life cycle of a product, applying it to the city. I am referring, in particular, to the in many ways trailblazing work of Kotler *et al.* applied to “the marketing of places” (Kotler, Hauder and Rein, 1993) which focuses attention on “places in trouble”, and tries to apply a series of marketing instruments to revive

⁶ «The traditional image of the oil stain expanding and covering everything inside its perimeter has been added to, if not substituted by, that of the “net”, the key elements of which are knots and inter-knot connections which can get tighter or looser, without having any effect on the fact that there is a space between the links nor on the size of such spaces» (Pozzana, 1994, p. 819, our translation).

the city in decline, while questioning the possible causes of such decline. However, we do not believe that the activation of city marketing initiatives aimed at making cities more attractive and turning them into forces for development is sufficient. What is needed is a concerted set of wider-reaching operations to design a future for the city, and these operations should be entered into from a perspective that does not only take into account the times involved in managerial strategic planning, but embraces a multi-generation logic (Lazzeretti, 1996). Only this can guarantee the future existence of the enterprise-city beyond the present generation of political, entrepreneurial, and managerial decision-makers.

What we have tried to outline is an initial, and rather summary, reference framework, which is absolutely essential for setting the study of art cities within the perspective of managerial economics; what we wish to point out is the opportuneness of seeing the art city as an *autonomous unit of economic analysis*, characterised by two specific qualities:

- that it can be considered a unit of analysis of a *complex type*;
- that it represents a *dynamic* unit, because it evolves over time.

As far as the first quality is concerned, at a first approximation, the city's high level of complexity is caused by the presence of both a local and a global dimension, and the multiplicity of organisational forms for the various sectors existing in the same territory. As for the second quality, this derives from the consideration that in order to govern, such a complexity must be thoroughly understood. A historical exploration is thus needed to see what caused such complexity and to reconstruct the many facets and the evolution of such a phenomenon, to assess its present complexity as the result of an evolutionary process.

Continuing along this line of thought, a hypothesis for "the government of the art city" may be formulated and divided into two different, but interconnected levels:

- that of the *government of complexity* in the short, medium and long term, as evinced from the decision makers' point of views;
- that of the *government in evolution*, that is, of the continuity from the past to the present, of vital flows, which takes its cue from the past to understand present complexity and operates in such a way as to promise future generations an art heritage that is not only intact but also enriched over time.

The first type of government can be understood as an administration of subjects, where the city represents the object governed, the production organism; while the second type represents the government of the object itself, a sort of "gratification", where the city is the sovereign and the activity of its administrators is a chronological series of choices, not to be removed from an independent evaluation of efficiency, or contingent efficacy, but following the logic of sustainable and evolutionary (from the perspective of a multi-generation) development.

Such prospective opens up many questions, for which an adequate answer is not to be expected immediately. For now, we will concentrate on trying to formulate some of them and on offering some ideas which will be discussed and gone into in more depth later on:

- is the art city to be considered a hub of development *à la* Perroux?
- is the art city to be seen as the impulse for development *à la* Schumpeter?
- if the art city's economy can be sorted out in terms of imports-exports *à la* Jacobs, how many of these can be traced back to the exploitation of art heritage, and how is it possible to compute them?
- in the event that a productive-exploitative *filière* for art heritage is identified, in which many different actors from very different productive sectors, or stages of production, participate, is it correct, or potentially correct, to assert that the art city can be set up as a reticular macro-enterprise?
- in the event that a *filière* for intangible production is identified in which various systems of small and medium firms participate, in a typical tightening of bonds caused by sociological and behavioural factors which can be traced back to a sort of local atmosphere, can the art city be considered in the same way as the "art district"?
- is it right to state that the attraction of an art city is not linked to its touristic appeal alone, but also to its ability to exploit the city's reputation so as to attract new economic and business opportunities?

Certainly, the challenge proposed appears interesting and gives us a glimpse of a new frontier for competition analysis, the main object of which is no longer businesses but cities, which alternate rivalry and co-operation. The reputation of art cities would then play a strategic role for the acquisition, or the exploitation, of new business opportunities.

2. The specificity of the art city: the Cultural, Artistic and Environmental Heritage (CAEH)

Entering into the heart of the debate which is a reflection on the passage of the city from being a mere object of economic investigation to being an autonomous, spatial economic category, we should like to offer some suggestions specifically for art cities.

In this respect, we agree with the view that it is the art heritage which differentiates an art city from other cities. However, art heritage is not only tangible, in other words, the group of works of art and monuments present in the urban area but also the cultural and environmental heritage which constitutes not only a resource for the local community, but also an important factor of aggregation to be shared by all economic subjects.

From this point of view, the city cannot be considered solely as a geographical area useful for circumscribing the field of observation of sectoral studies of towards tourism in art cities, as opposed to the supply of hotel services or the museum system. The art city should be correctly interpreted as an *autonomous local system*.

It is our belief, in fact, that many things have changed since Becattini wrote, in one of his contributions (1988), that he detected some “resistance” in the attempt to address economic analysis to cities⁷.

Urban complexity can now be investigated using the logical categories drawn from the economy of complexity, and resorting to a multi-disciplinary and multi-level approach which allows for its variety and multiplicity. Studies in the economy of art are beginning to offer interesting contributions⁸, and some scholars have explicitly asserted the analytical autonomy of the art city (Mossetto, 1992). As to the question of “external features”, we believe that the advances made over the last few years in the study of inter-organisational networks offer a valid theoretical support to the study of networks in cities⁹.

Obviously, the defence of such a theoretical position is conditional not only to the presence of a substantial art heritage in the art city, but also to the possibility of recognising that this factor may be influential in the city’s development. Therefore, if the assumption holds that CAEH can be exploited and produce a value for the city, we think that the art city should more correctly be defined as a “potential analytical autonomy”. This does not necessarily mean that the only possible case is that CAEH’s exploitation is the dominant factor (see, for example, the case of Venice); what is sufficient is that it represents one of the elements moving the city’s economy¹⁰. Therefore, from our point of view, the city should be qualified either as “specialised” or “diversified”. The relevant matter, however, is not so much to tell whether CAEH has a primary or secondary role in the city economy, but to assess the probability of identifying and measuring the added value it generates.

⁷ «The city, in fact, being an urban organism, shows systematic resistance to the analytical aggression of the economist. Such resistance is partly due to the fact that urban complexity has partially extra-economic roots, and partly to the fact that the operations on the city which the economist wants to evaluate the private and social convenience of often present qualities of indivisibility, thus cutting out some of the soundest tools of economic analysis. Thirdly, because in urban studies economics employs the tool of externalities more and more frequently, and this tool is subject to a rapid evolution and transformation, and is not conceptually systematized» (Becattini, 1988, p. 87, our translation).

⁸ See for all Pilotti and Rullani (1996), in particular the references made in it.

⁹ Mossetto defined the art city as a «complex cultural asset with its own economic characteristics, which make it possible to study its functions of supply and demand» (Mossetto, 1992, p. 4, our translation).

¹⁰ These statements lead us back to the discussion of city economies in terms of simple *versus* complex cities. On the subject of Florence, we would like to recall the contribution of Chiandotto *et al.* (1989), according to whom its economy is not mainly based on art but is a medium-range, multi-centric system, set up through a tightening of functional relationships with contiguous local systems.

Hence, the first step of such an evaluation is to identify the “Cultural, Artistic, and Environmental Heritage” correctly. This does not only constitute the art city’s distinctive trait, but also a scarce, non-reproducible resource internal to the city and capable of differentiating it from other cities, which may prove profitable if it is efficiently managed according to business logic. CAEH gives a measure of the city’s value, which does not only assess the present value of its works of art, but includes the heritage built up in the mind of the public as this is retained in both the local citizenship and the global community.

The components of this value are both tangible and intangible. Among the first is the group of artistic assets and works of art present in the city which must obviously be considered, but there are also elements of the “landscape” or the “environment” in which they are set. We are referring, for instance, to the typical Tuscan landscape and the hills surrounding Florence like a backdrop, or the “atmosphere” one can breathe in an art city given the complexity of everyday life activities, behaviour, usage and customs that give the place a soul of its own, different from any other (consider, for instance, how many tourists visiting Florence do not go to the museums but just walk around the city). Lastly, there is an element we can think of as the city’s cultural dimension, the “cultural crossroads” which, in certain historical periods, may even give a creative impetus to urban growth (see the case of Florence in the Renaissance).

Therefore, meant in its broader meaning, the art heritage of art cities represents a “centrality” (Muscarà, 1991) from which the mass of relationships feeding internal and external urban networks irradiates (Gottmann, 1991). It represents the ideal meaning according to which one can positively appreciate both the local and the global dimension of the city as a network, and at the same time may be seen as a potential impetus for development, similar to what Schubert (1988) sustained for his “cultural city”.

Tab. 1.1 – The Cultural, Artistic and Environmental Heritage of Florence

TANGIBLE RESOURCES	INTANGIBLE RESOURCES
Architectural works and monuments (e.g. The Duomo of Florence, The Boboli Gardens)	Licensing and merchandising (e.g. connected to the works of art exhibited at the Uffizi)
Works of art and galleries (e.g. Michelangelo’s David, The Uffizi Gallery)	Shows and events (e.g. Maggio Musicale Fiorentino, Calcio in costume)
Universities and academies (e.g. European University, Academy of the Crusca)	Atmosphere of the city as a whole and of its single neighbourhoods (e.g. Santa Croce, San Frediano)
Urban and hillside landscape (the typical Tuscan landscape)	Typical arts and crafts (e.g. goldsmiths, silversmiths, furriers, etc.)
etc.	Cultural activities and artistic circles
	Emblem of the city of Florence (e.g. the Lily of Florence)
	etc.

Source: our elaboration.

3. The art city: the government of complexity

If what we have said up till now is a largely shared view, then the art city may be considered a “potentially” autonomous economic unit. The next question we might ask ourselves might be that of qualifying such a unit of analysis from the point of view of strategic management to then discuss the government of the city from a business perspective. On this point, many interesting contributions from Italian and foreign scholars already exist, which provide useful elements for the shaping of a concept which we have called “government of complexity”.

We would like to quote, as an example, the concept of the “multilevel neural network” with its set-up as a system of relations between actors, such as institutions, meta-organisers, firms, and so on, first applied to the district (Pilotti, 1997a), and then to tourism (Pilotti, 1997b). This concept, in our opinion, constitutes an interesting hypothesis to be applied to art cities too. Another apparently prolific concept recently developed is that of “place marketing” (Texier and Valla, 1992; Sperling, 1995), and in particular that of “strategic place marketing” (Kotler, Hauder and Rein, 1993), which offers many ideas for urban revitalisation, that are applicable to tourism as well. We would like to recall here the recent but large body of literature regarding the museum system (Roncaccioli, 1996; Bagdadli, 1997; Baroncelli, 1997); and the attempts made to apply computer science to the local and international management of tourist services – it is sufficient to consider the impact of Internet in such a context. And, lastly, the studies made of tourist flows in art cities (Costa, 1993; Becheri, 1995). All of these contributions need to be gone into in more depth, completed and specifically circumstantiated to the problems facing art cities, but we believe we are right in saying that the question of the economy and management of art is beginning to make an autonomous and significant place for itself.

However, what we feel does not emerge with sufficient force or clarity is the need to change the unit of economic analysis. In fact, with the exception of place marketing, in all other cases the art city appears to be still viewed as a geographical area, an identifiable space in which to study the business of artistic assets, or touristic supply and demand. The art city is never directly discussed as an autonomous economic category. The concept of “sector” apparently dominates the concept of “city”. We believe however that a change of perspective might be extremely interesting.

In this new perspective, we have tried to formulate an initial definition of an art city: *the art city is an autonomous local system which may be shaped like a reticular macro-organisation, identified by a network of actors (public and private, economic and institutional) actors and, as such, managed according to entrepreneurial logic.*

Following this scheme, we might look for the different systems of relations between the actors involved and their contents. First of all, we need to verify

whether it is possible to talk about a dominant central institutional actor – the Municipality, which is, by its nature, responsible for the management of the territory – and whether the city is adequately governed. All possible models of organisation should be thoroughly investigated and examined on the field, but what they should share is a preliminary check of the existence of a *filière* for CAEH, which all the different relationships can connect to. This *filière* should be classified as “widespread”, not as vertical, or horizontal, or transversal, but in terms of all of these since the reason for its existence lies in the process of the division of labour set up to ensure the maximum economic benefit from the CAEH factor with both its tangible and intangible elements. This *filière* should run along both the internal and external city networks, i.e. involving actors who are internal or external to the city network, whether they can be connected to local systems on the outskirts or to the global networks associated with the city’s virtual intersections.

Once again, our starting point is represented by the correct identification of the productive economic factor CAEH, which does in fact already constitute a real opportunity for business. In their report on the economy of art and entertainment, Brosio and Santagata (1992) talk about it as a resource, a seam¹¹, and they point out how the very first to exploit it were computer science and publishing companies, as well as the building industry. The art business is a reality, and art may be considered in its own right one of those sectors of “technological convergence”, where telecommunication, multimedia, culture, and fashion intersect. Examples of this kind, which may also refer to art cities are quite recent but increasingly common¹².

So, what is the best strategy to govern an art city? One answer might come from the “resource-based” view. This theoretical formulation can be successfully applied to CAEH, or so we think, as this is a resource typically internal to the city, unique, hard to reproduce and appropriable. CAEH might be considered not only as an “invisible asset” *à la* Itami (1988), but also as a “dynamic capability” *à la* Teece, Pisano and Schuen (1997), if only the management of the CAEH and the exploitation of the city’s reputation could create specific competencies, at the level of city management or of the actors in the network, so as to activate a virtuous circle running along the nerves of the internal and external networks. Such a

¹¹ «First of all, the idea of the cultural asset as an economic good is asserted, and then, through the image of the resource or seam to be exploited, one arrives at the concept of a productive economic asset to which a criterion of financial evaluation is fully applicable» (Brosio and Santagata, 1992, p. 127, our translation).

¹² A remarkable example is represented by the team led by the Florentine publishing house Giunti (together with Pineider, Ferragamo, Bassilichi, “Opera laboratori fiorentini” [Florence laboratory organization] and Sillabe), which won the tender for the bookshops, and other integrated services of the Florence State museums, as provided for by the “Ronchey” law: the winner will manage all sales outlets, ticket office services and the production and sale of various articles as well as the reservation and sale of tickets for all the city galleries (Amorevoli, 1997).

formulation obviously requires more in-depth annotations and investigations, but we believe that events such as the issue of the Treasury bills BOC (Municipal bonds), or the new Bontur, are initiatives that may certainly be interpreted in this direction¹³.

A competitive scenario therefore appears for the art city too, leading us to paraphrase the famous question “what makes one city different from another?”

The answer brings us back again to the concept of art heritage, which as well as being an important factor of the variety of a city, is also an element of “differentiation”. The reputation of art cities *à la* Hall (1992) synthesises the value of CAEH and can become a strategic source for a sustainable competitive advantage, where by sustainable we do not mean an advantage that lasts over time – as we will in the following section – but one based on the impossibility for competing cities, to take possession of it – as can be evinced from the RBV (Resource Based View). The art city thus adds another string to its bow to use in the competitive challenges facing it in this new millennium¹⁴.

4. The government of the art city: a government in evolution

If the issue of the government of complexity still needs in-depth investigation, consolidation and final integration, that of government in evolution must be created *ex-novo*. We can already talk about city government activities aimed at pursuing the “main road to sustainable development”, in other words aimed at preserving the city’s competitive advantage over time, considering firms from a multi-generation logic of protection and adaptation of the species. However, these activities seem to

¹³ After the arrival of BOCs, Bonturs are ready to be issued: these are securities attached to the most important destinations of mass tourism, such as the Uffizi Gallery. They will have a secondary stock-exchange quotation, and be repaid by means of travel vouchers to stock owners. The proposal is contained in a revenue bill, drawn as part of the reform of tourism legislation. Among the objectives of these bonds is the safeguarding of the environment and the restoration of specific assets having a great historical, artistic or architectural value (“La Repubblica”, December 28, 1997).

¹⁴ We would like to recall an example of competitiveness among cities for the attribution of a very attractive activity: the head office of the telecommunication Authority. Three of the most famous Italian art cities, Naples, Rome, and Florence, were bidding, together with L’Aquila, Parma and, the most disappointed of all, Turin. Naples was favored as it was considered “the south entrance to the global village” (Fontanarosa, 1997). The disappointment of Turin – a city in crisis to be counted among the company towns or techno-cities connected with the decline of the Fordist model for the car industry – was very strongly felt, precisely because this missed opportunity might have been a means of revitalizing the city. Maybe, in this instance, the new image of Naples played a relevant role. In fact, we would like to recall, the revitalization of this city started from the tourist sector and the restoration of art heritage: thus, it could be an example of how an art city can activate a virtuous circle in which the medium is the city’s reputation, which exploits the cultural sector as a sector of technological convergence.

be only theoretical at the moment, although a few realities are already taking shape¹⁵.

Economic literature has already addressed the question of city dynamics within a framework that may be applied to the idea of sustainable development. Precedents of the kind can be found, for instance, in eco-biological models, first of all the one by Lokta and Volterra (Camagni, 1993, pp. 363 ff.).

We will however refer directly to the area of “population ecology”, and specifically to the contributions by Hannan, Freeman and Carroll who did not – as far as we know – openly address the city as a unit of analysis, but can offer some interesting ideas. In other words, we believe that these theories might be explored not in themselves but as part of an activity of “basic research” set up to provide new analytical tools dedicated to government in evolution. To support this conjecture we would like to quote a recent passage by Freeman:

Population ecology analyses the dynamics of groups of similar organisations, that is of organisations with a shared destiny given that they depend on the same resources or because they have similar strategies for dealing with their external dependencies. Population ecology concentrates on diversity in the world of organisations and on how it depends simultaneously on the creation of new organisations or the disappearance of established organisations. This does not mean to suggest that inside organisations there are not individuals with objectives, resources or strategies or that organisational structures are unchangeable. The ecology theory of organisation is a point of departure not of arrival for the study of the organisation in that it provides a structural context to comprehend how change comes about at levels of lower temporal aggregation. In short, anyone interested in the management and analysis of the organisation should start by understanding the dynamics of organisation populations before moving on to a more detailed study of organisational structures and processes (Freeman J., 1996, pg. 9-10).

As far as we are concerned, the working hypotheses which we have started with can roughly be traced back to the attempt to focus on the art city as an “ecological niche”, where different organisational populations develop (*population level*), and subsequently as a “community of populations” (*community level*), which may be identified as total of previous populations. By ecological niche we mean the art city as an arena of resources (Zucker, 1989), and by resources, in our hypothesis, we mean the available assets pertaining to CAEH.

Such a shift of focus may be better appreciated once we recall how population ecology deals with studying organisations at three different levels: the first is the type of organisation, the second is the population of organisations, and the third is the community of organisations (Baum and Singh, 1994). This last represents the ultimate frontier on which scholars devoted to organisational ecology have to test

¹⁵ It is sufficient to recall the importance attributed to the environment by the Urban Community ruling regarding the “Sustainable cities project” started in Italy in 1996 (Grimaldi and Valenti, 1997).

themselves, as empirical evidence is scant due to the complexity of the object being studied.

In this context, we won't dwell on the illustration of these theories¹⁶, we will limit ourselves to noting how there is a common element to them all: the attempt to test how and to what extent the structural components of a population can influence the trend of the organisation's vital flows. Our basic hypotheses can be ascribed to the concepts of *density* and *mass dependence*, which connect the trend in the foundation and demise of organisations to the population density and mass, and enable the identification of the turning points beyond which the processes of legitimation are replaced by those of competition (thus identifying the two basic processes of organisational ecology: legitimation and competition)¹⁷.

The application of these theories involves not only theoretical, but also empirical problems, since the relative models require long historical series of data which are not always easy to find. As far as our personal experience is concerned, what we have managed to do up to today is not much, but represents a starting point for a slow and step-by-step path of research. We started by considering Florence as a geographical area in which to study the hotel sector in an evolutionary perspective. However, in the light of the observations made in this report, we might re-read the analysis carried out not in terms of a sectoral analysis but of a "city analysis" from an evolutionary perspective. In this case, the hotel population of Florence might be considered as a sort of *core population* belonging to the totality of populations which identify the art city as a "community of organisations".

The object of the study we undertook was to reconstruct the trends in the vital flows of the population of Florentine hotels over the last thirty years (1964-1994). An initial analysis of industrial demography was performed in order to test the possibility of applying ecological theories (Brusoni and Lazzeretti, 1996); subsequently, we tested the fundamental hypotheses of population ecology (density and mass dependence) together with several hypotheses of localisation (Lazzeretti and Brusoni, 1997); the completion of the historical series of data for the thirty-year period and the perfection of the information acquired are still under way.

The times needed for such research is quite long, since working on the field requires much effort as regards the gathering and adjustment of information. However, we have already achieved some interesting results. To mention just a few: (a) the reconstruction of the turning points in the population history that led us to the identification of a ceiling for the "load-bearing capacity", that is the value

¹⁶ For a concise picture of the main ecological theories, see Lazzeretti and Brusoni (1997).

¹⁷ Supported by studies of the niche, that was first understood as a "fundamental niche", and later as an "actualised niche", up to the identification of types of inter- and intra-population relationships, such as fellow-boarding versus competition, symmetric versus asymmetric, and so on (Hannan and Freeman, 1993, pp. 155 ff.).

beyond which the processes of competition take the place of that of legitimation; (b) the evaluation of relationships influencing the foundation and demise processes at a multi-population level (hotel structures in the historical centre and in the outskirts); and finally, (c) the emergence of SMEs as the protagonists of vital dynamics.

These first results have not only proved useful for trying to apply ecological theories to the matter in question but have also inspired new ideas to work on in the future so as to formulate new tools for our hypothesis of a “government in evolution”.

We would like mention at least at two of these new concepts:

- a new concept of the life cycle of the city, intended not as an extension of that applied to the product-sector, but as a complex lifecycle, represented by the outcome of the life cycles of the various organisational populations which contribute to the definition of an art city;
- a new role for SMEs, viewed not only in terms of organisational and entrepreneurial flexibility, but as factors of multi-generation development, expressed by the continuity of the family business, and so centred around the ability of family succession to ensure the survival of businesses beyond the period of current decisions.

5. A final point

To conclude this paper, we would like to underline the two central issues of this first consideration of the art city and strategic management:

- first of all, we tried to stress the art city as an autonomous economic category;
- subsequently, we focussed on a hypothesis of city government from complexity to evolution.

As regards the first matter, we made many references to theory with a particular purpose in mind: to underline how, from various theoretic perspectives, it appears opportune to shift focus so as to arrive at the acquisition of cognitive and research autonomy for the art city (see Tab. 1.2).

As to the second issue, we have investigated at length the opportuneness of discussing the prospect of city government according to the following two dimensions:

- that of the government of today, that is the *government of complexity*, as it is understood from the viewpoint of decision makers (in institutions, corporations or enterprises), therefore sticking to a traditional concept of economic development, in which the art city represents a sort of complex productive organism managed by a network of actors;

- that of the government of yesterday, today and tomorrow, that is the *government in evolution*, in which the city is the protagonist and compels decision makers to take those choices of government that follow the path of sustainable development.

Tab. 1.2 – The art city as an autonomous economic category: the shift of focus in the main theoretical contributions

ECONOMIC THEORIES	SHIFT OF FOCUS	NOTIONS OF ART CITY
Industrial economic area <ul style="list-style-type: none"> • Urban economy • District economy 	From geographical area towards an autonomous local system	Art district
Business economy area and strategic management <ul style="list-style-type: none"> • Economy of complexity • Theory of organisational networks • Resource-based view • Theories of entrepreneurship¹⁸ 	From geographical area for sectoral analysis towards the network macro-organisation manageable according to entrepreneurial logic	Art city as an enterprise
Ecology area <ul style="list-style-type: none"> • Population ecology 	From ecological niche towards a community of populations	Art city as a community

Source: our elaboration.

Moreover, we have tried to identify some guidelines and tools for each of the two dimensions of city government.

For the government of complexity: the city as a multi-level network in which a great variety and quantity of actors participate; its attractiveness being not merely touristic, but complex; the *filière* of CAEH; the atmosphere of the art city; art heritage as an invisible asset and a dynamic capability; city management and marketing.

For the government in evolution: art heritage as an ecological resource; the city as an ecological niche and a community of organisational populations; the life cycle of the “art city” community; SMEs as factors of multi-generational development.

The key question is therefore not only connected to identifying and refining suitable tools and techniques for optimising choices to ensure the development of the city, but above all to successfully bring together the two dimensions mentioned above.

We realise the suggestions made have been many, perhaps too many, and not always sufficiently clear, but what we have tried to illustrate is a line of research which has just begun, which requires a lot of work and, frequently, competencies of a multidisciplinary kind, which are not always easy to integrate and convert within an economic entrepreneurial logic. The results we have produced are relatively few but we had to start somewhere.

¹⁸ For a range of reviews of the relationship between entrepreneurship and territory, with many ideas for research, see Zanni (1995).

2. The art city as a HCLocal system and cultural districtualisation processes: the art-restoration cluster in Florence

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1. The art city as an autonomous unit of analysis: an overview

The study of art cities and their governance represents not only an issue of relevant scientific interest (Becattini, 1986; Scott, 1997), but also an extremely current topic of economics and politics. The European Union placed a challenge at the core of its policies for improving the quality of life European cities and urban regions (Fifth Framework Programme, 1998-2002), while at the same time ensuring competitiveness and sustainable development (*Agenda 2000*, European Union, 1999). Moreover, it assigned an autonomous programme to “culture” for the sake of coherence (European Commission, 1998b). The role of “cultural heritage” as an economic factor of production becomes of central importance, since it permits the move from a concept of conservation to one of enhancement, while respecting the principle of economic and social cohesion (European Union, 1994)

The issues of culture economics (Baumol and Bowen, 1966; Farchy and Sagot-Devaux, 1994; Hendon *et al.*, 1980), managerial economics for arts (Owen and Hendon, 1985) and economics of cities (Jacobs, 1970; Zukin, 1995; Kerns and Philo, 1995) together open up interesting economic perspectives for the study of the actors and networks of (economic, non economic, and institutional) actors in countries which hold a significant quota of cultural resources. In recent years, the first reports on Italian economics of culture have been produced (Brosio and Santagata, 1992; FORMEZ, 1993a; Bodo, 1994; Cicerchia, 1997) and many Italian economists, specialised in micro- and macroeconomics have elaborated interesting scientific contributions (Trimarchi, 1993; Santagata, 1998a and 1998b; Spranzi, 1998). We may say that scientific debate is underway, but the fields of research are

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manifold and they must all be defined, because the exploitation of the productive factor CAEH (Cultural, Artistic and Environmental Heritage) offers many opportunities, not only to Italian entrepreneurship, but also to the country as a whole. The first studies to consider art cities as autonomous units of analysis may be found in the trends for culture economics (Mossetto, 1992). They deserve credit for identifying, as a qualifying factor, the set of tangible and intangible resources related to CAEH; this variable, even if defined at a legislative level, remains rudimentary from a scientific point of view and deserves deeper investigation. Other scholars devoted to topics related to the city belong to specialist disciplines, which stress the spatial (economic geographers), sociological (sociological economists), and technical (town-planners) dimensions of the development processes. More recently, interesting research perspectives have shifted the focus of analysis from the city's geographical dimension to the art districts or art cities, seen as enterprises. In other words to industrial economists, in particular those referring to the wide research area of local production, and business economists, especially the ones involved with the problems of governance of a territorial meta-management at an aggregate level.

Industrial economists have worked extensively with industrial districts as their units of analysis, economic and technological hubs; these studies have never managed to take art cities into account. According to Italian and European scholars living in countries with a "high cultural and artistic density", the transition from studies of the company town, typical of the Ford era, to the technopolis (Castells, 1994) – seen as incubator – opens an interesting research perspective aimed at including the (social and economic) processes of development that characterise the art city. In particular, three topics of major interest for group work may be identified: (a) *The evaluation of the impact of change on cognitive processes characterising the art city.* The central element of analysis is the set of cognitive processes at the basis of the development path for the art city, seen as a kind of *ars polis* and conceived of as a creative city (Landry and Bianchini, 1995). The relevance of tertiary activities in post-industrial economies has been skilfully put forward at a city level by scholars like Jacobs (1970), together with the proposition of the new informatics and multimedia technologies. This makes the city a potential subject for analytic study, as a possible "flywheel" of economic development associated with the category of intangible assets, which presents unique characteristics; but it also presents characteristics in the variety of consumption on many fronts, for instance those of artistic assets and of the image of the art city (Crane, 1992). (b) *The evaluation of the impact of post-industrial society and globalisation processes emerging in the art city.* In an era heading towards progressive de-industrialisation of the developed countries in favour of the economic tertiary sector, momentous changes do not only regard the decline and regeneration of some factors, or the advent of new ones, but also the units of economic analysis themselves, which more and more frequently have a concurrent

dimension at a local and global level. For example, even districts characterised as local systems of small and medium-sized enterprises move around on the international scene, confronting themselves with multinational enterprises. Art cities of art may be considered as districts by the same standards. They must be seen as local systems capable of producing a global product. A city's artistic heritage is not only composed of a collection of material assets located in a specific geographical place (Governata, 1998) managed by an institutional community (municipality) that exhausts its authority at a local level, but also represents a wealth that can trigger a "replacement system" for consumption in the art city (Becattini, 1986, p. 90), that can be used outside the territory as well. It would be restrictive to identify all the economic activities connected with the artistic heritage and the image of a city with the tourism industry alone. Culture economics (Baumol and Bowen, 1966; Heilburn and Gray, 1993) merge with urban economics (Camagni, 1993) and find their synthesis in the art city as a unit of analysis (Mossetto, 1992). (c) *The evaluation of the value-creating mechanism at the level of the art city*, not only from an economic point of view but also from a socio-cultural one. In particular, value-creation is closely tied to the existence in the area of specific sources able to trigger social and individual processes for the creation of an identity (symbolic capital) (Santagata, 1998a and 1998b; Peacock, 1992).

As far as business economists are concerned, three interesting research perspectives thus appear concerning: (a) the most suitable *organisational structures for supporting the development of the art city*; (b) the feasible *formulas of governance* for the art city, both as regards sources and local competencies in the management mechanisms (city management) and as regards territorial promotion instruments (place marketing); (c) the likely *creation of new economic leading actors in the art city*, coming from both the manufacturing side (new forms of artistic craft) and the advanced tertiary sector.

(a) Previous contributions from the economics of complexity and studies of inter-organisational networks fit the "city" unit of analysis since its variety of organisational forms constitutes a valid example of complexity. The city is a network or, rather, a «system of networks or a network of systems» (Chloay, 1991, p. 152) furthermore, the city is a metaphor for the network of the informative city (Castells, 1989), and so on.

(b) Another path involves the micro-economic sphere of the city as a macro-network organisation, characterised by a network of actors to which the analytic categories of strategic management can be applied. Thus, it is possible to introduce the concept of "city government", which implies the creation of a city management able to govern complexity in new macro-enterprises. City scientists have not only been talking about economic issues, but are also tackling the theme of "city crisis", starting with the phenomenon of urban degeneration (Martinotti, 1993) caused by environmental problems of habitability and congestion (overcrowding). The focus of city studies is

moving towards a sort of city “ethics” exploring the idea of a “perfect”, sustainable city (Vallega, 1996). A point of topical interest is, to return to the theoretical configurations that deal with the evolution of cities and sustainable development by means of eco-biological models, or refer to those appraisals which, from the strategic management front, suggest the application of the concept of the product life cycle to the city. These derive, in particular, from the work of Kotler and colleagues on “place marketing” (Kotler, Hauder and Rein, 1993), which concentrates on the place in trouble, trying to apply a series of marketing instruments with the aim of revivifying declining cities, and wondering, at the same time, about the possible causes (Colbert, 1994; Gold and Ward, 1994; Asworth and Voogd, 1995). We do not think that the activation of city marketing initiatives is sufficient to improve the city’s attractiveness or to turn it into a motor for development. Of course, a set of much wider ranging initiatives to delineate the future need to be agreed on, so that any prospect of intervention must be measured in a multigenerational logic, the only one that can guarantee the survival of the enterprise-cities beyond the present generation of decision makers.

- (c) Finally, we must delineate the prospects of research into new entrepreneurship applied to the art city. We want to reveal the possible birth of new leading actors in the economic city that belong both to the traditional manufacturing side (such as the new specialisations in the restoration sector) and the advanced tertiary industry (such as multimedia enterprises and electronic publishing) (Scott, 1996).

2. The art city as a local system with a High Culture content

Until not so long ago, studies of art cities were almost solely limited to the analysis of tourist circulation. In other words, economic analysis was restricted to studies of the sector, or the firms belonging to that sector, and did not take the area into consideration, so that the city was seen merely as a framework. Here however we wish to look at the “entity-territory city” as central to economic analysis: thus, the art city is seen as an incubator for new entrepreneurship, as the point of connection between economic and social communities, as the link between different cultures. Therefore, the art city will be treated as a workable form of socio-economic-productive organisation, within which various productive sectors characterised by a «spatial and cultural contiguity in the organisation of work» exist. In previous studies, at a first approximation, we defined the art city as an autonomous local system that can be depicted as a reticular macro-organisation identified by a network of (public and private) actors (firms and institutions) to be managed following a business logic (Lazzeretti, *infra*, Chapter 1, p. 10). The art city, like any other city, was meant to be a complex of different kinds of networks

(Gottman, 1991, p. 7), that is technical, professional, religious, social, individual and collective networks of an internal or external nature. While now our interest is focused on the city as a possible flywheel of culture-driven economic development and on the complex of economic-productive and socio-cultural networks centred around the productive factor CAEH. The challenge that the system of actors involved is facing is that of managing such a heritage in the best possible way, confronting the antithetical alternatives of conservation and economic enhancement. From this point of view, we can define the art city as a “local system with a High Cultural content”,

characterised by the presence, in its territory, of a large endowment of a set of artistic, natural and cultural resources which identify it as a Highly Cultural Place (HCPlace), and of a network of economic, non economic and institutional actors who carry out activities concerning the conservation, enhancement, and economic management of these resources and which represent in their totality the High Cultural City Cluster (HCCluster) (Lazzeretti, 2001, p. 62).

A more detailed analysis might identify some High Cultural Sub-clusters (HC Sub-clusters) in the art city; they should refer to the various components of CAEH, or to the various identifiable types of actors. At that point, we will be able to build up a classification with comprehensive coding of ideal-types for cities and places with a high cultural intensity. It is particularly important to study a specific sub-cluster of actors, the one composed of firms and relationships among firms whose economic activity is mainly based on culture. Such a set of firms can in fact be treated as a local industrial community typical of industrial districts. Therefore, by stressing the aspects that are connected on the one hand with the progressive division-specialisation of work, and on the other hand, with the sociological ties with the city community, we will be able to study art cities as communities of organisation populations with a district-evolutionary theoretical outlook (Lazzeretti and Storai, 2001).

We can therefore summarise by saying that the art city is: (a) A “place characterised by the presence of a large endowment of cultural resources (CAEH)”. This is a first “ideal-type” in the hypothetical classification of HC Places. (b) A “unit of analysis for complex relationships” of a socio-economic and productive nature composed of a network of (economic, non economic and institutional) actors and of a system of relationships among actors (HCCluster of the city), centred around the management of the CAEH factor comparing the alternatives between conservation and economic enhancement. A further step will be questioning whether this system can produce employment and wealth following a model of culture-driven local development. Among the practicable theoretical appeals (the *milieu*, the industrial pole, the dynamic city, etc.) a possible answer seems to lie in industrial district theories with a dynamic foundation – i.e., centred on the dynamic conformation of the process of districtualisation, rather than on the structural elements of the industrial district (Becattini, 2000a, p. 197) – given that two basic

conditions are satisfied: (a) the presence in the city of a considerable group of economic activities based on the economic exploitation of the CAEH productive factor, that must be interpreted in terms of SME local systems; (b) the existence of socio-economic relationships between the city and industrial local communities, in terms of a sense of belonging to city itself. When these conditions have been verified, we will be able to go “hunting for cultural districts” in the “game reserves” of the art cities with the following mindset: (a) the notion of CAEH in its three components, and in the relations among its components; (b) the notion of an “image” of the city, to be perceived as a symbolic capital, and designated by a synthesis of the more representative elements of CAEH; (c) the concept of HCcluster of the city, represented by the economic, non economic and institutional actors, and by their mutual relationships; (d) the concept of the most relevant HC sub-clusters identifiable in the city, and in particular clusters of firms; (e) the process analysis of cultural districtualisation.

2.1. The art city as a HCPlace: CAEH and the city's image

Cultural and environmental heritage must be thought of as the discriminating factor for marking out the art city out from the “non-artistic” one and, at the same time, what distinguishes it from other similar cities with regard to both the quantitative concentration of the endowment of resources, and the qualitative differentiation of resources. CAEH should signify a set of tangible and intangible resources that can be traced back to its three main components, art, culture and the environment (Lazzeretti, *infra*, Chapter 1), i.e. the distinctive traits of a HCPlace. Among the first, strictly speaking, we can obviously count the set of artistic assets (e.g. monuments, architectural complexes, works of art, archaeological sites); the second designates the set of activities, behaviour, habits and customs of life, that make a specific place different from any other (e.g. universities and research centres, typical arts and crafts, contextual knowledge, events and manifestations, or the neighbourhood “atmosphere”); the third component comprises those specific elements of urban, naturalistic and environmental landscapes (e.g. urban morphology, gardens and squares, flora and fauna, etc.). A classification of the “forms and species” in HC places may be derived from the analysis and evaluation of the three components, which may converge with the official one (e.g., embracing big art cities, minor towns, art regions, natural parks, etc.), or may not. We will then be able to map the national territory according to the recorded resources and, for example, separate places with an artistic, naturalistic, and cultural vocation from generalised places; or places which have already been economically enhanced from those which still need improvement.

This “objective” notion of CAEH can certainly measure the “real artistic potential of a place”, but it cannot determine its overall value in an exhaustive manner. A second element, a subjective one, should be taken into account, that is

the worth of CAEH as a “symbolic capital”, i.e. the value of the city perceived in the collective imaginary world of its various audiences. This constitutes a sort of legitimation for the artistic value of a city, which transforms a store of resources into a store of symbols. Such value can be summarised in the notion of the “image of the art city”, which does not include all the CAEH resources, but only those that are recognised as “symbols”. From this viewpoint, CAEH seems to perform two basic functions: (a) it can identify the artistic “potential” of the place, thus permitting a distinction between places that are HC places and places that are not; (b) it can identify the symbolic “capital” (high cultural density) of the art city.

2.2. The art city as a HCCluster: networks of actors and economic enhancement

In different conditions, when we need to verify whether the art city can be a fly-wheel for economic development, we must first ascertain whether culture can really be a productive factor, and produce employment and wealth. In order to do this, we will give precedence to the option of “economic enhancement of CAEH” over that of “conservation”, although these two sorts of policies are merely opposite sides of the same coin. The conservation policy is directed towards the “negative” protection of an asset through the imposition of a limitation and other restrictions on its owner: thus, it is essentially performed through actions of defence of the asset from man (by means of the limitation) and from time (by means of restoration). Enhancement, rather, aims at making the asset usable, facilitating public enjoyment of it, and turning it into «a producer of culture, of tastes, of civic growth» (Piselli, 1994, p. 170), so that it basically tends to “positively” develop the asset. Three fundamental aspects connected to “enhancement” should be emphasised: the first concerns the so-called “cultural aims”, the second the role it plays in the “usability” of artistic assets, and the third its ability to trigger economic and productive resources. In this context, our main concern is for the last. In fact, in order to understand fully the concept of enhancement and, most of all, to place cultural assets at the centre of a feasible model for economic development, we must emphasise the passage from “revenue” to “resource” in the concept of cultural assets. In other words, the potential of cultural assets needs to emerge in the activation of “productive connections” able to create new activities and resources. Consequently, there is a move from the vision of the cultural asset as revenue – hence directed to “consumption” phases – to that of resource – mainly directed to the “production” phase. In this manner, a conservation-centred policy becomes an enhancement-centred policy.

We must now determine which economic sectors can be activated by the “culture” production factor. Elsewhere, we pointed out that culture can be considered in all respects one of those sectors with a technological convergence, that intersects telecommunication, multimedia, and fashion (Lazzeretti, *infra*, Chapter 1, p. 11), so that cultural tourism cannot be thought of as the prevailing

sector in art cities. Publishing, advertising and multimedia companies as well as the building industry are the most obvious examples, whereas others are the restoration sector, or the phenomenon of cultural sponsorship by banks. As we can see, the arrangement of an art city cluster embracing all the actors and all the relationships between the actors seems quite elaborate. We can draw some clues from studies of local systems as multilevel neural networks (Pilotti, 1997b), which focus on the diverse roles played by stakeholders in the governance of the territory; or the studies of the Porterian school on comparative localised competitive advantages (Porter, 1998a). Porter sees clusters as geographical concentrations of interconnected companies and institutions in a particular field, like the California wine cluster (Porter, 1998b, p. 78). However, in the special case of art cities as HC clusters, we believe that any kind of generalisation is still premature. A good measure of empirical research will be needed in order to draw up an initial classification of ideal-types for the art city, a necessary step if one is to obtain a satisfactory generalisation at a HCLocal system level. At the moment, we are just giving a new role to the firms that were traditionally only taken into account in geographically restricted sector analyses.

3. The Italian industrial district model and the “cultural districtualisation process”

Giacomo Becattini (Becattini, 1979) and his colleagues developed a theoretical current of thought in Italy that can be identified as the Industrial District Theory. According to these authors, the industrial district is a local system characterised by the active co-participation of a community of people and small firms specialised in different parts of the production process. Although this theory aims at studying the critical conditions for the development of a local, vertically integrated network of firms operating in manufacturing markets, there are ample reasons for constructing a parallel between this original context of analysis and the reality of a local economy based on cultural and artistic assets. What we want to explore is whether, and to what extent, we can identify local development processes giving rise to structured cultural districts based on networks of small, localised firms operating in complementary aspects of cultural and artistic markets, and to what extent such networks contribute to the exploration of new models of economic enhancement for local cultural and artistic assets that imply low environmental impact, high added value, and high potential for human development for the customers involved. We can then consider different levels of aggregation of culture-driven local development processes involving art cities and regions with a high endowment of cultural, artistic and environmental heritage.

A noteworthy predecessor in our attempt may be found in referring directly to Becattini himself (1994), when he examines the concept of “Economic Nation”, and writes,

the enhancement of resources is embodied in the interdependencies among firms, families, institutions that can be defined as local systems. Consequently, the performances of firms can be traced back not only to the natural economic context but also to the cultural and institutional heritage associated with a given territory.

This passage suits the concept of the HCLocal system that we developed here very well. However, analysis of the so-called cultural districts is not a novelty, as attempts were made in this field both in Italy (Preite, 1998; Santagata, 2000) and abroad (e.g. the film industry district of Los Angeles) (Garreau, 1992; Frost Kumpf, 1998). For our part, our attempt should be interpreted from two points of view: (a) as a district analysis of the trend of “replicability” of district logical categories in the “service industry and handicraft” sector; and (b) as a dynamic district analysis focused not on the cultural district as such, but on the forms of cultural districtualisation, by means of a process of analysis. Starting with suggestions made for the agrarian district (Becattini, 2000b), and from more general theories put forward by the same author (Becattini, 2000a, p. 197), we shall proceed with a physiological analysis of the district backed up by an ex-post study carried out in a mature, complete and, strictly speaking, Marshallian district. By linking these logical categories to the case in point, represented by the art city as a HCSytem, we will try to find in it, just like in any other ideal-type of HCPlace, different degrees of cultural districtualisation with the aim of conjugating different ideal-types of HCLocal systems with different forms of cultural districtualisation, more or less developed compared to the mature, achieved form of the “Marshallian cultural district”. In short, the main concepts we are referring to are: (a) the idea of a theoretical “Marshallian cultural district” centred around the cultural factor of production CAEH, and characterised by two intimately-connected knots of relations, on the one hand, economic and productive ones and, on the other, socio-cultural ones, between the local city community and the industrial city community; (b) the analysis of the physiology of the cultural district carried out through the examination of a set of districtualisation processes. These constitute, in conclusion, the mindset with which we declare the hunting season in the art cities’ “game reserves” open.

4. Cultural districtualisation in art cities: Florence and the handicraft art cluster

4.1. Research plan

In order to verify whether it is possible to find significant signs of the existence of cultural processes of districtualisation in the art city of Florence, we must first verify the following conditions: (a) whether there is a consistent number of firms exploiting the CAEH factor and, in this specific case, art restoration; (b) whether such firms

constitute an SME system and if they are situated in art cities; (c) whether a network of productive and social economic relations are linked to the city community and to the local industry community. First of all, we underlined the concept of the “art city” as a HC place. We then moved on to the examination of the main CAEH resources in Florence. After a brief summary of the complex set of resources available in Florence, we restricted our analysis to the most representative components of the city. We then focused on its “artistic component”, deeply rooted in the “image of the city”. In such a context, we fixed our attention on the tangible artistic assets present in the city area and decided to take the “art restoration” sub-cluster into consideration. From this standpoint, we represented the network of actors involved in the economic enhancement of the CAEH factor, developing a rough general pattern of HCcluster art restoration; we then moved on to examine of the handicraft restoration enterprises’ sub-cluster in the area of the city. The study sample comprises exactly 145 businesses, the premises of which are situated within the Florence city area, mostly artisan firms, classified according to the material being restored. A case study and interviews were undertaken with other objectives by the regional research society ARTEX (“Progetto Europa Restauro”), Federazione Regionale Toscana, and Confartigianato Toscana. We then elaborated all the data and integrated it with municipal and national sources of information. The reference period covered the three-year period from 1996 to 1998.

4.2. Data collection

The selection of sample firms was carried out through the examination of 430 questionnaires from the ones completed by the 5,550 restoration firms contacted in the whole Tuscan area. We had to take into account, on the one hand the firms’ territory of origin, which was easily inferable by the address, and on the other hand, the need to find an “index” that might help us to identify such a category. At this point, it is worth pointing out that we were interested in art restorers as actors exploiting Florence’s cultural and artistic heritage, so that the basic subject of our study had to be the object being restored. With such a view the question regarding the kind of asset being restored provided three options: (a) unprotected assets; (b) unprotected assets with an antique value; (c) protected assets.

Those who declared that their business involved protected assets were considered as art restorers, as much as the ones who appeared in the lists of the Monument and Fine Arts Office or in the categories of the Ministry of Public Works. So we left out the firms that restored unprotected assets. As to the firms that restored unprotected assets with an antique value, we carried out a cross-selection based on the question regarding their kind of clients; so we removed restorers who declared that they worked for private clients in a percentage higher than 70 per cent. At the end of the selection process the sample we took into consideration was composed of 145 firms, exclusively located within the Florence city territory.

Tab. 2.1 – Distribution of firms in Florence neighbourhoods according to the kind of material/objects being restored, percentage values

MATERIALS/OBJECTS	PERCENTAGE OF FIRMS PER NEIGHBOURHOOD					TOTAL
	1	2	3	4	5	
Frescos, wall paintings	51.9	14.8	14.8	11.1	7.4	100
Tapestries, draperies, carpets, fabrics	12.5	12.5	0	12.5	62.5	100
Ivory, mother-of-pearl and the like	87.5	0	0	12.5	0	100
Paper, prints, books	66.6	33.4	0	0	0	100
Paintings on wood	71.1	15.6	2.2	8.9	2.2	100
Canvas	68.2	15.9	2.3	11.3	2.3	100
Carved and/or polychrome wood	77.8	11.1	2.8	5.5	2.8	100
Majolica ware, chinaware, glassware	50	16.6	0	16.7	16.7	100
Stony materials	35.5	25.8	12.9	12.9	12.9	100
Metals	62.5	0	0	12.5	25	100
Valuable metals	100	0	0	0	0	100
Furniture	76	4	0	20	0	100
Mosaics, hard stones	40	20	10	30	0	100
Masonry and structural works	17.6	35.3	11.8	11.8	23.5	100
Floorings	25	12.5	12.5	12.5	37.5	100
Archaeological finds	50	16.6	16.7	16.7	0	100
Stuccoes, plasters, pargets, paintwork, patinations	31.8	22.7	13.6	13.6	18.2	100
Stained glass	50	50	0	0	0	100
Other	52.4	33.3	0	4.8	9.5	100
Total	56.6	17.7	5.6	11.2	8.8	100

4.3. The art city, Florence, as a HCPlace: initial elements of discussion

4.3.1. Florence as a HCPlace. CAEH, and the city image: focus on the artistic component

In our study we have tried to restrict the degree of complexity of a dynamic, multi-sectoral city such as Florence, by focusing its natural artistic bent within the city boundaries, also because greater part of what we are studying, i.e. the city's art and architectural heritage, is localised in the historical centre of the city. Today, given the complexity of the issue, it is impossible to evaluate the cultural and environmental heritage of Florence. The cataloguing of Tuscan heritage in general, and of Florentine heritage in particular started a long time ago. Finally, in 1988 a first report was published including a rough analysis of the historical and artistic heritage owned by each municipality in Italy: Tuscany detains 17% of the total, while Florence accounts for 38% of the regional total and 6.5% of the national one (see Papaldo and Zuretti Angle, 1988). In order to classify this kind of assets, we simplified the concept of Florence's CAEH into three components: *artistic components* – monuments and architectural structures, works of art, museums and art galleries; *environmental-natural components* – environmental landscape, town

landscape, streets, squares, neighbourhoods, and gardens; *cultural components* – arts and craft, universities, cultural institutions, fairs. Some of these elements have a symbolic value for the city of Florence (such as the Uffizi Gallery, the Florentine *fleur-de-lis*, the “Accademia della Crusca”, “Pitti Uomo”, the jewels of Ponte Vecchio, the Florentine beef-steak, etc). These elements of the CAEH concept have different symbolic values depending on the public we refer to: most of them are internationally recognised, while others only enjoy national or municipal esteem. In this analysis we have concentrated on the “artistic image” of Florence, linked to its artistic and architectural heritage. Among the clusters we might evaluate, we decided to begin from the artistic restoration cluster, as it is the one most directly connected to the economic enhancement of the CAEH factor, the essential nature of which is to combine a spirit of conservation with economic enhancement. In any case, there are many other goods related to clusters that identify the HCcluster of the art city, Florence: e.g. the clusters of museums, performing arts, cultural tourism, handicraft activities and contextual knowledge, landscape, natural products, fashion, and so on. There is much work to be done... what we had to do was find a starting point!

4.3.2. Florence HCcluster: focus on the art restoration sub-cluster

A cluster is defined as a system of actors related to each other within a network developed among them, within a particular territory. The purpose of art restoration, that is the sub-cluster of our analysis, is the economic enhancement of “artistic assets”. First of all, we must answer two questions: (a) what is art restoration, and (b) what do we mean by economic enhancement. In the second place, we will hint at the concept of art restoration HC sub-cluster, and directly move on to the analysis of the art restoration firms sub-cluster.

The art restoration area cannot be identified in one specific commodity sector, but is aggregated *ex-post* because of the presence of different commodity sectors for “protected artistic assets”. In this context, by *art restoration* we mean a cluster of firms whose activity is represented by the restoration and conservation of protected and unprotected cultural assets with a high artistic value or antique value. A recent law passed by the Region of Tuscany (Regional Law no. 58, November 2, 1998) includes «restoration activities aimed at the conservation, consolidation and restoration of interesting artistic assets or assets that belong to the architectural, archaeological, ethnographic, and bibliographical heritage, even if already protected by laws in force» (art. 2, letter a) in the category of art handicraft workmanship. While traditional handicrafts include all the «activities of restoration and repairing of objects of use» (art. 2, letter b). This differentiation is important as it allows us, although only at a theoretical level (as at a practical level there are too many difficulties), to set apart restoration addressed to the assets included in the concept of CAEH. The art restoration sector seems to be a good starting point for the testing of our original hypotheses. We have to consider, in fact, the implications of this activity

in terms of employment, of the activated resources, of the opportuneness of making cultural heritage usable (consequently, of having a strong influence on tourism flows), and also its unquestionable relationship with the image of Florence itself and, accordingly, its importance in the promotion of the city.

The actors of art restoration: Monument and Fine Arts Office; Region; Municipality; Museums, galleries, libraries, archives; Societies, foundations and cultural institutions; Universities, specialised schools, training organisations and institutions; Opificio delle Pietre Dure; Centres for research, enhancement and cataloguing; Sponsors; Antique dealers; Private owners of assets; Art historians, architects, engineers, chemists, geologists; Diagnostic centres and photographic studios; Survey centres; Disinfecting, disinfestation, sterilisation; Security; Publishing and communications; Specialists in restoration materials; Manufacturing firms of materials and machines for restoration; Building firms; Restoration firms.

4.3.3. The sub-cluster of art restoration firms

Our purpose here is to analyse the double role of the art restorer with respect to the concept of CAEH. In fact, he represents, on the one hand, one of the actors who directly exploits the productive factor CAEH, and in particular its *artistic component* (tangible assets), while on the other, he makes his contribution by engendering a sense of belonging to the environment his activity is set in, and by creating the “atmosphere” one can breathe in the most characteristic city neighbourhoods (*cultural component*).

From the first point of view, we will try and give a general framework for the art restoration sector in the city of Florence, while sketching out a typical character for the Florentine restorer. As to the second point of view, we intend to set the restorers examined in our analysis in the neighbourhoods where their activity is carried out (for our convenience, we shall make reference to the firm’s premises, although sometimes the work is actually done in other places), so that we identify the areas that generate the above said “atmosphere”.

In short, the keys to art restorers are the following (see Fig. 2.1): (1) restorer/actor, (2) restorer/resource.

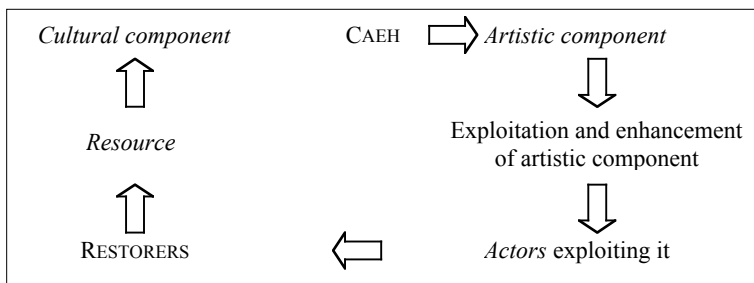


Fig. 2.1 – The components of CAEH requiring in-depth investigation

Source: Lazzaretto and Cinti, 2001, p. 75.

(a) The main features of the firms

To summarise the most important figures resulting from the analysis and elaboration of the questionnaires involving the 145 firms examined, are as follows (see Lazzeretti and Cinti, 2001 for a more detailed analysis of this data).

Art restoration firms are made up of a group of small and micro artisan firms, or workshops. 61% of them are individual firms, while only 15% are capital stock companies (only 2% of which are joint-stock companies). Most of them are micro-firms, in 46% of the cases their annual turnover does not reach 50 thousand million lire, while up to a maximum figure of a 100 thousand million lire such a percentage rises to a 63%. There is a large percentage of small entrepreneurs, often very young and highly-educated. Almost 35% of the owners and shareholders are less than 40 years old, and on the whole more than half of them are not yet 50 years of age. Their degree of education is pretty high, if we consider that 43.3% of these people have a high-school diploma, and over 17% of them have a university degree. The group is composed of firms that are highly specialised in the restoration of protected or artistic assets. 77% of them declare that they operate almost solely in the restoration field – i.e. where restoration accounts for more than 75% of the specific business of the firm. The specialisation of the firm is not only in restoration, but also regards “product specialisation”; in fact, the major discriminating factor reported is a “specialisation as to the object being restored”. Thus, we discovered 21 different categories of commodity for the firms as to the objects being restored: e.g. paintings, frescos, and wall paintings; metals, wood and furniture; majolica ware, glassware, and jewellery; marbles, mosaics, and semi-precious stones. Linked to the noticeable specialisation of firms, we also detected a high degree of co-operation among firms: in fact, 71% of firms declared that they had established working relationships with other firms. In the restoration of metals we recorded the highest degree of co-operation (87.5%). The less collaborative are represented by furniture restorers (about 50%). The main customers are generally public, although almost all the categories of firms also worked for private owners, antique dealers, and clerical institutions; we did not register any specialisation as to the kind of customers. Instead, it is worth noting how customers of the Florentine firms are mostly national (42%), regional (38%), and provincial (12%) while foreign customers only accounted for 6%. Finally, as to professional training, the highest value was ascribed to family education (about 26%), a figure that, once associated with that of apprenticeships (20%) showed that almost half of the subjects learnt the art of restoration in the workshop. Nevertheless, another important figure that needs to be considered is the number of people trained at the *Opificio delle Pietre Dure* or at the *Istituto Centrale del Restauro* (Central Institute of Restoration) – while lesser weight is given to private institutions and schools. This kind of training is particularly important in the field of valuable metals (67%), and metals (53%). Family training reaches a predominant level for wall paintings (46%) and furniture (40%), and workshop training for tapestry, drapery, and carpet firms.

(b) Enterprise localisation

In this context, in order to understand the importance of the “localisation factor”, we had to determine the distribution of enterprises over the area. First, we re-aggregated data into neighbourhoods using the address variable as a proxy and then we localised them in the city area. At this point we traced some maps of the city of Florence with the main distribution of businesses.

Florence is divided into five areas, over half the firms are concentrated in the historical centre (Neighbourhood 1), especially close to Santo Spirito, San Frediano, Stazione, Santa Croce, and San Marco, the most characteristic neighbourhood of the city where most of the artistic heritage is located. This factor demonstrates the twofold role of artistic restorers: from one point of view, in terms of the artistic component of CAEH, they are an example of economic enhancement of artistic productive resources through their restoration activities» (they are actors); from another point of view, they are a resource of the cultural component of the CAEH. In fact, artisan shops are a deep-rooted part of the cultural atmosphere in the most characteristic neighbourhoods of the historical centre of Florence. There are two different macro groups of restorers: one more localised and the other more spread out. The first is located in the historical centre or close to it, and is composed of restorers specialised in valuable metals, ivory, mother-of-pearl, papers, paintings on wood or canvas, and books; the second belongs to the category of restorers of building materials such as stucco and plaster work, flooring, memorial tablets, etc.

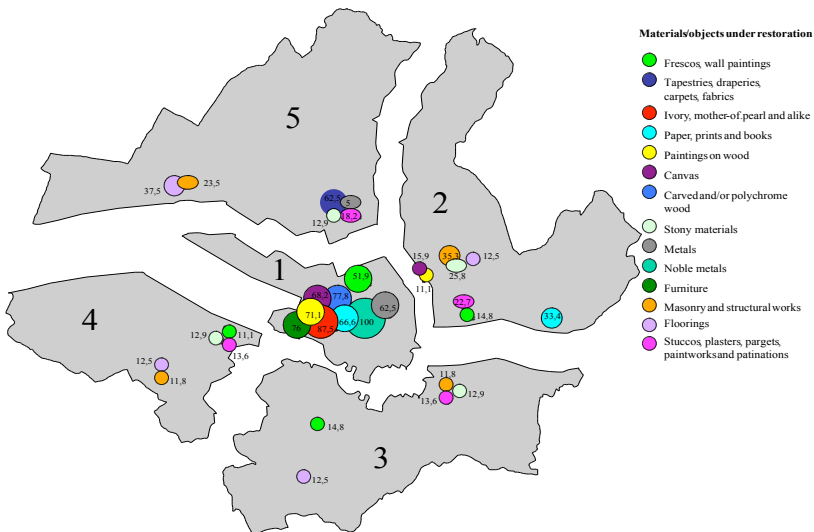


Fig. 2.2 – Identification of business clusters in Florentine neighbourhoods as to the kind of materials/objects being restored, percentage values

5. Conclusions

In conclusion we may say that the analysis of the art restoration sub-cluster shows many signs of the presence of a certain degree of cultural districtualisation in the art city of Florence. The three main fundamental conditions for the existence of a district seem to be satisfied. In particular, we verified that: (a) There is a substantial number of firms which economically exploit the CAEH factor of production in its artistic component, represented by the firms in the “private art restoration” cluster. This figure demonstrates the ability of the economic “culture» factor to produce employment and wealth, following a logic of economic enhancement of art. (b) This set of firms might be organised as a system (although this trait needs to be proved), as we not only recorded, a high degree of productive specialisation, but also a strong inclination to co-operate. This figure may be read in terms of a specialisation-division of typical. localised labour in the districts, which may in turn indicate the existence of teams of firms organised by the customers, by leader firms, or by other flexible integrators (this aspect alone deserves thorough investigation). The very high degree of co-operation might imply a low index of straight rivalry between firms, thus representing a strong point for the HCLocal system. (c) Finally, there might be a knot of economic-productive and economic-social relationships between the local community of firms and the local community of people. In fact, our figures point out how, in the first place, restorers share a similar training, and, in the second place, the vicinity of firms favours not only the constitution of a sense of belonging, but also their mutual relationships. Other encouraging signals for the analysis of cultural districtualisation come from the outpost of contextual knowledge and external recognisability of productive skills in the area. The high level of education in Florentine restorers, coupled with the existence of a demand from external customers can be interpreted not only as elements for the identification in the place, but also as the special qualities of the firms. There are further elements that we might stress but they would not be sufficient to measure a hypothetical degree of cultural districtualisation in Florence. In order to give it a scientific value we need more purposeful and in-depth analysis. However, our search for a cultural district has just begun. Up till now, we have merely shown that art cities can be very interesting game reserves. We can only persevere in the future!

3. The cluster of Florence museums and the Network Analysis: the case study of “Museo dei Ragazzi”

*Luciana Lazzeretti, Tommaso Cinti and Marco Mariani**

1. Introduction

This study is part of a wider field of research investigating the degree of cultural districtualisation in the art city seen as an independent local system with a high cultural density and characterised therefore by a model of development centred around the exploitation and economic valorisation of the Cultural, Artistic and Environmental Heritage (CAEH) (Lazzeretti, 2001; *infra*, Chapter 2). Our area of research is represented by the museums within the city boundaries of Florence, given that we intend to explore the potential which the final unit of analysis of our study represents in a framework of the *culture driven* economic development of the museum heritage of the Florentine art city.

This study represents a further contribution in this direction and aims to advance the development and implementation of CAEH methodology through empirical analysis, concentrating in particular on two conceptual instruments (the CAEH and the Cluster) and two methods of analysis (cluster identification¹ and Network analysis) (see Tab. 3.1).

The study is divided into two parts: one which focuses on reconstructing the Florentine museum cluster and another which aims to begin to analyse the relations between the actors in such a cluster by applying methods specific to the Network analysis.

* The authors would like to express their gratitude to Dr Chiara Silla; Prof. Paolo Galluzzi; Dr Paola Pacetti; Dr Simona Di Marco; Dr Maria Pia Cattolico; Arch. Elisa Guidi and Dr Marzia Marigo for their precious collaboration and assistance.

Despite being the result of a joint study, the research project was devised, co-ordinated and directed by Luciana Lazzeretti; Tommaso Cinti dealt with the cluster analysis section and Marco Mariani the network analysis section.

¹ Cluster and inter-cluster qualitative identification should not be confused with the statistical methodology of cluster analysis.

More precisely, in the first part of the study we will refer to the notions of cluster given in economic literature so as to then indicate “our” notion of Florentine museum cluster. We will then study the relevance of the phenomenon for the art city of Florence, underlining its scope both in quantitative terms (with respect to the region and the country) and qualitative terms (here too its importance is well-known), through the degree of concentration of museum structures in the municipality of Florence. The third point will centre rather on the activities carried out by the museum and on some of the difficulties encountered during the course of the study. Lastly, we shall try to identify all the economic, non-economic and institutional actors belonging to the museum cluster, describe their main features and begin to understand the main relationships with the other cultural clusters in the city (for example, those of art restoration, fashion, music, etc) and with the local community (through phenomena such as the formation of associations).

Tab. 3.1 –The CAEH method for analysing the cultural districtualisation processes of an art city

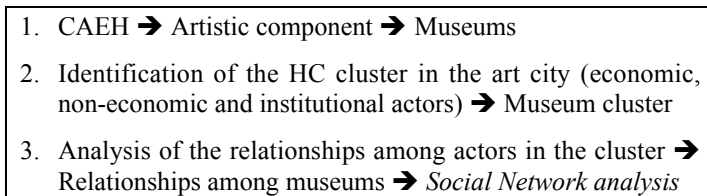
CONCEPTUAL INSTRUMENTS	METHODS OF ANALYSIS
Definition of CAEH city (artistic, cultural and environmental component)	Cataloguing of tangible and intangible resources
Identification of the relations between the components of the CAEH	Territorial localisation of the resources Network analysis applied to the resources
Definition of the city-image perceived as symbolic capital, as a synthesis and/or selection of elements of the CAEH	Market research with different sectors of the public into the real and perceived image of the city
Identification of the HC cluster in the art city, as a network of economic, non-economic and institutional actors and relations between actors	Cluster analysis, cluster identification Network analysis applied to the city networks
Identification of the HC cluster	Sector analysis
Focus on cluster of firms	Network analysis applied to the actors
Identification of the valorisation strategies and policies for the CAEH	Analysis of the <i>best practices</i> and main problems identified by the actors
Degrees and forms of cultural districtualisation of the city	Analysis of the districtualisation processes of the art city

Source: Lazzarretti, 2001, p. 63.

In the second part we will offer an example of analysis of the relationships between the actors in a cluster and will apply some of the methods of Network analysis to the relational structure of the “Museo dei Ragazzi” (Youth Museum) project which three Florentine museums participate in: the Museum of Palazzo Vecchio, the History of Science Institute and Museum and the Stibbert Museum. We will then present a reconstruction of the communicative and relational structure so as to comprehend the inter-organisational decision-making processes which take place within the sphere of the “Museo dei Ragazzi” project.

Fig. 3.1 gives a summary of the elements of the CAEH methodology which this study regards. We recall that we are dealing with the “artistic” component of the CAEH and therefore considering the museum as an asset, as a distinctive element of the city; we will try therefore to draw up an initial diagram of the museum cluster, one of the most important cultural clusters; finally we will pause to study the relationships between the actors of the cluster, beginning by analysing the processes of decision-making and co-ordination between the museums.

Fig. 3.1 –The elements of the CAEH methodology being studied



2. The Florentine museum cluster

2.1. The notion of a museum cluster

Over the last decade the study of clusters has enjoyed a particularly fertile period, becoming an absolute *must* in analysing economic development. The success of clusters of companies throughout the world which the new scenario of the world economy has resulted in, has moved the focus of attention of academics and researchers from the strategies of the single company to the policies to be pursued as a cluster. The economic development of a region or nation (Porter, 1990) seems almost to depend on the ability of local planners and political decision-makers to create favourable conditions for the formation and strengthening of so-called regional clusters, identifying the features peculiar to the area and staking their hopes on them to compete both at a country-system and region-system level. The competitive advantage is the result of highly localised process and the differences between countries in terms of values, culture, economic systems and historic roots contribute to their competitive success.

In economic literature the concept of the cluster has been analysed from different perspectives and various contributions to the concept have been made.

One of the basic definitions given of the industrial cluster is perhaps that of Doeringer and Terkla (1996, p. 175), according to whom «industrial clusters are a revival of an old idea of industry agglomeration. In this new form, clusters represent a group of related industries that can tap advantages of co-location to lower costs and improve performance». They suggest considering clusters in terms

of localised *production channels*, that is chains of suppliers, manufacturers and distributors, whose work starts with the basic input and ends with the commercialisation of the finished product. This implies transversal relations with various industries, connections at the start and at the finish, alliances between companies of different sizes and informal networks of micro-companies.

Some authors see clusters as geographical groupings of economic activity, characterised by both vertical and horizontal relationships between sectors (Jacobs and De Man, 1996), while others place more emphasis on the role of social relations and co-operation between companies (Rosenfeld, 1997).

Enright (1996, p. 191) distinguishes between several concepts associated to a varying degree with those of the cluster and, specifically, between industrial cluster as defined by Porter (1990), regional cluster, industrial district as defined by Becattini (1987) and business network. Enright specifies that the concept of regional cluster is rather broad, including both the industrial district and «concentrations of high technology firms [...] and production system that contain large hub firms and their local suppliers and spin-off». Not only, the regional cluster should also be extended to include the “production channels” of Doeringer and Terkla (1996), the “flexible production complexes” of Scott and Storper (1989) and Maillat’s “innovative milieu” (1991).

An interesting analysis of the concept of regional cluster was also made in a recent report presented to the European Community (Isaksen and Hauge, 2002), which basically identifies three concepts: *Regional clusters*; *Regional innovation networks*; *Regional innovation systems*.

It should not however be forgotten that despite various studies having been made, in the end almost all of them adopt Porter’s theory as a point of reference. In this regard it’s important to note how this changed over the course of time, moving from a concept (1990) in which the cluster was formed merely by industries and companies connected by vertical (buyer/seller) and horizontal (shared markets for output, technology and professional skills, natural resources and customers) relations, to one (Porter, 1998b) in which the cluster as well as being “open” to institutions and other organisations (local government, universities, trade unions, trade associations, etc.), is also and essentially based on relationships of collaboration.

There are several empirical studies which keep quite faithfully to the classical paradigm and, starting with the identification of a main industry, calculate spatial correlation indexes between sectors to see which prove connected (this is the case, for example, of the method formulated by the Harvard Business School in the “Cluster Mapping Project”). Others, rather, attempt to tread new paths, such as that of Krätke (2002), who, in applying the concept of cluster to the film industry of Postdam/Babelsberg (Berlin), follows the Network analysis method so as to highlight what he believes to be the weak point of the classic approach, that is the study of relationships inside the cluster.

At this point it is worth identifying the factors which in our opinion characterise a cluster.

In the first place, the concept itself is strictly connected to what one might call a “geographic” dimension, in other words the spatial proximity within a cluster of the actors constituting it is important. We should not, in fact, forget that in this case the concept of the cluster is part of a proposed method for investigating the processes of cultural districtualisation. This is why the “proximity” or geographic concentration of the actors involved becomes a primary element.

Secondly, this is a dynamic phenomenon, the result of the interaction and functional relations between the various actors. In other words the actors contribute to the development and growth of the cluster itself and give rise to a series of exchanges (intended in the broader sense, given that not only economic actors are involved) which may evolve and change over time, also as a result of the entrance of new actors.

A third aspect is linked to the importance of looking beyond the single firms or the mere concentration of the work force or the production of income in a sector. What is really fundamental rather, is the interdependence and direct and indirect relations between sectors.

We shall therefore define the Florentine museum cluster as a group of economic, non-economic and institutional actors whose activities are reciprocally linked to those of the museums present in the municipality of Florence: on the one hand they are functional and complementary to them and on the other they are based on the exploitation and valorisation of the “museum” resource. It represents one of the features which distinguish the art city as a local system with a high cultural density.

In this study the determination of the nature and intensity of such relations is self-referred in the sense that the actors of the Florentine cluster identified are those indicated by the operators themselves or those emerging during interviews or the consultation of informative material provided by the museums. We shall now begin by verifying whether the presence of museums in the Tuscan regional capital is such as to justify an analysis of this type, emphasising that this first part of the study is purely descriptive.

2.2. The concentration of museum structures in Florence

The verification of the number of museum structures in Florence, whether situated in the historic centre or in the suburbs, aimed to begin to measure the importance of the museum phenomenon in this city, compared to the region it is part of, Tuscany, and to the rest of the country so as to begin to define what we mean by a High Cultural Density place. This was not a simple operation, given that the sources consulted gave contrasting information. The problem lies in the definition itself of “museum” which often prevents the univocal recognition of this status to the various institutions.

The universally accepted definition and the one considered the most authoritative is that of ICOM², which has also inspired, among others, the recent “Technical-scientific criteria and functioning and development standards of museums”³. However the standards represent a “directive deed”, not a law that all museums must fall into line with in order to be recognised as such, so that even for the compilers themselves they should be seen more as “guidelines” than as strict regulations to be followed.

The sources of information we consulted were the data-bases of ISTAT, of the Tuscan Regional Authority, of the Touring Club and of Museums-on-line, but took particular note of the data provided by the first as regards the situation in Italy in general and by the second as regards the phenomenon in Tuscany and Florence.

The problem of non-uniformity makes it difficult – not to say impossible – to compare the data inferable from the various databanks. In fact, while on the one hand the best source appears to be the Tuscan Regional Authority, which has been gathering information of this kind for some time⁴, on the other it should be said that the archive does not contain information about the museums in the rest of the country, making it difficult to quantify the concentration of museums in Florence. Such information is available in a survey conducted by ISTAT but is rather dated – 1992 – and therefore less significant (moreover it excludes monuments and historic and archaeological sites). More complete information might be that supplied by the Ministry of Cultural Assets and Activities, updated to 2002 were it not for the fact that it only identifies state museums (including monuments and archaeological areas).

It is therefore clear that to provide a reliable estimate which gives a picture of the importance of the museum phenomenon in relation to its numerical consistency is not a simple matter. We will however try to present as complete a picture as possible – with the above provisos.

In Tabs 3.2 and 3.3 we have tried to give an initial idea of the number of museums in Florence compared to the national, regional and provincial figures.

Aside from the difficulties of quantifying the museum heritage precisely, the Florence area clearly proves to be one with a high concentration of museums, both as regards Tuscany (in which it has the highest percentage both according to ISTAT and Regional figures) and Italy (second only to Rome which in 1992 had about 4% of the national museums), not to speak of the province where it accounts

² According to ICOM «a museum is a non-profit making, permanent institution in the service of society and of its development, and open to the public, which acquires, conserves, researches, communicates and exhibits, for purposes of study, education and enjoyment, material evidence of people and their environment» (ICOM, *Code of professional deontology*, adopted by the 15th General Assembly of ICOM, Buenos Aires, Argentina, 4 November 1986).

³ Approved by the Decree of the Ministry of Cultural Assets and Activities dated 10/05/2001.

⁴ A quite detailed study of this, “Museums and Museum systems in Tuscany: economics and management” is currently being finished.

for over 50%⁵. But more important still is its outstanding richness, it is in fact one of the most important – and most frequented – cultural heritages not just in Italy but in the whole world. The works exhibited in Florentine museums undoubtedly represent one of the greatest “material evidence with a value for society”, also because characterised by the exceptional variety: ranging from the artistic field (Uffizi, Galleria dell’Accademia, Cappelle Medicee, Palazzo Pitti, Bargello) to the scientific (the History of Science Institute and Museum), natural sciences (such as the Specola) and archaeological (for example the Archaeological Museum).

Tab. 3.2 –The percentage of museums in Florence compared to the national, regional and provincial figures

SOURCE	ITALY		TUSCANY		PROVINCE FI		MUNICIPALITY FI	
	Total	Total	% of nat. total	% of reg. total	% of nat. total	% of nat. total	% of reg. total	% of prov. total
ISTAT 1992	3,554	407	11.5	34.1	3.9	2.5	21.3	62.5

Source: our elaboration of data from National Statistical Institute data (ISTAT, 1995).

Tab. 3.3 –The percentage of museums in Florence compared to regional and provincial figures

SOURCE	TUSCANY		PROVINCE FI		MUNICIPALITY FI	
	Total	% of reg. total	% of reg. total	% of reg. total	% of prov. total	
Regione Toscana 2001	453	28.0	15.0	53.5		
Regione Toscana 2003	473	28.3	14.6	51.5		

Source: our elaboration of data from the Tuscan Regional Authority.

The richness and the number of museum institutions concentrated in the Florentine area confirms its importance as a cultural cluster and as a significant asset in the heritage of the city.

2.3. The activities of a museum and the actors connected with it

To proceed with our study of the museum cluster not only must we ask ourselves about the effective presence of a high concentration of museum structures in a given place but we must also identify the presence in such a place of

⁵ According to ISTAT figures, in 1992 Tuscany was the region with the biggest number of museums; the province of Florence was second only to Rome (on its own it accounted for a larger number of museums than Trentino Alto-Adige, Campania, Umbria, Molise, Abruzzo, Calabria, Basilicata, Puglia and approached that of Liguria and Sicily); the municipality of Florence was second only to Rome and ahead of Venice, Bologna, Siena and Naples.

other actors connected to it – whether economic, non-economic or institutional – and study the type of relations engaged in between them. It is useful therefore to recall the main activities performed by a museum and the subjects it comes into contact with. And here we come across a second difficulty.

As might be easily imagined, the actual situation of museums is quite different from that of companies for which the concept of cluster was initially formulated, even just in the fact that most of them belong to the public sector⁶ (the State, the regions, the provinces and the municipalities), in Florence as in the rest of Italy. Here the question is not simply one of analysing the range of activities of a specific industry in which the production processes are well defined. It is not simple, *in primis* because the museum does not conduct only one activity and its chain of value – a cornerstone of Porter's theory – is not easy to identify. If truth be told we are not even that sure that it is so very crucial to retrace the activities of a museum to its chain of value, even though attempts of this type have been made. As, for example, in the case of the Lombardy Regional Authority which, in deliberating the guidelines for the recognition of museums⁷, designated a "chain of museum processes" (Fig. 3.2). Starting from the nucleus of the collection and passing through two fundamental processes – the analysis of the identity of the museum and the general planning –, a museum ought to perform three main functions: (a) research; (b) conservation; (c) communication.

In fulfilling such functions a museum sets in motion "structural processes" and "qualifying and support processes". The diagrams showing the various activities are detailed and we refer back to them for more in-depth information (Regione Lombardia, 2003, Attachment B, Table 2). As their authors themselves emphasise they,

do not represent the "photograph" of a specific museum service but constitute a "virtual model" a common point of reference for the museums taking part in the study, a quality standard aimed at simplifying comparison and communication between the curators operating in the same area and at suggesting common areas of development (*ibid.*, Attachment B, p. 46).

We believe however that the museum sector does not permit the precise identification of the processes required to arrive at the final output, in part because there is no agreement about what that final output might be⁸. We must not forget that some very small concerns exist such as the Cenacles, which even have difficulty in being recognised as museums. Museums range from those which limit themselves to mere regulated fruition to those which also carry out research and teaching. If we were to base ourselves on the former we would have a reduced chain of value

⁶ We will look into what type of problems this aspect may generate further ahead.

⁷ Resolution by the Regional Council 20 December 2002, no. 7/11643.

⁸ One of the most interesting aspects of the approach adopted by the Lombardy Regional Authority is the struggle to keep to the standards indicated, so as to begin to map out a common approach to base themselves on.

compared to the second. Nor may it be assumed that the diversity in terms of the activities conducted is in some way traceable to elements of “strategic-competitive” differentiation. Here we are discussing the definition itself of a museum, not how they can compete by searching for distinguishing features, offering a multiplicity of services. Moreover, we agree with Normann (2001, p. 56) when he sustains that

the chain of value was a more efficient metaphor in an economy based on manufacturing and on materials than it is in an economy based on knowledge and service. It was valid in its time but today does not adequately represent the complexity and multidimensional nature of the opportunities for reconfiguration, of the planning possibilities offered by the new economic system. It still represents a first-class analytical reference framework, but limits creative thinking.

In the analysis we’re conducting there’s another problem to consider: the identification in the area of the firms whose activities are strictly linked to that of the museum. It is not, in fact, possible to proceed by analysing regional statistics (Krätke, 2002) and figures provided by the Chamber of Commerce or other bodies, and identifying the codes corresponding to the various activities. Partly because of the problem already outlined of identifying the activities of the museum itself, and partly because what we refer to as the “museum sector” does not actually exist from an economic-statistical point of view but is a conventional definition⁹. Firms do not only operate in this sphere but, on the contrary, the work connected with the museums is often only a small part of their overall activities and, in any case, they are classified according to their main sphere of operations¹⁰.

The analysis of the museum cluster identified in Florence is the result of a more extensive study, the fruit not only of direct interviews but also of bibliographical research, of consultation of the main laws on the matter, of material and reports presented at conferences and congresses on the subject. The general aim was to outline a “systematised” picture of the actors potentially involved in the activities of a museum. We have listed them below, sub-divided into three categories of actors who, according to our definition, make up a cluster, with the addition of two classes – Other clusters and the Local community – which aim to begin to delineate the relations between the museum cluster and these other two “categories” of actors (see Tab. 3.4).

⁹ An ATECO code exists for the activities of libraries, archives, museums and other cultural activities but is of little relevance.

¹⁰ Let’s give an example to make this point clear. If it has been observed that the museum purchases goods and/or services from local firms in the publishing trade, it would be logical to see which ATECO code these activities correspond to and see how many of these firms there are in the area. Unfortunately however it would be of little use since it is highly probable that many of the firms in the sector have nothing to do with museums. One could easily thus overestimate the phenomenon. But then there are no specific codes for firms specialised in working for museums. Even supposing that the firms in the example are highly specialised in the museum sector – let’s imagine that they only publish museum catalogues –, they will in any case be classified under the codes of the publishing sector, thus being dispersed among the multitude of other publishing houses.

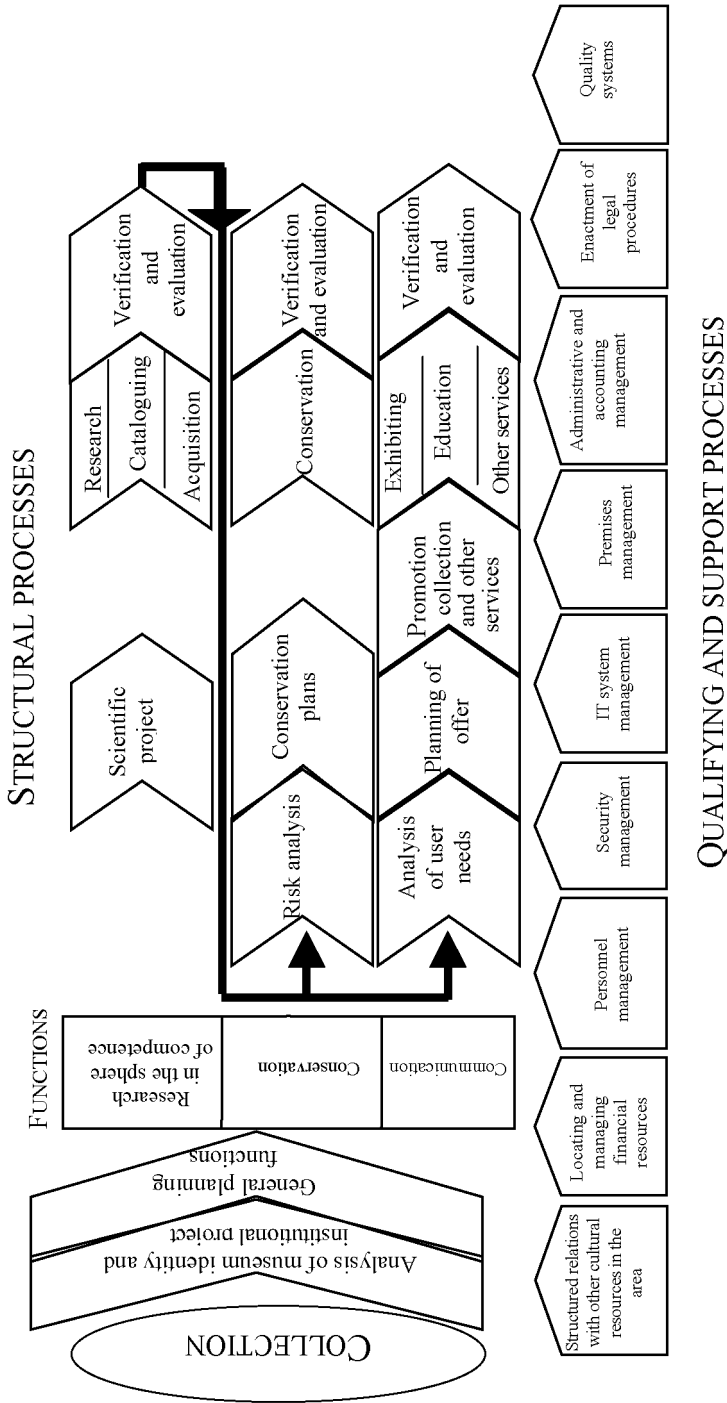


Fig. 3.2 – Chain of museum processes

Source: Regione Lombardia, 2003, Attachment B, Fig. 1.

Tab. 3.4 – The actors of a museum cluster

(A) ECONOMIC ACTORS
<ul style="list-style-type: none">• Multimedial, high tech, information technology (such as internet site, multimedial hall, management software for museums, on-line systems for the ticket office and bookshop, production of terminals for the ticket-office, web agencies, etc.)• Specialised audio-video productions• Banks/Banking foundations (financial brokers and sponsorship)• Entrepreneurs (sponsorship)• Publishing (such as the museum guide/catalogue, exhibition catalogues, books sold in the bookshop, informative material, etc; publishers; printers; specialised journals)• Photographic archives• Fashion sector• Design and fittings (for example: museum fittings/design and realisation of museums, planning and management of support activities in the cultural sector, etc.)• Furniture and furnishings (such as production of museum furniture/furnishings; planning and realisation of interiors, etc.)• Merchandising (such as, in the II Nomisma Report on additional services the products sold inside several state museums were identified. Among the categories of goods found were those related to: Books and multimedia, the home, the office, jewellery, accessories, clothing, children, collection, typical products. Among the materials: wood, metal, textiles, leather, gold, precious metals, ceramics, paper, prints, terracotta, glass, bronze and alabaster, other• Managers of additional services (this is a specifically defined activity distinct from the “main” activity; to perform this activity often the firms winning the tender group themselves into ATI or other forms)• Specialised shops• Production of electrical/optical equipment (production of lighting equipment; magnets; devices for the climatic control of the surroundings/equipment and services for the microclimate; production of instruments to read temperature and humidity levels; production of optical equipment; trade of optical equipment; electrical cables, etc)• Chemical sector• Disinfestation/disinfection/dehumidification• Transport (works of art)• Insurance (of works of art)• Services “internal ” to the museum<ul style="list-style-type: none">– Reception/assistance services– Audio-guided communication– Communication inside and outside the museum (sign-posting, etc.)– Guided tours– Didactic itineraries– Refreshment– Security– Cleaning– Ticket office– Surveillance service– Users– Cataloguing

Tab. 3.4 – continue

-
- Services “external” to the museum
 - Services and systems for the valorisation of the cultural and environmental heritage
 - Services for the diffusion of tourist museum information
 - Handling of events
 - Consultancy: marketing; administration/ financial-accounting sphere; cultural property assets; other
 - Other (such as services of assistance to internationalise firms, etc.)
 - Organisation of exhibitions, conferences, congresses, etc.
 - Professionals (depending on the type of museum – artistic, archaeological, scientific, etc. – relationships with professionals from that sphere will be entered into: art historians, archaeologists, architects, photographers, etc.)
 - Media (publicity)
 - Building
 - Plumbers, Electricians, glass-smiths, blacksmiths, etc.
 - Translators
 - Etc.
-

(B) NON-ECONOMIC ACTORS

- Research (Research centres; research in the conservation sector of cultural assets, etc)
 - Institutes and professional training bodies
 - Private bodies (such as Cultural associations and bodies, Foundations, other bodies depending on the type of museum)
 - Libraries
 - Museums (loans, joint initiatives, agreements, definition of museum systems, exchange of museum personnel belonging to the same body, etc.)
 - Galleries (such as modern art galleries)
 - Etc.
-

(C) INSTITUTIONAL ACTORS

- Public Administration (Ministries, Government Offices, Region, Province, Borough)
 - Police Unit for the Defence of the Cultural Heritage, TPC (for the recovery of works of art)
 - Universities (training and research)
 - Institutions (relations with schools for the organisation of educational itineraries, lessons, etc.)
 - Church (ownership and management of museums and works of art)
 - Chamber of Commerce
 - Trade associations
 - Etc.
-

(D) OTHER CLUSTERS

- Art restoration cluster
 - Tourism cluster
 - Music cluster
 - Fashion cluster
 - Etc.
-

Tab. 3.4 – continue

(E) LOCAL COMMUNITY
<ul style="list-style-type: none"> • Patrons/donors, collectors, owners of assets • Sponsor/Backers • Artists • Antiquarians/Traders (e.g. auction houses) • Work force • Voluntary work (volunteers work mainly through associations) • Visitors • Public • Etc.

Source: Our elaboration.

2.4. The Florentine museum cluster

The list just given, while referring to a situation potentially bigger than the Florentine one, reflects quite faithfully the situation observed in Florence, we will therefore limit ourselves to some specific considerations.

Fig. 3.3 shows – highlighted – the actors of the Florentine museum cluster.

Given that the main body of such resources belongs to the public sector, it should be no surprise that it is the institutional actors who have the greatest weight within the cluster. Of these, the State exercises its “supervision” through the peripheral bodies of the Ministry of Cultural Assets and Activities, that is the government offices. It’s important to emphasise this point inasmuch as the management of the state museums is dealt with directly by the respective government offices. To give an example, if a museum decides to stipulate an agreement with a certain supplier, it may only do so through the government office directing it¹¹.

The Tuscan Region, the Province and the Municipality, as well as managing the museums within their jurisdiction distinguish themselves by their significant development of the Florentine museum heritage by means of various initiatives which range from organising training courses for those operating in the sector, to conducting surveys and research, from the pursuit of cultural policies to co-ordination functions. The bodies particularly involved in this sphere are the Departments for Culture within which every organisation has different *ad hoc*¹² structures.

¹¹ Aside from the state museums, inside the cluster for the majority of actors the most frequent relations are maintained with the government offices. The reason for this lies naturally in the fact that the assets involved are under restrictions and therefore protected by the State.

¹² The Department of Training Policies and Cultural Assets and the Libraries Service, Museums and Cultural Activities, for the Regional Authority; Cultural Management and the Municipal Museums Service, for the Municipality.

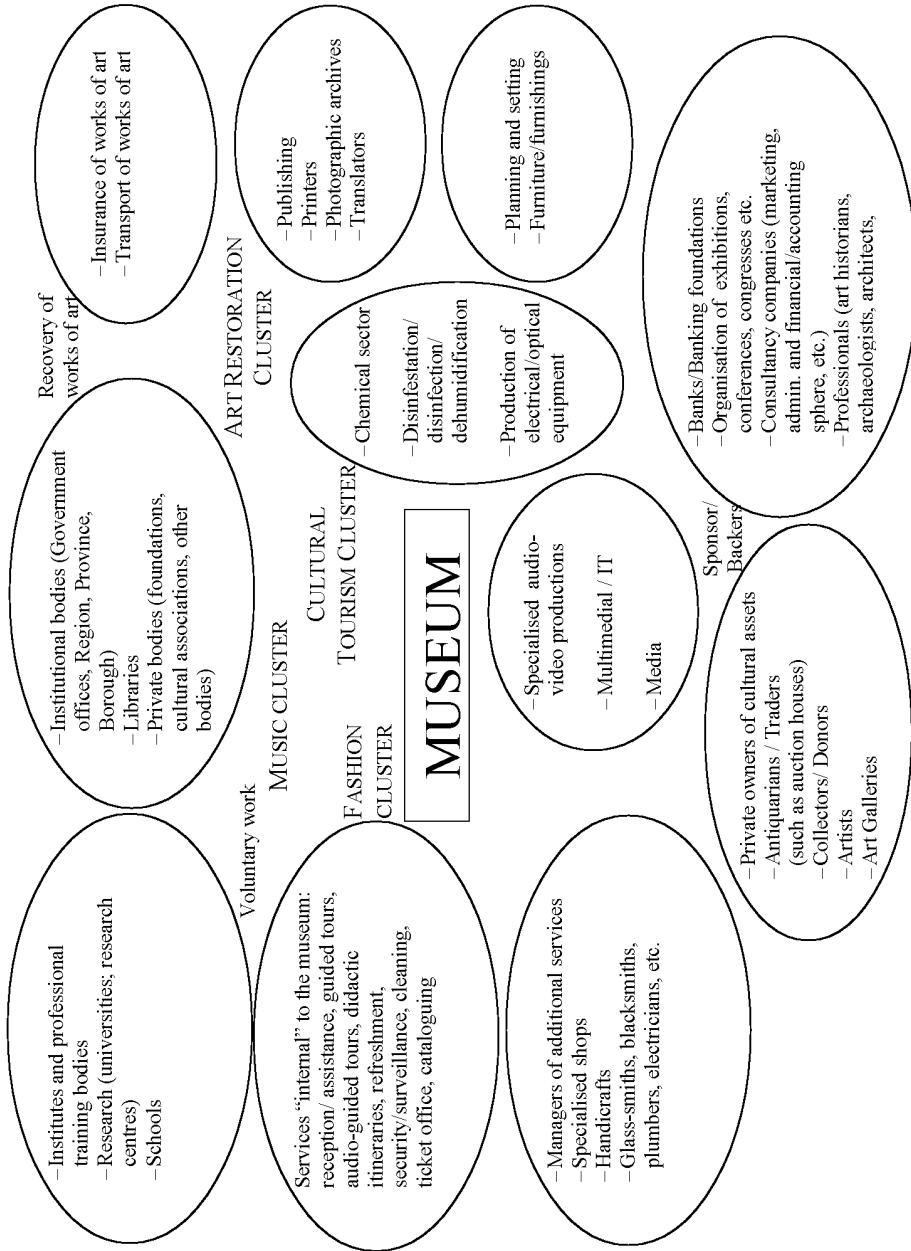


Fig. 3.3 – The Florentine museum cluster
Source: our elaboration.

Depending on the type, museums also have relations with other departments or agencies at a regional, provincial and municipal level. This is sometimes the case, for example, of naturalist museums or villas the activities of which may involve departments for the environment, for agriculture, hunting and fishing or agencies in the agricultural-forestry sector.

One of the sectors which appears to have exploited to the full the rich heritage of museums in Florence is the multimedial sector. Here firms can be seen to exist which are highly specialised in museum services, especially in information and multimedial technology applied to cultural assets. Often initiatives are devised which are the result of collaboration with other actors in the cluster from other spheres (such as those of restoration, training, libraries, research, etc) and which lead, for example, to the organisation of training courses or joint research projects. Closely linked to this sector is that of video-audio production specialised for example in making audio guides, television monitors or multimedial postings.

As regards publishing it should be said that it appears to be a category that is too general and embodying. Distinguishing between publishing houses, printers and specialised magazines proves a more realistic approach. Other actors too are involved in the realisation of editorial products such as translators or photographic archives.

The art restoration cluster (Lazzeretti and Cinti, 2001; Lazzeretti, *infra*, Chapter 2) has very strong ties with the museum cluster for obvious reasons. Many of the actors found in one also belong to the other. In our diagram, some of them have been explicitly identified while for others we refer to the bibliographical references given. We will limit ourselves to a mention of the handicraft sector and a project regarding the realisation of handicraft products inspired by works of art in Florentine museums and subsequently sold in specialised shops. The firm in question is MuseoMuseo – started up as an ARTEX¹³ project–, a fully fledged collection of objects which succeed in combining the great Tuscan artisan tradition with the richness and wealth of the Florentine museum heritage¹⁴.

¹³ Centre for Tuscan traditional and handicraft activities, institutionalised by Regional law 2 November 1999, no. 58.

¹⁴ In this regard we were able to verify how some processes may have different solutions (Lazzeretti, Cinti and Villanova, 2003). As is the case, for example, with the *Semana Santa* in Seville famous throughout the world for its religious processions during Easter week. The articles required for the procession – robes, *pasos* and whatever else –, may rightfully be defined real works of art, produced using the skills and century-old traditions of local craftsmen. In different contexts such articles would probably be exhibited in some museum since they undoubtedly represent “material evidence with a value for society” and would be substituted from time to time with “copies” made for the occasion. In Seville however such articles are valorised by their use for the purposes they have always had (which, among other things sets into motion a whole series of relations with the local social-economic context).

There are also significant connections with the *music cluster*. It is not uncommon for these two cultural spheres to coincide, as for example in the organisation of concerts or other events in the museum premises. Often it is the museum and musical associations which liaise. In the future it might be interesting to look into this type of relation in more depth, as it would be to investigate the connections with the fashion world (Zanni and Bianchi, 2003), which started in Florence and was launched around the world¹⁵.

Undoubtedly one of the opportunities for close collaboration between the various types of actors is the organisation of exhibitions or special initiatives such as circuits or itineraries aimed at discovering the heritage of Florence. In these cases various skills and services are needed and often involve many areas of the cluster: institutional bodies, foundations, associations, restorers, firms specialised in fitting out exhibitions (different from those organising them), publishing houses, printers, transport firms, trade associations, local businessmen and banking foundations interested in sponsoring the event, the media to publicise it, professionals whose specialisation depends on the type of museum (art historians, archaeologists, architects, photographers, etc.), building and lighting firms, graphic designers to produce the invitations (sometimes there are even firms that send them out), etc.

The existence of all these interconnections should not be surprising given that the cultural assets sector may be considered one of those characterised by a technological convergence of telecommunications, multimedial, cultural and fashion aspects (Lazzeretti, *infra*, Chapter 1).

A central point lies in the fact that certain services may be performed internally by the museum in which case it will not set up external supply relations or collaborations. However wherever it does not have the necessary professional skills available internally it will look for them in the market. In the case of state museums for example the suppliers are generally regular suppliers even though, as we have said, the channel they have to go through is in any case the government office. In general these are almost always Florentine firms, or firms from the surrounding area. Larger non-Florentine companies may be interpolated for jobs and services of a certain stature for which such companies are specialised and well reputed. In this regard one interesting aspect is the case in which the concessionaire or backer (if there is a sponsorship) contacts the suppliers directly, though obviously in agreement with the government office and the museum management. If such actors are local then they often end up by “proposing” firms from the same area.

¹⁵ It will be interesting to see where the new Italian Fashion museum will be based even though it appears more than probable that Milan will be the chosen location. Florence, the seat of an *ad hoc* Foundation would be entrusted with the management of the network of fashion museums present in the country such as Palazzo Pitti’s Costume Gallery, the Textile Museum in Prato and the National Silk Museum in Como. Aside from the question of what Parliament decides, the fact remains that in Italy there is already a national fashion museum, the Costume Gallery in Florence.

There is a whole hive of local firms used by the museums to conduct their activities. Those involved in maintenance work, often considered of little or no importance in research studies (by non-experts of the sector), are in fact absolutely essential for the life of the museum: companies which deal with the museum structures, belonging mainly to the building sector, both as regards ordinary maintenance (such as putting in the brackets which the paintings are hung on, doing any refurbishing, etc.) and special jobs (in an exhibition for example they deal with everything “from the floor to the skylight”); plumbers, electricians, glass-smiths, blacksmiths, etc. For big exhibitions and inaugurations very often entire sections of the museum are taken to pieces and reassembled and these are the skills needed. Then there’s the matter of “security”, in the sense of fitting security systems (security staff are usually employed directly by the museum or government office) and the consequent servicing of such. For the museum it’s important that all these firms are local. Local actors, with whom a relationship of trust is built up based on continuative commissions carried out successfully, are preferred.

Here, however, a consideration should be made. Public property has a series of implications for the museums which should not be neglected. How such property is organised and managed depends in fact to a large extent on the body it belongs to and is subject to laws which regulate the public sector. Consequently the bidding for contracts from municipal museums is regulated by the laws on Public Works and the consultancy they require is regulated by the national law for public bodies and by municipal regulations¹⁶.

Management of the various types of relations is obviously not the same for all museums. Smaller concerns enjoy simpler management, especially if organised in a privatised form. Relations with third parties are undoubtedly more direct and this often makes it possible to establish continuative relations over time based on trust.

Something that does not appear affected by the size of the museum or the body it belongs to is the presence of associations of people wishing to sustain it. Such associations are often referred to “Friends”¹⁷ of the museum and undoubtedly

¹⁶ A joint-stock company has moreover been founded by the Ministry of Economy and Finance – CONSIP – which among its various functions has that of dealing with the awarding of supply contracts for goods and services for the public sector, as well as handling special agreements with suppliers. In the case of museums, this means that it is responsible for “gathering together” the bidding for contracts from all the government offices, which would not be able to handle them independently. CONSIP is operative but at the moment does not appear to have particular influence on the museum sphere. Law 27/12/2002, no. 289 (financial law 2003), moreover, would seem to limit the margin of discretion of public bodies as regards the supply of goods and services. The conditional tense being appropriate here as there is no consensus of interpretation of the law but, on the contrary, there are those who claim that it has no effect on economic management. Aside from certain considerations – and legal interpretations –, the fact remains that the bureaucratic machinery of the public sector can slow down the development of the cluster.

¹⁷ Such as The Friends of the Uffizi, of the Museums, of Casa Buonarroti.

represent an interesting link between the local community and the museums, given that for the most part they are local residents working as volunteers or offering financial support to the museum¹⁸.

Another element that is part of and strengthens these roots in the local area is the museum's role as a vehicle for social cohesion with which the local community identifies its city. This is a sphere which would need to be looked into further and which we will only mention in passing here but it appears to us that the participation of local inhabitants in its various forms – voluntary groups, associations, as backers or visitors, etc. – is linked to the extent to which they identify with the museum heritage and see it as a distinguishing factor of their city.

3. An analysis of the relations between the actors of the Florentine museum cluster: the Florentine “Museo dei Ragazzi” from a Network analysis perspective

The Florentine museum cluster thus having been defined, we will now concentrate on the category shown as “other museums” (Fig. 3.3), which will be the subject of the following analysis. In applying the CAEH method to the study of relations between the actors of a cluster we decided to begin by investigating the relations between museum structures and it seemed like a good test to limit ourselves to the instruments used in Network analysis. There are, in fact, important inter-relations between museums which range from the loan of works to the organisation of exhibitions (Frateschi, 2003), and agreements which are more or less formalised, within the logic of a “museum system” – and therefore include sharing resources (Livi, 2001), joint initiatives, combined tickets, etc –, which prove decisive in their capacity to communicate with the general public (Solima, 2000).

On the basis of these fundamental considerations and aware of the fact that a formalised study of the relations would only produce plausible results if a certain methodological rigour were employed, we have limited this first application of Network analysis to the study of the decision-making processes characteristic of the museum network¹⁹. More specifically the aim was to reconstruct the communicative and relational structure linking the three Florentine museums, the Museum of Palazzo Vecchio, the History of Science Institute and Museum and the Stibbert Museum, which together created the cultural project known as the “Museo dei Ragazzi”.

¹⁸ This aspect is also worth noting for its effects on the ability of the museum heritage to attract funding from outside the area. In this sense associations such as the Friends of Florence spring to mind.

¹⁹ Given that this is the first attempt to apply a formal approach to the system of relations between museums in the Florentine sphere we have chosen a small but structured network as our unit of analysis.

Network analysis is a method of representing and studying social relations. From a historic point of view its basic principles first appeared in sociometry and, specifically in the sociogram (Moreno, 1934). Crucial contributions made by anthropology (Barnes, 1954; Bott, 1957; Mitchell, 1969), as well as those from graph theory and statistics²⁰ progressively went to make up what is today the theoretic-methodological body of Network analysis.

The network approach uses a series of actors and their relations with each other as a whole as opposed to the single actor and its attributes as its unit of analysis. The regularity or repetition of models of relationships characterizing a network produces structural relations within which each actor behaves. From this point of view both the characteristics of actors arising from relational processes and the properties of the system of relationships considered in itself become significant (Wasserman and Faust, 1994, pp. 7-8).

The representation of the relationship structure is based mainly on a graph²¹ and on the correspondent sociometric matrix (sociomatrix). The use of such instruments makes analysis, in a “geometric” sense possible (Freeman L.C., 1979; Burt and Minor, 1983; Lomi, 1991):

- The position of each single actor within the relational topology. For example the actors may differentiate themselves in terms of relational activity or of attitude and assume a role as intermediary or in terms of their relative relational closeness to other elements of the population. In this regard economic literature refers to the concept of centrality.
- The morphological characteristics of the relational network as a whole. To give an example, a network may be characterised by the presence of connections spread among the various actors or, on the contrary, by the presence of an actor around whom a consistent number of the relationships are concentrated.

3.1. The Florentine “Museo dei Ragazzi”: general features

In the complex panorama of Florentine museums the cultural project known as the “Museo dei Ragazzi” appears a particularly interesting experience both in terms of the formulation of an innovative museographic proposal²², and as regards the subject of museum networks.

²⁰ For a collection of “quantitative” contributions with greater historic significance see Wellman (1988).

²¹ The graph shows a network of relations between subjects in a two-dimensional space. In it the actors are shown as nodes, while the relations between pairs of actors are shown by the segments joining the nodes.

²² This is not the place for discussing the contents of such proposal. For this purpose see Pacetti (2003).

On the first point the central nucleus of the project was the creation of a transversal history museum (Galluzzi, 1997) which adopted an interactive communication method so as to recreate the cultural climate at the time of Cosimo I. This proposal was initially aimed mainly at a public of children²³ and in terms of contents provided for the use of multimedial instruments, combined with workshop activities, atelier and theatrical events to be actualised progressively in the three institutions taking part, that is the Museum of Palazzo Vecchio, the History of Science Institute and Museum and the Stibbert Museum²⁴.

As regards the second point the “Museo dei Ragazzi” project was a serious attempt to create a network between three museums from different subject categories so as to create a “product” that was the result of the intersection of the specific spheres of competence of the three institutions taking part.

In taking a brief look at the history of the “Museo dei Ragazzi” – which has already been the subject of study of other contributions²⁵ – an initial phase can be distinguished which culminated in the stipulation of a memorandum of understanding (1999) between the Municipality of Florence²⁶, the Stibbert Museum and the History of Science Institute and Museum, with each museum taking part with its own resources to define the form and content of the project. Right from the start the institutions made use of external specialists.

In 2001, during the actuation of the scheduled activities, the Florentine “Museo dei Ragazzi” Association was founded with the specific aim of «promoting, coordinating and handling activities, in the fields of didactics, education and museum communication, entrusted to it by the member Bodies or other subjects» (“Statute of the Association”, Museo dei Ragazzi di Firenze, 2001, art. 2). The creation of an independent legal entity permitted, among other things, direct management of the personnel employed in the activities by the scientific directorship. The Statute of the Association provided for an Assembly «invested with the power to deliberate the direction of the statutory objectives and make operational choices for their pursuit» (*ibid.*, art. 9) and a Board of Directors with powers of ordinary and special management, «elected by the Assembly – and composed of 3 to 7 members – designated by the associate Bodies to be chosen from the persons in charge of managing the said museums» (*ibid.*, art. 12). In view of the public success of the initiatives adopted²⁷, the “Museo dei Ragazzi” Association initiated a procedure of repositioning its image with respect to different types of user: both the change of

²³ Hence the name “Museo dei Ragazzi”. The elaboration of an educational project aimed at children meant that ministerial funding dependent on such condition could be obtained.

²⁴ “An interactive history museum for children”, feasibility project commissioned by the Municipality of Florence (Pacetti 1998).

²⁵ Livi (2001 and 2003). Further studies have also been made of the network of Florentine science museums (Guercini, 2002).

²⁶ The Museum of Palazzo Vecchio is run by the Municipality of Florence.

²⁷ Since 2000 the number of visitors has consistently exceeded 40,000 a year. Cf. Pacetti (2003).

name to “Museo dei Ragazzi 8-88”, a name covering the more didactic activities of the Association aimed at a public of school students ranging from children to University, and the launch of “Emozioni da Museo” (Museum Emotions), a project aimed at progressively extending *edutainment* methods to all the municipal museums along the lines of those already implemented in Palazzo Vecchio itself and in the Brancacci Chapel are moves in this direction.

Over recent months two new members have joined the Association: Firenze Mostre and Museum of Leonardo in Vinci. These institutions however have not yet taken an active part in the project and have therefore been excluded from this study.

3.2. The “Museo dei Ragazzi” structure of relations: two hypotheses of communication networks

The work sets out to investigate in greater depth the relational structure/dimension behind the decision-making processes by using some of the theoretical tools provided by Network analysis. It is felt, in fact, that such a methodology offers valid proposals for the organisation of empirical research into the communication processes integrating different museum institutions, such as those taking part in the project.

More specifically the aim was to study the relational morphology which characterizes – in actual fact and not just in the formal sense – the “Museo dei Ragazzi” project.

This aim was pursued both by using direct sources and, to a lesser extent, documentary sources.

The information was gathered directly during a series of interviews with the leading figures of each museum institution²⁸ or with persons indicated by them. At each meeting the person being interviewed was asked to reconstruct, with regard to the more important moments of decision-making, the relations entered into with other leading figures involved in the project. This investigation aimed in the first place at highlighting theories of relational networks between subjects which would help us to understand the effective decision-making processes.

The documentation regarding the project and the Association as a legally distinct body from the Municipality or associated museums was also gathered during the interviews.

A picture emerged from the interviews which reflects the differing degrees of involvement of the actors in the communication processes underlying moments of decision making. The associates’ voting power within the Assembly and steering

²⁸ Here we confirm that Firenze Mostre and the Leonardo Museum in Vinci have not been considered because they only joined the project in 2002 and September 2003 respectively.

committee being equal the following factors were found to have strongly influenced behaviour within the association:

- the municipal authority, as the main backer and promoter of the project, favoured activities aimed at promoting the Museum of Palazzo Vecchio;
- the Stibbert Museum and the History of Science Institute and Museum made less use of the Association's services than the municipal museums (Palazzo Vecchio and, more recently, the Brancacci Chapel).

The first hypothesis formulated of a communication network (Fig. 3.4) simply shows the presence or absence of communication relations between the actors. The relationship identified is nondirectional, of the type "A and B communicate with each other". In other words, at the basis of the graphic representation there is a symmetric matrix of the binary coded adjacencies (Matrix 1).

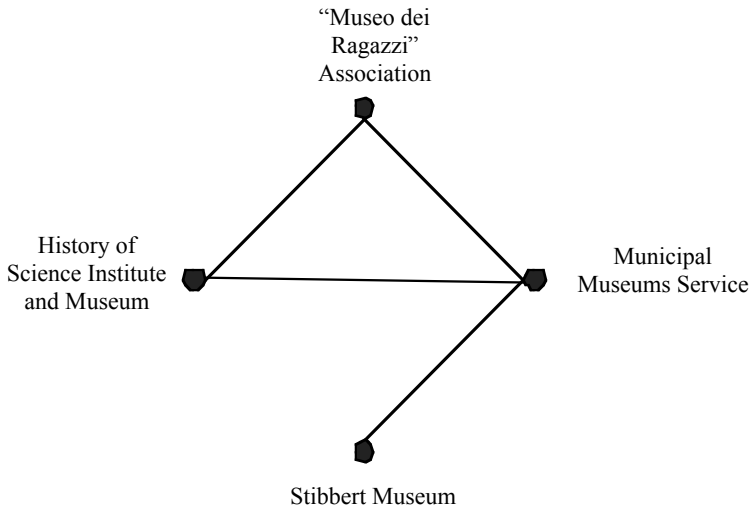


Fig. 3.4 –First hypothesis of a communication network: presence/absence of relations between the actors

The relational topology shown characterizes the mature phase of the Association and takes into consideration the communication between the directors of the museum institutions outside the decision-making areas indicated by the Statute of the Association.

The first interesting piece of information that can be deduced from the symmetric matrix of binary coded adjacencies regards the degree of connection or cohesion, of the relational topology being examined. An estimate of the level of cohesion is provided by measuring relational density, traditionally equal to the ratio of connections effectively existing to those that are possible in theory. In the communication network analysed, the measured density is 0.66.

Matrix 1 – Symmetrical matrix of the binary coded adjacencies

	<i>MDR</i>	<i>SMC</i>	<i>MSS</i>	<i>STIBB</i>
<i>MDR</i>	–	1	1	0
<i>SMC</i>	1	–	1	1
<i>MSS</i>	1	1	–	0
<i>STIBB</i>	0	1	0	–

Considering the greatly reduced size of the network, this figure does not appear very high²⁹: out of 6 possible connections only 4 are active. Specifically, the Stibbert Museum appears to have taken up a position in the wings with regard to the main communication flows, something confirmed in the analysis of centrality. The idea that centrality, understood as the index of communicative activity which may be traced back to an actor, may be approximated by the degree of the actor itself is widely accepted in literature³⁰. In his famous article on centrality Freeman L.C. (1979, p. 219) observed that

the simplest and perhaps the most intuitively obvious conception is that point centrality is some function of the degree of a point. [...] With respect to communication, a point with relatively high degree is somehow “in the thick of things”.

Limiting ourselves to measuring the degree, given by the number of direct relations which each actor engages in, the “peripheral” position of the Stibbert Museum with regard to communication flows emerges both in absolute and relative terms³¹. Freeman’s claim is moreover supported empirically in the relational topology examined. In fact, as Tab. 3.5 shows, the most central actor in the communication network proves to be the Municipal Museums Service, confirming the conclusive role played by the local council in promoting the initiative.

A measure of the level of centralisation characterising the entire relational structure is provided by the centralisation index³². This index can be used to quantify

²⁹ Various authors emphasise how relational density always diminishes as the size of the network increases. Among them cf. Soda (1998, p. 104); Jansen (1999, p. 89); Krätke (2002, p. 37).

³⁰ This is not however the only accepted meaning of the concept of centrality. For a review in the Italian language of concepts of centrality such as proximity or interposition see Lomi (1991, Chapter 6). This study constitutes an initial approach to the subject of communication networks between museum institutions and therefore only takes into consideration the concept of centrality-degree.

³¹ The relative centrality [$C'(n_i)$] of an actor n_i is produced by the ratio of absolute centrality [$C(n_i)$], which here is equal to the degree of n_i , and the maximum value that this can theoretically be, equal to the number of actors less one.

³² «[T]he centrality of an entire network should index the tendency of a single point to be more central than all other points in the network. Measures of a graph centrality of this type are based on differences between the centrality of the most central point and that of all others. Thus, they are indexes of the *centralisation* of the network» (Freeman L.C., 1979, p. 227).

the variability of the centrality indexes, expressed in terms of degrees, of the single actors³³. The degree of centralisation observed for the communication network studied here was 0.66. The figure, neither low nor particularly high, reflects the different levels of involvement of the actors in communication processes.

Tab. 3.5 – Indexes of the centrality of actors

ACTOR	ABSOLUTE CENTRALITY	RELATIVE CENTRALITY
CMA	2	0.66
MMS	3	1.00
HSM	2	0.66
STIBB	1	0.33

On the basis of the information gathered a second communication network hypothesis may be formulated to position over the previous one, which takes into consideration the frequency index of the relations engaged in supplied by those interviewed. The network shown in Fig. 3.5 provides, in a certain sense, a qualitative specification of what was already indicated in Fig. 3.4.

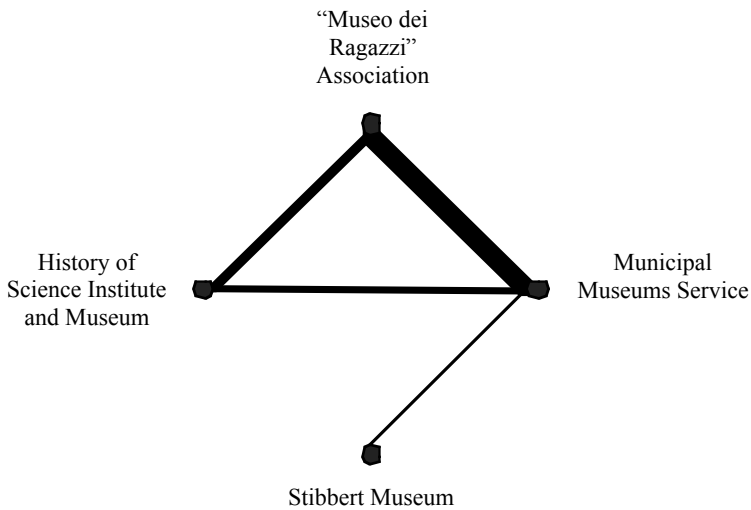


Fig. 3.5 – Second communication network hypothesis: frequency of relations

In the grid of communicative relations assessed according to frequency the width of the segment expresses the frequency of the communicative relation. At the basis of the graphic representation there is a symmetric matrix of the valued

³³ For a formal discussion of the subject, see Wasserman and Faust (1994, p. 176).

adjacencies (Matrix 2), showing the numerical values attributed to the relations by us on the basis of the indications of frequency supplied by those interviewed. On a scale from 1 to 3:

- a value of 1 was attributed when the subjects interviewed spoke of rare interaction outside the decision-making areas provided for by the Statute of the association;
- a value of 2 was attributed to relations described by the subjects as quite frequent but not daily;
- a value of 3 was attributed to communicative relations described as daily.

Matrix 2 – Valued matrix of the adjacencies

	<i>MDR</i>	<i>SMC</i>	<i>MSS</i>	<i>STIBB</i>
<i>MDR</i>	–	3	2	0
<i>SMC</i>	3	–	2	1
<i>MSS</i>	2	2	–	0
<i>STIBB</i>	0	1	0	–

The notions of density, previously defined as the ratio of the connections effectively existing to the number of theoretically possible connections, and of degree cannot be applied to a valued graph.

Wasserman and Faust (1994, p. 143) propose the ratio of the sum of all the values assigned to the connections and the number of theoretically possible connections as a substitute of the density index, suggesting that such result be interpreted as an index of the average strength of the connections in the valued graphs³⁴. Using such a method the average frequency of the connections shown in Fig. 3.5 would be 1.33. We don't see this figure as being of any interest except for comparative purposes.

The same authors propose calculating the average of the values attributed to each actor's connections instead of using the concept of degree (*ibid.*, p. 142). In our case this figure reflects the average frequency of all the relations engaged in by an actor (Tab. 3.6).

The results shown in Tab. 3.6 outline a relational structure similar to that obtained by studying the degree of the actors. In the light of the information on relational frequency, the Stibbert Museum remains in a peripheral position as regards the communication flows, while the Municipal Museums Service once again confirms its position as a central actor in this regard too. A study of the

³⁴ The authors themselves admit that «concepts and definitions for valued graphs are not as well developed as they are for graphs and directed graphs» (*ibid.*, p. 140).

valued relations makes it possible to differentiate however, their degree being equal, between the relational position occupied by the “Museo dei Ragazzi” Association and History of Science Institute and Museum.

Tab. 3.6 – Average frequency of relations engaged in by each actor

ACTOR	AVERAGE FREQUENCY
CMA	1.66
MMS	2.00
HSM	1.33
STIBB	0.33

A dichotomous and valued juxtaposition of the relational structures shows sufficiently clearly how the participation of the actors in the communication flows underlying the decision-making processes is somewhat differentiated. Specifically, the analysis performed has confirmed the conclusive role played by the municipal council in the project alongside the “Museo dei Ragazzi” Association: despite not showing very marked characteristics of centralisation, the relational structure as a whole has its central motive force in the communicative relationship existing between these two actors. This fact was confirmed by all those interviewed.

4. Conclusions

The application of two methodological instruments such as cluster identification and Network analysis to the study of museums has enabled us to proceed in our exploration of the concepts and instruments identified in the CAEH method and to begin to outline a first approximation of some of the characteristics of the Florentine situation from the point of view of cultural districtualisation.

As regards the museum cluster, an initial matter for reflection is provided by its inter-sectoral nature. What has emerged in fact is a varied panorama of economic activities significantly linked to those of the Florentine museums and this confirms what has been seen in previous studies (Lazzeretti, *infra*, Chapter 1; Lazzeretti and Cinti, 2001) into the ability of cultural resources to make different sectors “converge”. As regards “convergence” the study also shows how the museum cluster is one which presents relations with the other cultural clusters in the city. This aspect is particularly relevant if we think of the context of the methodology applied here. One of the “key” elements in fact of the CAEH method is represented by the interaction of the various cultural clusters of the art city intended as a High Cultural (HC) (Lazzeretti, 2001; *infra*, Chapter 2, p. 21).

We must, moreover, underline the central role – as in fact was foreseeable given the nature of the “museum” actor/resource – played by institutional actors and in

particular by the public sector around which most of the relations of the cluster rotate.

Lastly, interesting ideas for future investigations may be seen in the various forms of involvement of the local community, an element of outstanding importance in the matter of districtualisation.

It's obvious that such a diagram is merely an attempt to give a systematic aspect to the phenomenon and that further investigations will need to be made to refine it, but we feel it is a valid starting point.

As regards Network analysis, we have tried to apply some elements to the study of the communicative relations existing between the actors taking part in the "Museo dei Ragazzi" Project. This approach has made it possible to reconstruct a communicative and relational structure of secure interest in understanding the inter-organisational decision-making processes which take place in the context of the project. In our opinion the results obtained represent an initial, albeit limited, demonstration of the contribution which Network analysis may make, alongside traditional qualitative investigations, to studies of the relational dimension of the cluster.

This has, moreover, enabled us to verify the applicability of Network analysis as an analytical instrument foreseen by the CAEH method for the study of relations between actors.

4. Dynamic and localised density dependence in the hotel industry: benchmarking between Florence (1940-1996) and Seville (1945-1999)

*Luciana Lazzeretti, Giancarla Brusoni and Francesco Capone**

1. Introduction

In this paper we will introduce the basic hypothesis of ecological theories relating the structural components of an organisational population with its vital flows. The aim of the study is to test and compare ecological theories on the start-up flows in two art cities: the Florence hotel industry, from 1940 to 1996, and the Seville hotel industry from 1945 to 1999. We decided to address other issues and make new comparisons using mathematical models to represent failures related to the introduction of other factors regarding the characteristics of hotels (the effects of newness, size, previous start-ups and failures, etc.) in our future research works. In previous studies, we have already analysed the Florence and Seville Hotel Industries using a demographic approach (Brusoni and Lazzeretti, 1996; Lazzeretti and Capone, 2002), and an ecological approach for the Florence hotel industry alone (Lazzeretti and Brusoni, 1997).

2. Literature review

Organisational ecology has been proposed by Hannan and Freeman (1989). The main argument behind all ecological theories is the concept of density which, considering the vital rates, is linked to the need to evaluate the evolution of a

* For the research carried out in Florence, we thank the tourist bureau of Florence's city hall, Florence's Chamber of Commerce and town planning office of Florence's city hall for providing data. We thank Roberta Pini and Luca Cecconi for their assistance in the collection of data. For the research carried out in Seville, the authors also express their gratitude to Prof. Luis Palma Martos, Prof. José Luis Martín Navarro, and Dr Antonio Garcia of the Economic Theory Department from the University of Seville, and to the Consejería de deporte y turismo in Calle Trajano, the Consejería general in Torre Triana, Ayuntamiento of Seville, Nodo de economía y empleo, and to INE (Istituto estadístico nacional).

population throughout its history. The theory of density dependence has two main processes: *competition* and *legitimation*. These two processes are both linked to population density, to be considered in this case as the number of organisations existing in it. The relation between density and competition is influenced by the intensity of competition that has been assessed among organisations. A useful way to formalise the concept of competition builds on the idea that the presence of a competitor in the system lowers the *carrying capacity* of the focal population. As the intensity of competition depends on the number of actors in the competing population, it is interesting to see how adding a member to the competing population affects its growth rate (*competition coefficient*). Growing density intensifies competition at an increasing rate and has more impact on the strength of competition than variations in the lower range do. When there are only a few organisations (low density), adding a single organisation increases competition whereas when density is high, the addition of another organisation greatly increases the competition. That is, in mathematical terms $C_t = \varphi(N_t)$, with first and second derivative both positive: $\varphi' > 0$ and $\varphi'' > 0$. The legitimation argument is widespread and includes all social, political and economic aspects which a single organisation or a population of organisations needs to create in order to achieve a *taken-for-granted* character, which will certainly affect the vital rates of the population itself¹. Legitimation can also be expressed in relation to density. When a population is large or occupies the centre of inter-organisational networks, stronger recognition is manifest. The support of strong actors and the stability of an organisational form contribute to increasing recognition and acceptance. Consequently, as density rises, legitimation increases at a decreasing rate, due to the progressive acceptance of the form. That is, $L_t = \nu(N_t)$, with $\nu' > 0$. The relationship between density and legitimation is positive with a point of inflection \tilde{N}_λ , such that legitimation increases at an increasing rate with density to a certain point (the inflection point) beyond which legitimation grows with density at a decreasing rate. That is, $\nu'' > 0$ if $N_t < \tilde{N}_\lambda$, while $\nu'' < 0$ if $N_t > \tilde{N}_\lambda$.

To assert these propositions we can use these relations:

$$C_t = \varphi(N_t) = c_t \exp(\beta N_t^2) \text{ with } c_t > 0 \text{ e } \beta > 0$$

with regard to competition, where c_t represents the impact of other time varying variables. Whereas

$$L_t = \nu(N_t) = l_t \times N_t^\alpha \text{ with } l_t > 0 \text{ e } 0 < \alpha < 1$$

¹ The legitimation of organisational forms influences the creation and the existence of populations and organizations that adopt that particular form. This relation depends upon the strength of institutional rules that support an organizational form which is believed to be suited to achieving collective goals. The capacity for arranging members and potential resources differently rises remarkably when controllers of this capacity regard an established form. As the need for justification is reduced, the organizational cost diminishes.

with regard to legitimation, where l_t represents the impact of other time-varying variables. The inequality constraint ($0 < \alpha < 1$) ensures that legitimation increases with density at a decreasing rate. We have already stated that the vital rates of a population are directly influenced by the processes of competition and legitimation. Let us analyse the details of these relations. The start-up rate of an organisational population at time t , $\lambda(t)$, is inversely proportional to the intensity of competition within that population at that time, C_t : $\lambda(t) \propto C_t^{-1}$. The mortality rate of organisations in a population at time t , $\mu(t)$, is directly proportional to the intensity of competition within the population at the time t (contemporaneous competition), L_t . That is, $\mu(t) \propto C_t$. As for legitimation, the start-up rate in an organisational population at time t , $\lambda(t)$ is directly proportional to the legitimation of its organisational format at that time, L_t . That is, $\lambda(t) \propto L_t$. The mortality rate in an organisational population at time t , $\mu(t)$, is inversely proportional to the legitimation of its organisational form at that time. That is, $\mu(t) \propto L_t^{-1}$. The relations between start-up, mortality and density of a population derive from the considerations stated above. In the model the rate has been multiplied by a coefficient called *multiplier of the rate* which is a ratio of the start-up rate (or mortality rate) calculated for each density level to the rate calculated for the lowest population density observed. The relationship between density and the multiplier of the start-up rate is non-monotonic and has the form of an inverted U. At low density, the marginal effect of density is positive (growth in density increases the start-up rate). But at high density, the marginal effect of density is negative (growth in density, above the turning point, depresses the start-up rate). Hence the legitimation process dominates at low density, and the competition process dominates at high density. Again the density dependence on the mortality rate is non-monotonic. In this case the relationship has a U shape. At low density, growth in density lowers the mortality rate by increasing legitimation more than competition. Beyond the turning point, N_{μ}^* , further growth in density increases competition more than legitimation and thereby raises the mortality rate. The most frequently used model to represent these relationships is the log-quadratic approximation (Hannan and Freeman, 1989; Hannan and Carroll, 1992)². The log-quadratic approximation applied to start-up rates has the form:

$$\lambda(t) = L_t / C_t = \varphi(N_t) / \nu(N_t) = \kappa_{\lambda(t)} \exp(\theta_1 N_t + \theta_2 N_t^2)$$

² The most common and simplest models to represent these relationships are the generalised-Yule-model (*GY*) and the log-quadratic approximation model, but some authors have demonstrated how these models do not always offer convergent estimates (Hannan and Freeman, 1989; Hannan and Carroll, 1992).

with hypotheses: $H_1: \theta_1 > 0$; $H_2: \theta_2 < 0$. This means that the effect of density due to N_t , called the first-order effect of density, is positive and less than one, and the second-order effect due to N_t^2 is negative. The relationship is non-monotonic and has the form of an inverted U with a maximum at: $N_\lambda^* = -\theta_1 / 2\theta_2$.

If we consider mortality, the parametric representation is:

$$\mu(t) = C_t / L_t = v(N_t) / \varphi(N_t) = \kappa_{\mu(t)} \exp(\theta_1 N_t + \theta_2 N_t^2)$$

with hypothesis: $H_1: \theta_1 < 0$; $H_2: \theta_2 > 0$; $H_3: |\theta_1| > |2\theta_2$ and minimum in: $N_\mu^* = \theta_1 / 2\theta_2$. The first-order effect is negative due to the legitimating effects of the initial growth in density; whereas the second order effect is positive and is influenced by the increase in the level of competition. To analyse start-ups, we have focused on two aspects. First of all the maximum value of the multiplier of the entry rate, $\lambda^* = \lambda(N_{\lambda^*}) / \lambda(N_{\text{MIN}})$, which shows the maximum level of the relative strength of legitimation and competition. A high value of λ^* implies that the density effect on legitimation is relatively stronger compared to that of competition. Then we analysed the ratio between the multiplier of the rate, calculated at its maximum value of density observed, that is $\lambda(N_{\text{MAX}}) / \lambda(N_{\text{MIN}})$, and λ^* which shows the speed and how far the start-up rate falls from its peak, as a consequence of competition. Regarding mortality, the minimum point $\mu^* = \mu(N_\mu^*) / \mu(N_{\text{MIN}})$, should be from zero and the maximum density N_{MAX} , but this cannot occur if the legitimation process prevails over competition processes for all the variation distance of density. Not only can μ^* be calculated, but also the value of the maximum density rate, $\mu(N_{\text{MAX}})$. The lower the multiplier, the stronger the effect of legitimation compared to the effect of competition on the mortality rate: μ^* is analysed in those populations where the turning point is within the interval of density observed, instead $\mu(N_{\text{MAX}})$ is analysed in those populations where the minimum is outside such an interval. In the same way as density is assumed to be the total of the population, mass can be considered an expression of supply. Hannan and Carroll (1992) observed how in some populations, density, considered as the number of firms, could not be used to express the competition process thoroughly. In fact competition is related to the supply capacity of a single firm and of a population as a whole. Undoubtedly the method of measuring density changes in relation to the kind of population analysed. If the global supply is denominated *mass*, the relation between mass, M_t , and the start-up rate decreases; conversely, the relationship between mass and mortality rate increases. The parametric expressions of start-ups and failures are respectively:

$$\lambda(t) = \kappa_{\lambda(t)} \exp(\theta_1 N_t + \theta_2 N_t^2 + \gamma \log M_t) \text{ with } \kappa_{\lambda(t)} = l_t / c_t$$

and hypothesis: $H_1: \theta_1 > 0$; $H_2: \theta_2 < 0$ $\mu(t) = \kappa_{\mu(t)} \exp(\theta_1 N_t + \theta_2 N_t^2 + \gamma \log M_t)$ with $\kappa_{\mu(t)} = c_t / l_t$ and hypothesis: $H_1: \theta_1 < 0$; $H_2: \theta_2 > 0$. After examining the shape of the mass curve over time, a mass hypothesis will be formulated.

3. Data collection

3.1. The database of the Florence hotel industry

Several sources were used to construct the Florentine database. The main source of information was the *Hotel yearbook* which has been published by EPT, Ente Provinciale del Turismo (The Regional Tourist Board), in collaboration with APT, Azienda di Promozione Turistica, (Tourism Promotion Authority), since 1983 (APT, 1964-1997). These yearbooks are available from 1964 to 1997 and give full details, updated to the 1st of January of each year, of the name of the hotel, the address, size, minimum and maximum price per room and different kinds of services included. In previous studies (Brusoni and Lazzeretti, 1996; Lazzeretti and Brusoni, 1997) the hotel population was identified using only the hotel name and start-ups and failures were derived as a consequence. The result of this process was an overestimation of the flows of start-ups and failures. To solve this problem, we integrated and corrected the database with APT records and Florence City Administration data on Hotel licensing. The history of each hotel was obtained by analysing each record. This analysis helped us to integrate the database with information about the hotel owner and the year of opening. With regard to the hotels opened after 1939 we assumed, obviously, that the opening year was that of the first available document. In this way attention was focused on the “hotel structure” present at a given address on the 1st of January of each year, regardless of any change of the name, thus rectifying the flows of overestimation mentioned above. Those records contain all the data starting from 1939, the year when the RDL no. 975 18 January 1937, became law on 30 December 1937, became effective. The law attributed the territorial competence of the EPT in assigning hotel categories based on the characteristics of the accommodation. This obliged the hotel owner to fill in a form in which those characteristics were declared. These lists were approved and put into practice with a decree issued by the Ministry of Print and Advertising (now Tourism and Entertainment Department) and published in the *Italian Hotel Yearbook* edited by ENIT, Ente Nazionale Italiano del Turismo (National Tourism Board). These records have been available at the Florence local administration since 1983, as the collection of data was left to the City

Council in virtue of the Regional Law no. 78, October 27, 1981³. After this first approach, we were still unable to reconstruct the history of 60 hotels, included in the old database, that had terminated business before 1980. This fact was probably due to the misplacement of records which concerned them. Research continued at the Chamber of Commerce where firms have to register in a Company Register (Registro Ditte). This source is considered sufficiently exhaustive for the different kind of firms, even though compulsory registration was only introduced in 1966. With this further information the history of 52 hotels was reconstructed, whilst 8 had to be removed from the data base because the opening date and other information remained unknown (the hotels removed from the data base were included in the yearbooks ranging from 1964 to 1972). This research also provided information about the opening date of about 10 hotels which were already operating by 1939⁴.

3.2. *The database of the Seville hotel industry*

In order to analyse the evolution of the Seville hotel industry we built a data set of the lodging facilities concerning the hotels and hostels localised inside the municipality of Seville⁵. We had to elaborate many archival sources, because the

³ In the DPR 1977 responsibility for tourism was left to the Regions, thus deferring any further regulation. In the Regional Law no. 78, October 27, 1981, the City Council was required to assign hotel categories and in Law no. 217, May 17, 1983, the EPT and the ENIT were replaced by the APT.

⁴ The main problems regarding the completeness and reliability of the database can be summarised as follows: (a) the opening dates derived from the statement issued by the owner to EPT or from the date of enrolment in the Chamber of Commerce Company Register. It is not possible to verify whether the hotels were already operating under a different name or owned by a different person before the data found in the research phase; (b) some of the hotels existing before 1964 (the year of publication of the first yearbook for Florence) might not be registered because some of the APT records were lost and, at the same time, the hotels were not included in the Chamber of Commerce Company Register; (c) when the hotels changed name or ownership, we assumed that this change had taken place at the beginning of the year indicated in the documents found, whereas if it had taken place at the end of the year, we imputed this change to the following year; (d) this is a year-based collection of data, therefore start-ups and failures are related to the year regardless of the exact date of the event; consequently, the time series is discrete; e) if the organization remained closed for a temporary period of over one year, we assumed it had failed and then been re-opened. When there are no great differences in the hotel characteristics (rooms, bathrooms, etc.) and the period of closure is less than one year, we assumed that there was no interruption to business.

⁵ One of the first modern tourism law is the “Boletín oficial de el Estado” no. 48, July 19, 1963, although basic legislation already existed before, but was founded on few basic laws regulating some specific cases. In previous Andalusian tourist legislation, lodgings were divided in two kinds: *hoteles* (De lujo, primera A, primera B, segunda and tercera), and *pensiones* (De lujo, primera, segunda). The first general law was the Decreto no. 231 of the 1965, *Estatuto Ordenador* (in “Boletín oficial del Estado”, no. 48, July 19, 1963); autonomy of legislation in tourism affairs was assigned only to the Regions while national law was only applied in specific cases not regulated by the Regions.

From 1970, Andalusian *hoteles* were subdivided into five types: 5 stars, 4 stars, 3 stars, 2 stars and 1 star and the *pensiones* into three: 1 star, 2 star and 3 stars. Later, after 1986, with the Decreto

historical series we wanted to construct could not be obtained from a single database. This involved much data integration and cross-reference. Moreover, while the information on the number of structures (density) was available from 1945, that on numbers of beds (mass) was only available from 1954. In synthesis, the main sources we consulted were the following: Consejería de deporte y turismo, Instituto nacional estadístico, Instituto estadístico de Andalucía, Sistema de análisis y estadísticas de Andalucía, Cámara de Comercio and Consejería de medio ambiente. Data collection was carried out during the first semester of 2000, and we registered the information on the existing lodgings, from the post-war period until today⁶ annually. The data set was constructed mainly thanks to the *Registro de establecimientos y actividades Turísticas* (REAT, see CDT 1928-1999). This register, held at the Consejería de Deporte y Turismo, gives full details on the opening and closing licences of every lodging business (hotels, hostels, camping, etc.). REAT contains detailed information about the opening and eventual closing date, name, stars and address of facilities. It is the most comprehensive historical listing of Seville hotels in existence. Moreover, it includes all modifications of the original licence, such as change of ownership, of the type of facility (hotel or hostel), the stars, the end of the licence and its temporary suspension for restoration or modernisation. The archives of the new Consejería di Triana were used to control the REAT data. Unfortunately, the information obtained was limited to the hotels in existence up to 2000, and there was no way of checking the whole historical series completely. Finally, we integrated and corrected the database with INE records (1940-1990), from 1945 to 1960⁷, and IEA data (1988-1999) for 1988. From the Statistical Yearbooks of these two organisations, we collected information on the global supply of beds (mass). The information of the Camera de Comercio was not used, because it concerned the facilities existing in 2000. The data produced by SAETA was dismissed because it only applied to recent years, and was not valid for longitudinal analysis. The same considerations were made for the files of the Consejería de medio ambiente.

110/86 (*Sobre ordenación y clasificación de establecimientos hoteleros de Andalucía*, in "Boletín oficial del Estado", no. 69, July 15, 1986), a new classification was applied. According to this law the hoteles were subdivided into: 5 stars, 4 stars, 3 stars, 2 stars and 1 star and the pensiones only into 1 or 2 stars. Moreover the public administrations was given the faculty of distinguishing between special lodging classes, like "hoteles de lujo" (luxury) or facilities with a typical denomination ("hotel típico" or "pensione típica") for historical or artistic reasons. In our study, we considered the Luxury Hotels together with the five star ones. As for the typical structures, we have grouped them with the correspondingly starred facilities.

⁶ In fact, the first hotel was Hotel Colon, opened in 1928; our analysis starts from the end of the second world war because in the previous period the data was not sufficiently reliable and also due to the limited number of pre-war facilities.

⁷ Since 1960, information has been classified at a provincial level, and is therefore useless for our task.

4. Demographic analysis

4.1. The Florence hotel population: density, mass, start-ups and failures

Figs 4.1, 4.2 and 4.3 respectively show the trends in density, of mass (expressed as the number of rooms), and of start-ups and failures from 1940 to 1996. Fig. 4.1 shows the density of the Florence hotel industry: initially it increases and then reaches its maximum (393, its *carrying capacity*) in 1973 and 1975, then it decreases. This trend supports the assumption already made regarding the Italian hotel industry in general (Bywater *et al.*, 1995), where the year 1974 represents the turning point for growth of the hotel industry, due to the Middle East war and the oil crisis.

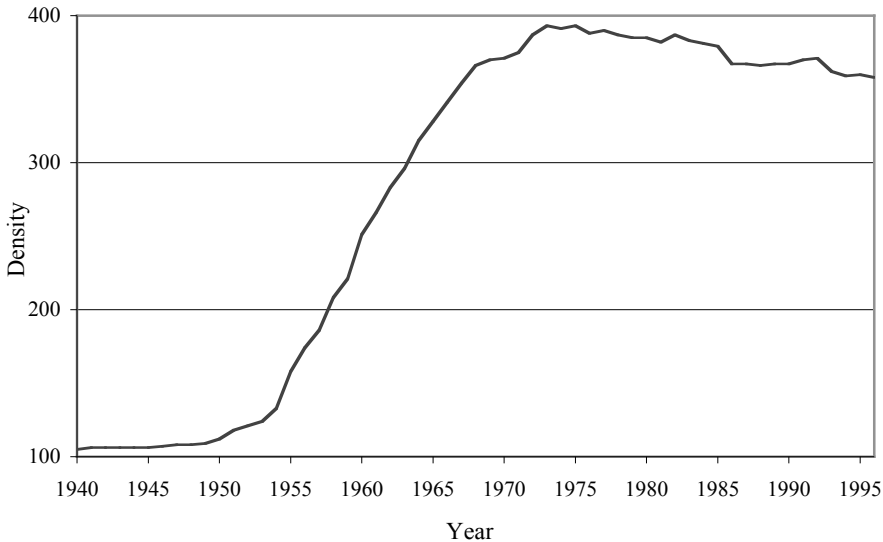


Fig. 4.1 – Density of the Florence Hotel Industry, 1940-1996

From this moment onwards the number of hotels decreases but their total capacity increases; this trend is supported if we consider the number of rooms⁸, which could be used as the mass variable (Fig. 4.2), in other words the global supply of the hotel industry, which is constantly increasing⁹.

⁸ The number of beds in a hotel could be considered as a measure of mass, but this value varies because of the so-called “added beds”. The variable number of rooms is transformed using the natural logarithm in order to avoid problems with the unit of measure (Baum and Mezias, 1992).

⁹ This is a consequence of Law no. 217, May 17, 1983 governing the shift from the old nine categories to the new “star classification” – with five categories – stating that all hotels with less than seven rooms must be considered rooms for rent.

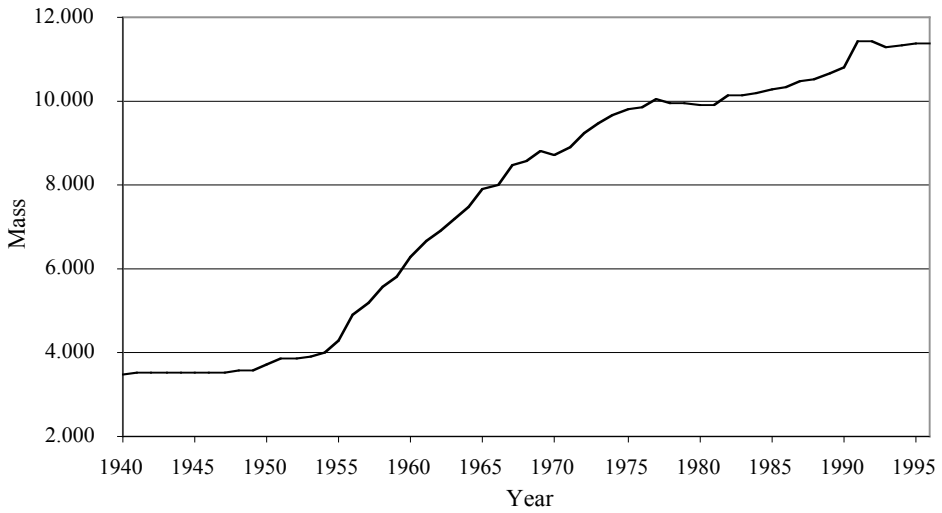


Fig. 4.2 – Mass (rooms) of the Florence Hotel Industry, 1940-1996

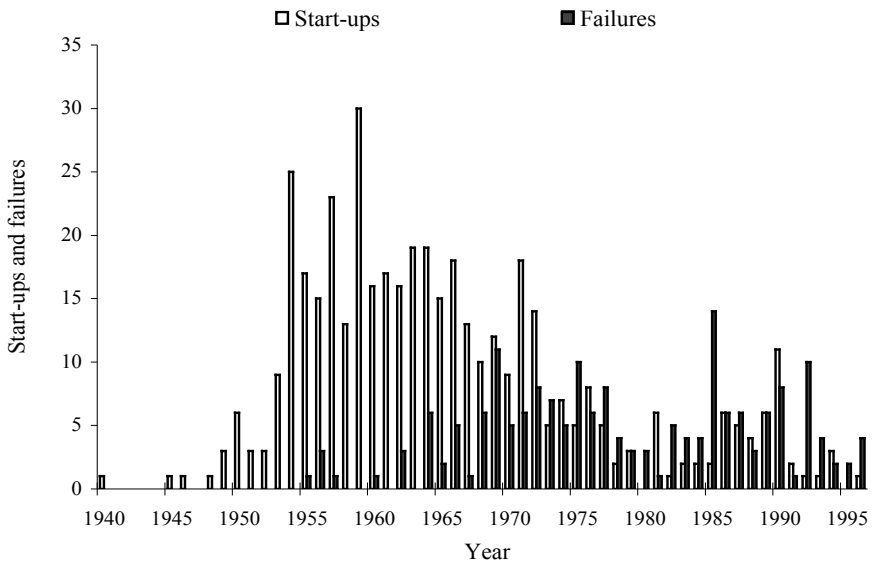


Fig. 4.3 – Start-ups and failures in the Florence Hotel Industry, 1940-1996

4.2. Seville hotel population: density, mass, start-ups and failures

In Figs 4.4, 4.5 and 4.6 the trend of density, mass – from 1954 to 1999 – and start-ups-failures – from 1945 to 1999 – are shown. Fig. 4.4 shows the *population density* of the Seville hotel industry. The trend shows two economic situations: in the first juncture, density increases and reaches a maximum at the end of the 80s and then decreases. Another maximum is reached in the second period, roughly in 1992, as a result of the growth caused by the Seville Expò 92.

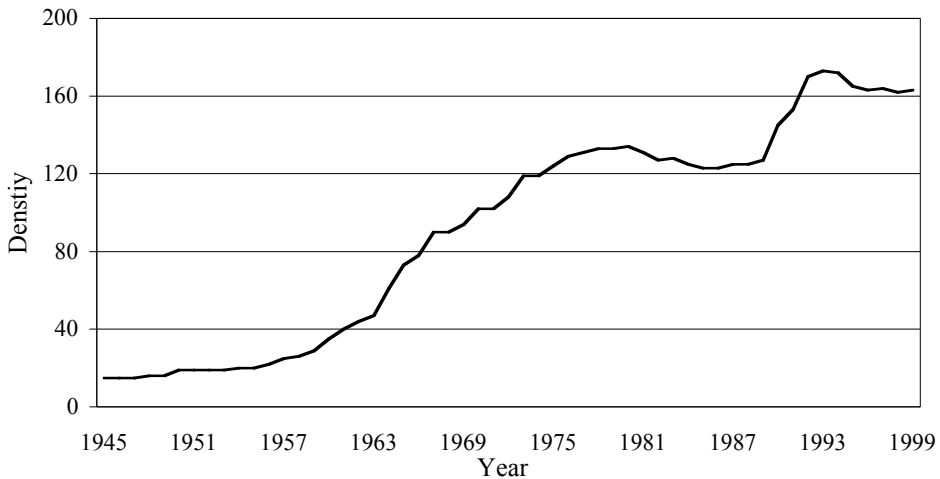


Fig. 4.4 – Density of the Seville Hotel Industry, 1945-1999

Fig. 4.5, representing the global supply of the hotel industry indicated as the number of rooms (mass), shows a constant increase in the Florence hotel industry, although the global capacity of the Seville hotel industry also suffers from more negative years. Fig. 4.6 explain the failures and start-ups of the Seville population. The following situations should occur within the ecological model: as to density, the first order parameter is positive for start-ups and negative for failures, whilst the second order parameter is negative for start-ups and positive for failures; as to mass, the associated parameter should be negative for start-ups and positive for failures. As already mentioned above, in this study we have only tested hypotheses concerning start-up models.

5. Methodology

The historical analysis of events for the study of social dynamics has been conducted using different methodologies according to the kind of event being

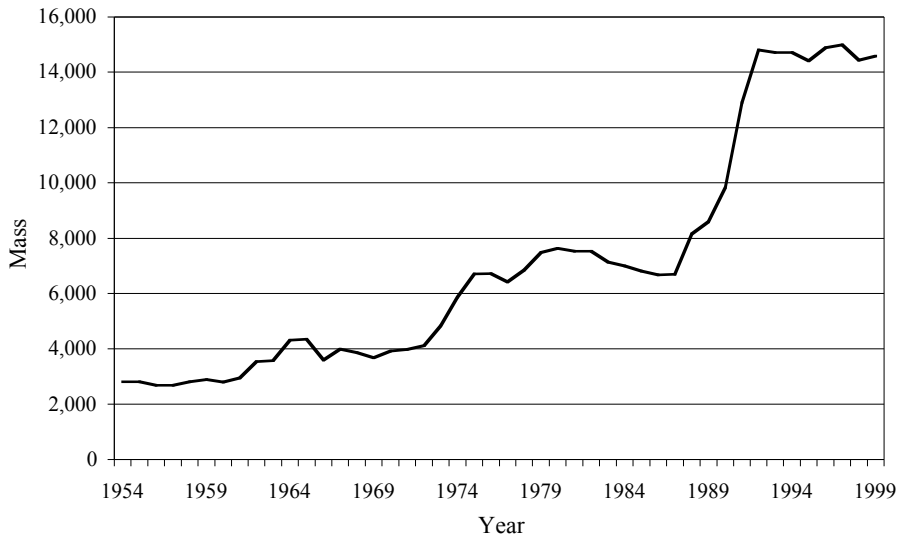


Fig. 4.5 – Mass (rooms) of the Seville Hotel Industry, 1954-1999

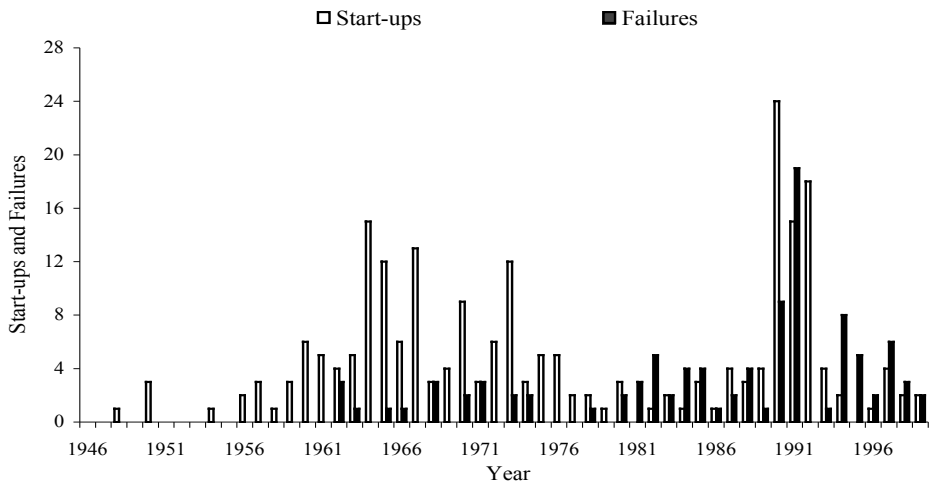


Fig. 4.6 – Start-ups and failures in the Florence Hotel Industry, 1940-1996

studied. As to the start-ups in a market, the most frequently used approach is that of the models for recurring events, where these are considered as the outcome of a stochastic process. As a consequence, the cumulative number of events observed up to a certain time (t) is assumed to be a non-decreasing stochastic process, which

has certain regular properties (Allison, 1988). An event is considered as the instant of an “arrival process”, the natural representation of social processes where events in a short time period occur within social systems, and the underlying problem is that of explaining their rate of occurrence (Hannan and Freeman, 1987; Lomi and Levie, 1995). In our study, the phenomenon is measured in a discrete way, therefore the stochastic process – and the underlying distribution of probability – must be discrete. The most commonly used is the Poisson process (Hannan and Freeman, 1989), which assumes that the rate of arrival is independent of the history of previous arrivals and of the current state of the system. Among other things, this assumption implies that the order of events does not affect the arrival rate. If the rate at which new organisations arrive in the population follows a Poisson process, then the rate is a time-independent constant. The log-quadratic model is obtained from: $\lambda(t) = \exp(\theta_1 N_t + \theta_2 N_t^2 + \delta_1 M_t) \exp(\sum \phi_i X_{it})$, where the two orders of density N_t and mass M_t are represented, while X_{it} is a vector of co-variates with the vector of parameters ϕ_i that must be assessed corresponding to period variables. Period variables have been defined in a theoretical way as there was no particular external event that closely affected hotel population. Those variables are generally considered constant in time (10 years)¹⁰. We tested the period of maximum development – 1950-1959 for Florence and 1990-1999 for Seville.

6. Ecological analysis: results

Tabs 4.1 and 4.2 report the maximum likelihood estimates of the Poisson model of density-dependence as regards the rate of start-ups in the Florence (1) and Seville (2) hotel industries. Model (1) considers period effects and allows for the study of different probabilities of start-ups with respect to the period 1950-59, omitted in the model; it also contains the first and second effects of density; while model (2) contains the estimate of mass parameter. According to our hypothesis, the first and second order effects of density are significantly positive and negative and the parameter associated with mass is significant and negative.

Tab. 4.2 presents model (3) and model (4) for the Seville hotel industry. As for Tab. 4.1, model (3) considers period effects (allowing for the study of different probabilities of start-up with respect to the period 1990-99, omitted in the model) and the first and second effects of density; while model (2) contains the estimate of mass parameter. The first and second order effects of density are significantly positive and negative and mass parameter is significant and negative.

¹⁰ For the Florence models (1, 2) the period represents respectively the years 1940-49, 1960-69, 1970-79, 1980-89, and 1990-96, for the Seville Models (3, 4) it represents the years 1945-50, 1951-60, 1961-70, 1971-80, and 1981-90.

Tab. 4.1 – ML estimates of Poisson models for start-up rates in the hotel industry in Florence, 1940-1996

VARIABLE	FLORENCE MODEL	
	(1)	(2)
Intercept	-0.777 (0.609)	55.510 *** (14.983)
Density (N)	0.031 *** (0.005)	0.074 *** (0.013)
Density ($N^2/100$)	-0.006 *** (0.001)	-0.009 *** (0.001)
Ln(mass)		-7.396 *** (1.968)
Period 1940-49	-2.219 *** (0.420)	-2.341 *** (0.422)
Period 1960-69	-0.481 ** (0.235)	-0.742 *** (0.250)
Period 1970-79	-0.645 * (0.370)	-0.506 (0.372)
Period 1980-89	-1.567 *** (0.372)	-0.720* (0.436)
Period 1990-96	-1.931 *** (0.382)	-0.167 (0.603)
Log likelihood	604.62	611.58
DF	8	9
Years	57	57
Events	435	435

() standard errors between brackets; * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.

Tab. 4.3 presents the main qualitative implications of the effects of density on start-up rates. The first two columns show the range of density of hotels; models (1), (2) reference to Florence in the period 1940-1996: N_{MIN} is 105 in 1940, while N_{MAX} is 393 in 1973 and 1975. Models (3), (4) report the Seville hotel industry density in the period 1945-1999: N_{MIN} is 15 in 1945, while N_{MAX} is 173 in 1999.

Column 3, which reports the estimates for the multiplier of the start-up rate, reaches its maximum value (λ^*); column 4 reports the level of density where the multiplier is equal to λ^* (N^*). Column 5 contains the estimates for the multiplier computed at the maximum observed population density $\lambda(N_{\text{MAX}})$ and column 6 shows the value of the rate $\lambda(N_{\text{MAX}})/\lambda^*$. λ^* represents the effect of density-dependence legitimation while $\lambda(N_{\text{MAX}})/\lambda^*$ represents the effect of density-dependence competition.

Fig. 4.7 shows the multiplier of the start-up rates of models (1) and (2) for the Florence hotel industry. In model (1) the organisational start-up rate reaches its maximum when population density is 270: it increases about five times (4,736) because of legitimation processes. At the maximum density of 393, the start-up

Tab. 4.2 – ML estimates of Poisson models for start-up rates in the Seville hotel industry, 1945-1999

VARIABLE	MODEL SEVILLE	
	(3)	(4)
Intercept	2.8891 *** (0.7774)	3.7083 *** (1.0233)
Density (N)	0.0588 *** (0.0128)	0.0453 *** (0.0168)
Density (N ² /100)	-0.0004 *** (0.0001)	-0.0003 *** (0.0001)
Ln(mass)		-0.0001 * (0.0001)
Period 1945-50	-5.3098 *** (1.2139)	-5.6438 *** (1.2364)
Period 1951-60	-3.724 *** (0.7153)	-3.96 *** (0.7278)
Period 1961-70	-2.8639 *** (0.5471)	-2.8957 *** (0.5318)
Period 1971-80	-2.6383 *** (0.3969)	-2.8293 *** (0.4168)
Period 1981-90	-3.1193 *** (0.3745)	-3.1952 *** (0.3716)
Log likelihood	171.9786	172.6839
DF	7	8
Years	55	55
Events	229	229

() standard errors between brackets; * $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$.

rate drops by 58% because of competition processes. In model (2), even if the hypotheses about density parameters are confirmed, the first order effects dominate the second order effects over the entire range of density. In the first case, the multiplier curve is an inverted U-shape, but not in the second case.

Tab. 4.3 – Qualitative implications of estimates of density-dependence in start-up rates

MODEL	N_{MIN}	N_{MAX}	N^*	λ^*	$\lambda(N_{\text{MAX}})$	$\lambda(N_{\text{MAX}})/\lambda^*$
Model (1)	105	393	270	4.736	2.004	0.423
Model (2)	105	393	393	4,464.18	4,464.18	1.000
Model (3)	15	173	74	3.930	0.0749	0.019
Model (4)	15	173	76	2.998	0.173	0.058

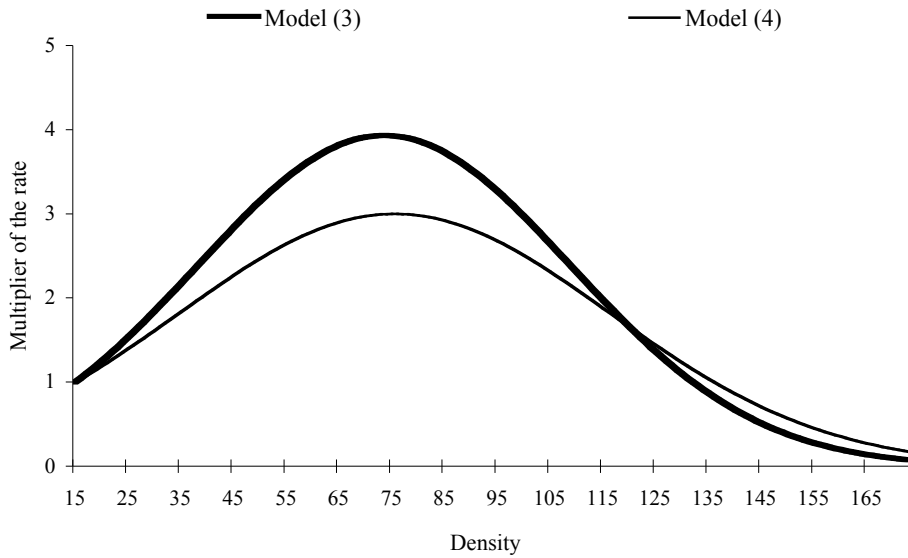


Fig. 4.7 – Estimated effect of density on the start-up rate of the Florence Hotel Industry: model (1) and model (2)

Fig. 4.8 shows the multiplier of the start-up rates of model (3) and model (4) for the Seville hotel industry. In model (3) the rate reaches its maximum when

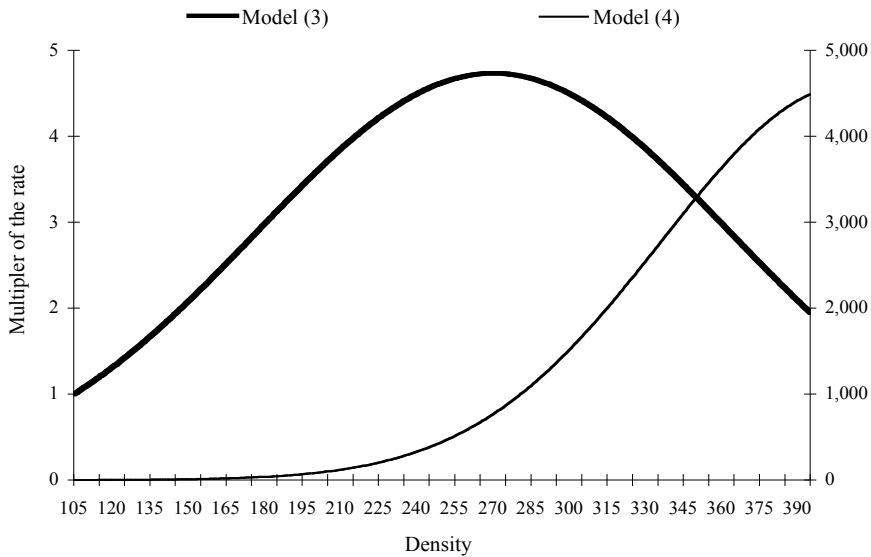


Fig. 4.8 – Estimated effect of density on the start-up rate of the Seville Hotel Industry: model (3) and model (4)

population density is 74: it increases about four times (3,930) because of legitimization processes. At the maximum density of 173, the start-up rate drops sharply down to 0.0749 because of competition processes. In fact, in model (4), the rate reaches its maximum with 76 structures (2.998 times more, due to legitimization). Mass parameter has a reduced negative influence on the start-up rate, lowering the curve. At maximum density, the start-up rate is higher, roughly 0.173, the second curve in fact results flatter. The hypotheses about density parameters are confirmed, the first order effects dominate the second order effects over the entire range of density. In both cases, the multiplier curves are inverted U-shapes.

We can assume that there is some relation between density, mass and period effects, and it might be useful in the future to study the interrelation between these variables, called contrasts (Hannan, 1997). On the other hand, the Poisson distribution model could not adequately fit the model, because it doesn't pick up the tendency of the start-up rate to vary faster than its average (over-dispersion). In this case, the negative binomial model fits the relations better. Nevertheless, the multiplier curves result inverted U-shapes (model (1), (3) and (4)); legitimization process and the competition process, hypotheses about density parameters are confirmed for both art cities. Further lines of research about density-dependence on start-up models will consider other structural components of a population, such as previous start-up and density-delay. We will also compare failures to test density and mass dependence, the effects of newness and size and the localisation of the structures as well as the difference between the centre and the suburbs in the two cities.

7. Conclusion

From the results illustrated in the previous paragraphs, some comparisons and differences can be underlined between the ecological models for the two cities. First of all, the hypothesis of density-dependence is confirmed for both. Nevertheless, models (1) and (3) have different qualitative implications: in fact, the first part of the curve shows an increase in the probability of start-ups, thanks to the forces of legitimization in the two populations (4.7 times for Florence and 3.9 times for Seville) while competition influences the Seville population more, as there is a higher probability of start-ups at high density (0.07) compared to that of Florence (2.0).

5. The economic enhancement of cultural and artistic heritage: a focus on Community programmes

Luciana Lazzeretti, Francesco Capone and Tommaso Cinti

1. Introduction

Many scholars have drawn attention to the current relevance of various aspects of the economics of culture on the one hand and city economics on the other in economic literature. Some authors have even suggested an interaction of these two disciplines to analyse possible models of sustainable development for art cities (Lazzeretti 2001; and *infra*, Chapter 2).

In this paper, we will try to corroborate this trend by showing how particular attention has been paid to these questions at a European level. We will try to provide a framework – by force of circumstance only partial – of European Community policies concerning the “city-cultural heritage” relationship.

As a matter of fact, the Community has shown itself to be particularly well disposed to matters related to a type of sustainable development able to conciliate and strengthen the multifarious cultural identities present on its territory. For this reason, considerable effort has dedicated to the definition – and encouragement – of projects and programmes dealing with the problems of growth, employment and competitiveness through the exploitation of the specific features of the various local areas, seen as a key factor on which to stake the competitiveness of the entire territory, the so-called “union of local cultures”.

The need to organise the European economy on the basis of a model of sustainable development necessarily leads to the territorial aspect being given a primary role; to the extent that besides the purely economic aspects, it focuses on the existence of specific conditions of habitability and quality of life which lend themselves to being studied in a geographically-restricted context. It is in this context that the importance of the city, as a home of a European cultural identity becomes clear. Thus, the “culture” factor becomes an essential element to work on so as to pursue one of the key objectives of community policies, namely sustainable development for European cities and regions.

Within this perspective, we will refer mainly to an instrument of economic planning which the Community has recently invested many resources in; in other

words the Framework Programmes. As we will see in detail below this is the most important community policy tool in the research sector and was set up in 1984: it defines the objectives, priorities, and conditions for financial intervention by the European Commission over a five-year period. It is proposed by the Commission and adopted by the Council and the European Parliament.

Our work will be ideally divided into two parts: the first will look at the fundamental concepts we have just hinted at – sustainable development, the city and culture in Community policies – so as to present a general background of how such issues are tackled at an European level; the second part will focus on the Fifth Framework Programme (FP5), and outline its main features as regards the themes we are looking at.

Finally, we will make some indications about the new aspects of the Sixth Framework Programme (FP6). In fact, while the FP5 attributed a specific key action to the city and to cultural heritage, thus clearly pointing out the centrality and importance of these issues, the same cannot be said of the more recent FP6, in which such features are located transversally within various key actions¹.

2. Sustainable development, territory and culture: three words at the centre of European community policies

2.1. Territory and sustainable development: two key factors for European competitiveness

Over the last decade there has been a notable increase in awareness and concern across all sectors of society over issues relating to the environment and sustainable development. New issues continue to emerge. Environmental problems and sustainable development have therefore been high on the agenda of European nations. Understanding environmental processes and developing solutions to cope with adverse impacts has also provided opportunities for Member States of the European Union to compete in global markets (European Commission, 2000, p. iii).

In June 1993, at the request of the Council of Europe in Copenhagen, the European Commission drew up a series of medium-term strategic actions to encourage growth, competitiveness and employment, a summary of which was made in a document called *White Book* (cf. European Commission 1993). This resolution represented the final stage of a long, difficult debate that had been

¹ Specifically, in observing to what extent the “culture” element is present in the framework programmes we are referring to, we will mention the concept of Cultural, Artistic, and Environmental Heritage (CAEH), in other words that specific productive factor able to “start up” the economic engine in places with a high cultural density. In this regard, cf. *infra*, Chapters 1 and 2.

carried out by heads of state and heads of governments on the weak points of European economies, as seen in the poor economic results of those years.

The *White Book* identified a possible solution to these three issues – growth, competitiveness, and employment – in a model based on general, and essentially economic lines², for a healthy, open, decentralised, competitive and solid economy, able to factor in the changes in society and, above all, the directions that the European and international contexts would take in the future (Salucci, 2000).

This document deserves credit at least for revealing the Community willingness to direct growth towards the model of sustainable development, from the point of view of both the efficacy of sustainable development, territory and culture, and as a means of improving the quality of life. The attainment of this objective required a complex effort, entailing deep seated changes in behaviour and policy at all levels: community, national, and local.

As we will see later, the attention of the Community was particularly focused on local realities, seen as the key factor for making the whole area more competitive.

The European Union is certainly characterised by «a great geographical, social, cultural and therefore economic variety compressed into a narrow space» (European Commission, 1994b, p. 46). This “structural” diversity crystallises in a sort of “mosaic”, that alternates areas of prosperity with areas of depression. As a matter of fact, the statements provided in the *White Book* suggested that some of the Union’s lack of competitiveness in the world-wide market might be partly explained in terms of its weak territorial pattern, thus raising the matter of the Union constituting a sufficiently homogeneous and flexible economic area and organising it in a manner compatible with decentralised competition. Yet, territorial diversity is also a distinctive trait of the Union – compared to the other large areas of world economy – which could determine its potential for economic growth (cf. European Commission, 1999h). The fact that the principal sector policies of the Community are increasingly territorial-based should therefore be interpreted in this direction.

At the same time, the need is growing for a valid territorial planning policy, as concerted as possible, in the same way as there is a need for clear guidelines to be indicated for the spatial development of the territory, which all the subjects involved can refer to with the ultimate objective of eliminating differences of growth present in the various areas of the Union which undermine the principle of economic and social cohesion. However, planning operations should not be inspired by principles of “territorial standardisation”, or by copying the models

² «Only the economy can provide the necessary directions for reworking the rules of a game handed down to us from an epoch when labour resources were scarce, when technological innovation could be controlled through imitation, and natural resources could be exploited as much as one liked» (*ibid.*, p. 11, our translation).

present in more competitive areas; they must instead exploit the richness represented by the diversity of places³.

Once the implicit potential of the diversity typical of the community territory is acknowledged, then there will be space and opportunity to search for territorial stability in line with the principle of strengthening economic and social cohesion and, at the same time, to achieve geographically-balanced, and sustainable growth of the Union.

And in fact, the *White Book* expressed the need to organise the economy according to a “model of sustainable development”, a concept with clear implications for the territory, as it stresses not just economic questions, but the existence of conditions of habitability and quality of life which lend themselves to a geographically-restricted investigation.

The concept of “sustainable development”⁴, widespread in EU regulations, is today formally recognised as «a basic component of almost every Community politics» (European Commission, 1999g, p. 7). The concept of “sustainability” comes out as a new factor in the debate on growth, although it is still called into question on account of the series of problems it gives rise to. There is no unequivocal definition of the term, the essential clarity of it being impeded by the diverse concerns at stake: many people use the term “sustainable development” as an analogue for “development that the environment can bear”, while others are almost afraid that it may contain the “implicit subordination of economic growth to problems of environment”.

The prevailing opinion, resulting from political documents and the results of recent research, is that the many interpretations may, in truth, be compatible. The most important documents of the Community insist on the need to use this concept, although an ample margin of interpretation is left to the term, as documents simply require «the assessment of environmental impact, the integration of separate politics, the partnership, and the mechanisms of subsidiarity and participation» (cf. European Commission, 1999g, p. 8).

³ «Territorial diversity represents one of the main factors of growth for the Union, and it must be preserved beyond European integration. To this purpose, the aim of all Community policies – especially the primary ones – should be not only to possess the ability to take account of expected and induced potential impact on the Union’s territorial structure, but also to respect and add to diverse local and regional identities, rather than strive for a complete and total standardisation» (*ibid.*, p. 7, our translation).

⁴ In 1987, the “Brundtland” report – from the name of the president of the United Nations “Environment and Development” Commission – provided a useful contribution to the explanation of the concept of sustainable development, by introducing it in the international debate in the attempt to conciliate concerns for environment with development endeavours. Other steps forward were made, especially after the Rio Summit in 1992, in contributing to the comprehension of a manifold and integral concept.

As our analysis will mainly focus on framework programmes promoted by the Community, we will use the concept of sustainable development most prevalent in the research projects approved by the European Commission, that is that of a process that surpasses the merely environmental questions, and within which economic feasibility and social interrelations play a particularly important role.

The concept of sustainability applied to development should imply a stronger awareness of the process itself, and specifically, a far-reaching understanding and “operability” of its implications in every single situation and therefore in local situations as well. Recommendations from the *White Book* can therefore be translated, with reference to the territory, into “guidelines for a valid action of territorial planning” applied to the three following aspects (cf. European Commission, 1994b, p. 16):

- (a) «a more competitive European territory»;
- (b) «a more solid territory, organised in a more equitable way, respectful of economic and social cohesion»;
- (c) «a territory likely to develop in a sustainable way».

2.2. The “culture” factor as a source of economic development for European regions and cities

At present, the concentration of the most efficient and broad functions at the centre of the Union or, at the most, in a few large cities, is falling into discredit: the spatial development of a single dynamic area cannot certainly be seen as a balanced one, as it tends not to reduce, but to widen the disparity between the “centre and the suburbs”.

The strategy identified to contrast this tendency, in keeping with the principles of balanced territorial growth, should allow for polycentric development all over the territory, with particular attention paid to the urban structure typical in Europe, which might be able to boost economic potential for all regions. A city’s aptitude for innovation can become the key to economic success for some regions. This is the more true where the resources for development and a conditional competitive advantage are to be found in the city itself; it is there that these resources are displayed and improved, by virtue of that «strong, direct and nonreplicable tie existing between the community and the territory» (European Commission, 1997b, p. 48). As a matter of fact, the concern for the territorial development issue is based on an awareness of the significance of specific local characteristics, also established in the model of global competition.

The final result of the acknowledgement of the “proximity” factor constitutes in itself a model for the development of European States; such development should be

achieved by means of the whole set of – actual or potential – resources present in the territory by encouraging all initiatives that contribute to their valorisation⁵.

Fig. 5.1 represents the “Triangle of objectives”, the sides of which are constituted of: economic and social cohesion, preservation of the natural foundations of life and cultural heritage, and more balanced competitiveness in the European territory. The figure also shows how these objectives must be recomposed in the context of Community policies, and pursued concurrently in all regions of the Union, while their interaction should also be carefully analysed.

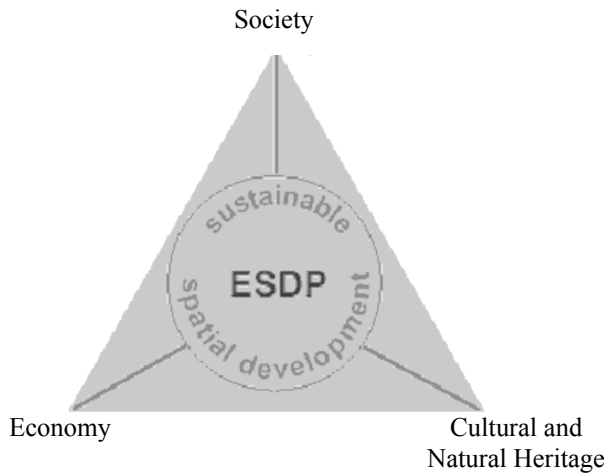


Fig. 5.1 – The Triangle of objectives: balanced and sustainable spatial development

Source: our translation from European Commission, 1999h, p. 11.

In this direction, we think it appropriate to emphasise how the objective of adjusting the spatial requirements of economy and society to the ecological and cultural vocation of space can be attained by focusing on two particularly significant aspects: the development of territorial units such as regions and cities (which, in reality, respond to the demand for space coming from the economy and society) on the one hand and, on the other, the increasing role played by the cultural dimension, which may well be considered a new path for the exploration of sustainable development (Salucci, 2000).

⁵ «To encourage territorial development, all local conditions in multifarious areas must necessarily be taken into account. However, local development cannot be considered merely as one side of territorial development but as an important coefficient of the “proximity” factor. In fact, it is not possible to take advantage of all opportunities for development present in a specific territory by merely considering them from the outside and on a wide scale» (European Commission 1997b, p. 49, our translation).

Moreover, an absolutely relevant element that cannot be ignored is the text of art. 128 of the Maastricht Treaty. This article introduces culture and cultural activities to the sectors of interest for the Community⁶. It thus establishes, while still fully respecting the principle of subsidiarity, an innovative outlook compared to the traditional view, which limited the competence of the Union and the corresponding process of integration, within the bounds of strictly economic and productive matters. This innovative outlook, compared to the one that advocated an eminently “mercantilist” connotation of the Europe-making process⁷, had a gradual, but considerable impact not only on the political-institutional debate, but also on the strategic and operative choices of the community programme planning budgeting system. Specifically, intervention in the field of culture, thanks to the formulation of sub-paragraph 4, art. 128 – according to which «The Community shall take cultural aspects into account in its action under other provisions of this Treaty» – can resort to other sources of community financing. A reason for this is that programmes related to the historical and artistic heritage, and to cultural activities, for which the Community is directly responsible (such as Raffaello, Kaleidoscope and Arianna) – while constituting an important example of pilot action – availed themselves of very limited budget allowances (Guarini, 1998, p. 148). The fact that culture is given such a minor weight in the community’s, and also in Member States’ budgeting, is merely confirmation of a short-sightedness on their part; and, as a matter of fact, there is no recognition of culture as a possible factor of development, nor as an integral part of development strategies for the labour market.

We can see here the starting point of a long debate against the “marginalisation of culture” (cf. CLES, 1996, p. IX) in European and national policies, which finally led to the recent adoption of the First Framework Programme in favour of culture for the period 2000-2004, called *Culture 2000*.

⁶ «The Community promotes the full growth of culture in all Member States, with due respect for national and regional diversity, at the same time highlighting the common cultural inheritance». The sectors in which the Community expects to intervene (paragraph 2), «by supporting and integrating the activity of Member States» are quite similar to those that are traditionally the objects of Community policy: the improvement of knowledge, the dissemination of culture and the history of European people, the preservation and safeguarding of Europe-relevant cultural heritage, non-profit cultural exchanges. Cf. European Community (1992).

⁷ «The European Union runs the risk of a defective start if cultural issues are not given full dignity and a central position alongside the commercial and economic-financial issues that have until now monopolised the attention of governments and public opinion. European competitiveness in global challenges depends upon culture, not just because some cultural productions are directly involved in the process of globalisation, but also because, from a historical point of view, the whole of European society has its foundation in culture, and such foundation must be firm, otherwise there is the risk of a drastic loss of identity» (cf. CLES, 1996, p. IX, our translation).

2.2.1. The city as the place for a European cultural identity

The political setting aimed at solving urban problems counts, among its basic assumptions, the recent framework programme approved by the Community. For the first time, a clear and valid action in the matter of culture is systematic. This increased attention on the issue of culture is given various explanations; the most convincing reason, we believe, is that cities are seen as places where the European cultural identity has always revealed itself.

On the whole, European cities represent a mosaic of extremely heterogeneous cultures, and such diversity constitutes a special characteristic of our continent.

The “union of local cultures”, together with the concurrent, progressive and increasingly cosmopolitan nature of the economy, is now at risk, victim of a greater and greater cultural standardisation. This situation is now urging national States, and the European Union in particular, to intervene and protect local cultures, on the spur of the awareness that cultural variety does not only reinforce and defend a common European identity, but also links in to a wide system of economic activities and new job opportunities⁸.

The degree of EU intervention is particularly applicable in carrying-out local cultural projects in the respect of the subsidiary principle, that is, in interconnection with the actions undertaken by Member States; these experiences, locally managed, would probably not be popular outside the territory in which they take place, although they can be shared by the whole community. In general, the EU is asked to identify and support transnational projects, with the aim of making the European identity – which might otherwise be dispersed – stronger and more spirited.

2.2.2. Culture and regional development

The growing relevance of culture for regional development requires a more attentive assessment in the light of the restructuring of the economy, and also as a result of the evolution of life styles. The conditions for a straightforward use downright use of the cultural sector are there; the aim is to intensify local and regional development potentials in disadvantaged regions, and in those affected by structural change. As a matter of fact, the role of culture in economic and social development had already been recalled in a document about initiatives for local development and employment by the Commission⁹.

⁸ «The old continent presents, in addition to national and regional cultures, the old continent presents a constellation of very spirited and diverse local cultures which constitute the fundamental elements of a collective European identity. These manifestations of local cultures, often at risk of being put aside as being minor or secondary, can be usefully exploited to create new job opportunities and to sustain the dynamism of the whole of economy» (cf. European Commission 1998a, p. 6, our translation).

⁹ «Culture-aimed projects are directly or indirectly linked to the promotion of tourism, although other patterns exist through which culture contributes, more or less directly, to employment and to

The European Commission report on “Politics of Cohesion and Culture: a Contribution to Employment” (1999f), drawn up in the context of structural funds, represents a first attempt at estimating how culture is associated with employment and regional development¹⁰. The perspective adopted is quite general and meant to identify, among the projects funded by Member States in the period 1995-1999, and particularly in the most disadvantaged areas, those that sustained growth and employment due to a strong cultural imprint. It is worth noting that the motivation behind this approach is that Community rules had not adequately tackled the issue of culture and its related business in the past decade, and that structural funds constituted the main financial contribution to projects directly or indirectly connected to the cultural sector¹¹.

An examination of the projects funded produces a first common, general result: culture is important for regional development, because it generates employment. «The activities associated with the cultural heritage, and the products and industries of a cultural vocation, either directly or indirectly, create new jobs» (European Commission, 1999f, p. 4).

Moreover, culture turns out to be an increasingly crucial factor in the localisation of new investments, because it provides a region with a stronger and more attractive image; it is thus likely to play an important role in the renovation of urban and rural areas.

2.3. Structural funds

Structural funds represent the main tool for Community action in reducing regional disparities and thus actualising the potential of all regions, thus contributing to the constitution of a strong, competitive Europe.

The First Report on Economic and Social Cohesion tells us that there is a trend towards a reduction of disparities among Member States and, at the same time, an increasing concentration of economic activities in specific regions (cf. European Commission, 1996, p. 56). This might be determined by the perennial lack of local

regional development» (cf. European Commission, 1995, p. 5, our translation).

¹⁰ The link of the cultural dimension to regional development is explicitly acknowledged in the Commission’s call to present proposals for “Inter-regional co-operation on the subject of culture”. According to these rules, cultural activities may benefit from structural funds, only when related to regional or local development. Thus, they must make their contribution to the creation of steady employment, and be an integral part of strategies to develop a locality or a region. Cf. *ibid*.

¹¹ In the period 1995-1999, the most part of European funds assigned to cultural projects was given away from structural funds; they include: the European Fund for Regional Development (FESR), the European Social Fund (FSE), the European Agricultural Fund of Orientation and Security, section “Orientation” (FEAOG-O), and the Financial Instrument of Orientation to Fishery (SFOP). Cf. European Commission, 1998a, p. 5, our translation.

co-ordination mechanisms which, once present, might make a significant contribution to a more geographically-balanced distribution of economic activities.

Certainly, the structural funds planning system offers the opportunity to formulate integrated development plans, which can make the most of opportunities offered by local development policies. In addition, the integration approach is reinforced by the partnership principle, which includes all the actors involved at a regional level in the decision-making process, while still taking into account national rules and practices in force. This approach also improves co-ordination between direct subsidy measures with additional sources – as opposed to structural funds – the projects might be benefiting from.

In this paper, we will offer some examples of projects financed with structural funds by the European Commission in the period 1995-1999, which illustrate the strong potentialities of various initiatives in the cultural dimension, and aimed at increasing employment and reconvertng some areas (Salucci, 2000).

2.3.1. The potential of culture for employment: direct and indirect impact

Culture may well represent a factor able to create, either directly or indirectly, new job opportunities. Also, it can revitalise the image of a region, and bring in new tourists or investors (see Appendix A, point 1)¹².

In actual fact, there is no distinct separation between direct and indirect impacts on employment: in the long term, direct impact is often completed by indirect impact. The former is obviously more visible, but it should not be looked on as obvious; in other words, its effects are not confined to the traditional sectors.

For instance, the effect of a cultural event is not only represented by the increase in the number of tourists; the appearance or continuance of associated businesses (auxiliary and assistance services, suppliers, building companies, counter services, etc.), which provide increasing job opportunities must also be considered. The evolution of cultural products and industries constitutes an increasingly important potential for employment, especially in the context of multimedia services and the information society.

It is essential not to underestimate the fact that cultural life contributes to the creation of an environment attracting investment, particularly in the most recent and most innovative sectors. In a world characterised by increasing mobility, the choice to invest in two alternative localities, will fall upon the one or the other, depending on certain characteristics, such as the cultural and natural environment. This is confirmed by the fact that the choices of a place to live in and a place to work are frequently associated (cf. Vicari, 1999, p. 10).

¹² Another note from the European Commission speaks of a “lever-effect of culture”, thus coming to similar conclusions (*ibid.*, p. 16).

2.3.2. Culture and local development

An examination of the projects financed shows how measures supporting culture have their greatest efficacy when integrated in a common strategy of development, mainly at a local level (see Appendix A, point 3). «Cultural activities are the more efficacious the more they benefit from a territory's endogenous potential; at the same time, cultural productions and industries contribute to increasing such potential» (European Commission, 1999f, p. 7).

Enterprises with a cultural vocation are also strongly dependent on local or regional networks as regard suppliers and customers; therefore, they are linked to the region or site they are located in more than many other kinds of productive investments. Finally, a cultural investment (in industries, but also in infrastructures, including cultural heritage) improves the comparative competitiveness of a region, and constitutes an achievement that is particularly important at a regional or local level.

It is also essential to integrate culture in the strategies of rural development, allowing for the use of traditional activities aimed at the development of the region and of tourism¹³, and, notably, contributing to the strengthening of a sense of belonging in the rural population.

2.3.3. Interregional and international cultural exchanges

If it is true that the integration of cultural projects in the strategies of local and regional development is of vital importance, then the exchange of experiences among localities that are culturally different can encourage the adoption of innovative solutions, in that the transfer of knowledge enables local or regional communities to use cultural heritage to their best, such as for promotion.

From this point of view, structural funds programmes have financed various projects of inter-regional co-operation on the issue of cultural activities, specifically in the following sectors:

- historical and architectural heritage;
- industrial and technological heritage;
- artisan heritage.

The envisaged action has nevertheless the purpose of encouraging an integrated approach to development, by promoting the exchange of experiences and competencies between regional and local authorities in the field of culture; the

¹³ «In rural areas, some products and activities are closely related to the region's cultural roots, for instance, wine festivals at harvesting time, local traditions such as bread-making, and special varieties of transhumance economy in the Alps regions» (cf. European Commission, 1999f, p. 8).

perspective should be that of Community cohesion, especially in the use of new information and communication technologies (see Appendix A, point 6)¹⁴.

In concluding this section, we wish to point out how, according to the results provided by the Directorate-General “Politics of Regions and Cohesion” of the European Commission, in the period 1995-1999, structural funds financed 23 projects in the sphere of innovative actions designed specifically for the artistic and cultural heritage (see Fig. 5.2 below). The support to culture provided by structural funds not only permitted the protection of the artistic and historical heritage, but also the direct productive investments in cultural industries and products which, belonging to a sector of the economy in rapid expansion, constitute considerable potential for development.

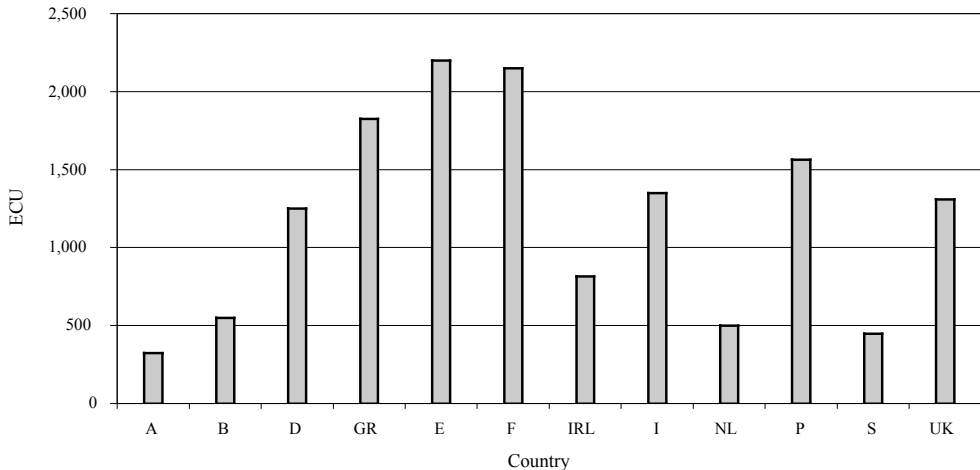


Fig. 5.2 – Distribution of innovative actions relative to the artistic and natural heritage, thousands of ECU, 15 million ECU designed for 32 projects, 1995-1999

Source: European Commission, 1997b.

¹⁴ «Culture does not only constitute a regional or national heritage: it is also an economic tool. It is therefore worth making thorough use of the increasing job opportunities offered by innovative and creative cultural products and industries, such as those related to the multimedia sector and to the information society» (*ibid.*, p. 12).

3. European Framework Programmes: a focus on sustainable development and cultural heritage

In the following pages, we will go on with our detailed investigation of community policies designed to for the dyad “city-cultural, artistic, and natural heritage”. We will try and provide a synthetic and, as far as possible, exhaustive framework of the intervention and actions addressed to these issues; we will finally take a look at FP5, with the intention of underlining the growing attention that the European Community is addressing to *culture as a factor of local development*.

We have already seen how the EU has recently focused its attention on territorial development, and particularly, on urban development. Such concern falls within the programme to achieve sustainable development as much as possible, which means that this programme must be consistent with environmental and community requirements, and with the citizens’ desire to improve the quality of life.

From this point of view, it is interesting to read some of the Union’s legislative plans, which constitute important premises for the implementation of FP5 by the European Commission; and particularly, the thematic programme “Environment and sustainable development”, the specific key action of which, “The city of tomorrow and the cultural heritage”, shows the possible link between cultural heritage and sustainable development.

1. *Fifth Environmental Action Program* (1993): linking environmental sustainability and the quality of urban life, through the development of a comprehensive approach for EU activities on urban issues and providing data on urban environment issues on a comparable basis.
2. *Ambient air quality assessment and management* (1996): to define and establish objectives for ambient air quality, to avoid, prevent or reduce harmful effects on human health and the environment as a whole, through: “Levels” of concentration and/or deposition of pollutants and “Limit values” established on the basis of scientific knowledge in order to avoid, prevent or reduce harmful effects on the population, historical heritage.
3. *Environmental Impact Assessment* (1997): the EIA procedure ensures that the environmental consequences of public and private projects (airports, urban development projects, car parks, tourism and leisure projects, railways, waste disposal, etc.) are identified and assessed before local or national authorisation is given. Through “case-by-case” examinations or using “thresholds or criteria set by the Member States”. In both cases, the criteria should refer to the project characteristics (size, risks, etc.), project location (densely populated areas, cultural heritage significance, etc.), the identification, description and assessment of the direct and indirect effects of projects on human beings, materials assets and cultural heritage, etc.

4. *Treaty establishing the European Community (1998)*: to promote throughout the Community a harmonious, balanced and sustainable development of economic activities, a high level of employment, a sustainable and non-inflationary growth, a high degree of competitiveness and convergence of economic performance, a high level of protection and improvement of the quality of the environment, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States (Article 2). Environmental protection requirements must be integrated into the definition and implementation of Community policies and activities, in particular with a view to promote sustainable development (Article 6). To contribute to the flourishing of the cultures of the Member States, while respecting their national and regional diversity and, at the same time bringing the common cultural heritage to the fore. «The Community shall take cultural aspects into account in its action under other provisions of this Treaty» (sub-paragraph 4, art. 128).
5. *Sustainable Urban Development in the EU (1998)*: to strengthen economic prosperity and employment in towns and cities, to protect and improve the urban environment, towards local and global sustainability and contributing to good urban governance and local empowerment encouraging innovative and flexible decision-making processes and urban institutions, through an improvement of know how and exchange of experience between the actors involved. Raising of productivity and exploitation of new sources of employment to promote a polycentric balanced urban system. More environmentally sustainable cities avoid imposing the costs of development on their immediate environment, surrounding rural areas, regions, the planet itself and future generations. Affordable access to basic services, especially education and training, health and communications, effective policing and justice
6. *Sustainable Urban Development in the EU: A Framework for Action (1998)*: renovation of the housing stock, measures to reduce pollution and the protection and improvement of buildings and open spaces in run-down areas as well as the preservation of the cultural heritage. Need to minimise and manage environmental risks as well as technological risks.
7. *European Spatial Development Perspective (1999)*: to promote economic and social cohesion, the conservation and management of natural resources and cultural heritage, a more balanced competitiveness of the European territory, through the development of a balanced and polycentric urban system, the creation of a new rural-urban partnership, prudent management and sustainable development of the natural and cultural heritage.
8. *Community Action Plan in the field of Cultural Heritage (1999)*: Cultural Heritage as a priority field of action (includes both movable and fixed heritage), through: conservation and safeguarding of Cultural Heritage of European significance; taking Cultural Heritage into account in regional development and job creation, tourism and environment, research.

Source: our elaboration.

3.1. The “Culture 2000” Programme

The analysis of the programmes devoted to culture must necessarily start from the so-called *Culture 2000 Programme*. Before that, in fact, notwithstanding the acquisition of a greater status over time, the cultural dimension still had a marginal role, both in the political debate and in the Community’s financial allocations; most of all, there was no official document to direct cultural action, either in the Union or in Member States.

Culture 2000 is a Community programme established for a period of 5 years (2000-2004), with a total budget of 167 million Euro. This financial instrument grants support for cultural co-operation projects in all artistic and cultural sectors (performing arts, visual and plastic arts, literature, heritage, cultural history, etc.). The objectives of the programme are the promotion of a common cultural area characterised by both cultural diversity and a common cultural heritage. Culture 2000 looks to encourage creativity and mobility, public access to culture, the dissemination of art and culture, inter-cultural dialogue and knowledge of the history of the peoples of Europe. The programme also views culture as playing a role in social integration and socio-economic development.

Source: <http://europa.eu.int/comm/culture>.

The new general guidelines for the Union’s cultural action, which may better respond to the aspirations of European citizens, cultural operators, and dealers, were first brought into effect with the approval of the First Framework Programme for culture for the period 2000-2004, the so-called *Culture 2000 Programme*.

During the preparation of this instrument, the Commission undertook a detailed work of referencing that sanctioned the remarkable role of culture, placed among the big challenges the European Union must face (such as: the acceleration of the European Constitution, globalisation, information society, employment, and social cohesion). The Commission also gave relevance to the close connection of the economy with cultural life (music and art businesses, film and television productions, art professions, the tutelage of historical monuments and of tourism).

Although the Community had already subsidised a series of initiatives in the past, basically urged by the fear that evidence of a European cultural identity might fade, today the need to take the cultural dimension into account in all those choices that have a direct influence over economic development is perceived, thus enhancing the relationship between the industry of culture and employment; even more so if the results of the first reports that establish the importance of cultural activities in society, and the potential creation of new employment they represent are considered.

To devise the framework programme, consultative sessions were held by the Commission among Member States, international organisations (European Council, UNESCO), and cultural institutions, during which similar positions and common worries were expressed by the parties involved; these took the shape of seven chief themes, which underline the specific character of culture¹⁵ and its centrality for European integration, as a trailing force of society, a source of vitality, dynamism, and social and economic development¹⁶. Another particularly significant conclusion of the consultations was the recognition of culture as a privileged terrain for reinforcing social cohesion, principally where territorial imbalance in the development of different areas and cities undermines this principle.

The most important consequence of drafting of the programme is the new value assigned to culture, enriched with new meanings.

The expansion of the concept of culture derives from the fact that it is no longer considered as a subsidiary activity, but as a motor-force of society, an ingredient of creativity, vitality, dialogue and cohesion. As a matter of fact, the contribution of culture to socio-economic development appears among the specific objectives of the Programme (cf. European Commission, 1998b, article 1e), thus showing the Community's intention to achieve a better balance of the economic and the cultural dimensions, so that these two elements may complete and reinforce each other.

The new role established for culture in the future growth of the European Union renews and invigorates the action of the Community. The Programme, compared to the first phase of cultural action carried out in 1994, aims at providing a global and transparent vision of Community actions on culture, since their somewhat incoherent character is damaging to the image of the Community itself. The new general lines hinge on the open integration of culture in Community acts and policies, in accordance with the trends drawn up by the Commission (*ibid.*, point 10).

3.2. *The Fifth Framework Programme*

The adoption of FP5 came in December 1998, and represents one of the most important steps in the progress of the European Community Research and Technology Development. The new Community research programme, covering the

¹⁵ «Cultural assets or services are not like any others, and they must not be disciplined under the same conditions by means of the mechanisms regulating the market; they deserve a set of rules respectful of cultural diversity and apt to encourage creativity» (cf. European Commission 1998b, p. 10, our translation).

¹⁶ «Culture constitutes an essential factor for European integration, it fosters the vitality of the European model of society and the affirmation of the Community on the world scene. Culture is at last bursting out of its traditionally-accepted confines and tends to affect the social and economic spheres; this is why today culture plays an essential role in the new challenges the Community must face» (*ibid.*, p. 13, our translation).

period 1998-2002, lays down EU priorities as identified on the basis of common criteria, and qualified by the issues of competitiveness and the quality of life for European citizens.

FP5 is inspired by a postulate that stands opposite to the one that marked its predecessors¹⁷: «from research based on strictly-assessed performance to research focused on the socio-economic problems our society is facing today»¹⁸. Its definition came as an answer to the socio-economic challenges Europe is facing; the general idea behind it is that while on the one hand science and technology are bringing about a deep seated and rapid evolution of society, on the other such innovation has arisen to respond to needs and expectations from the socio-economic front. In order to maximise its impact, research was concentrated on a limited number of sectors, and the resources available, amounting to 14,960 million Euro, were devoted to carefully targeted priorities, so as to avoid an excessive spreading of funding that has often limited the efforts of the Community.

The new postulate of this programme is expressed in the provision of four thematic programmes and three horizontal ones, and most of all in the concept of “key action”, which should concentrate European resources and competence on a specific set of well-defined social and economic problems.

3.2.1. The “Energy, environment and sustainable development” programme

Another interesting feature of FP5 is the presence of four types of thematic programmes¹⁹ and among them, the specific research programme “Energy, environment and sustainable development” (EESD). Within this programme, the energy issue is separated from the environment and sustainable development issue even as regards their financial endowments (respectively 1,026 and 895 million Euro). A course of research focused on the environment and sustainable development favours the implementation of a whole set of initiatives strongly related to the territorial dimension. In particular, the projects funded in the context of FP5 must be aimed at increasing the productivity, employment and economy of

¹⁷ The role of Research & Development in providing the basis for community policy or in aiding international treaty negotiation was considered of particular importance. The structuring of the research programme consists of the four key actions, generic activities and infrastructure. With respect to FP5, there is a dichotomy of views among those interviewed in relation to the changes in its objectives from those of FP3 and FP4 which were, in essence, directed towards problem-led science. FP5 research is much more driven by economic, commercial and social issues.

¹⁸ Statement by Edith Cresson, member of the European Commission, and responsible for “Research, Innovation, Education, Training and Youth” (in European Commission 1999a, p. 3, our translation).

¹⁹ «Quality of life and management of living resources (Quality of Life), User-friendly information society (IST), Competitive and sustainable growth (Growth), Energy, environment and sustainable development (EESD)» (Source: www.cordis.lu/fp5/).

cities. For the first time, the urban issue is given significant importance: a recognition which is of great value for our study.

3.2.2. The key action “The city of tomorrow and the cultural heritage”

The existence of a dyad “city-cultural heritage”, and its potential for a sustainable economic development, receive their confirmation within FP5, and specifically in the key action “The city of tomorrow and the cultural heritage”²⁰.

The title of this action is quite significant for the pointers we are trying to give in our work, mostly because it is used in the context of one of the Community’s main instruments for influencing Member States in their policies and fields of research.

The objective of the “The city of tomorrow and the cultural heritage” key action is to favour *sustainable economic development and competitiveness in European cities*, through the introduction of planning policies that integrate the whole spectrum of urban problems while safeguarding citizens’ quality of life and cultural identity²¹. This is a primarily «socio-economic, environmental, and technical» approach, aimed at the creation and integration of successful methodologies and practices; and, secondly, it emphasises the participation of citizens and stakeholders in the decision-making process and the implementation of efficient urban services.

The key action is divided into the following four sub-programmes, which are further detailed:

- 4.1. sustainable city planning and rational resource management;
- 4.2. protection, conservation and enhancement of European cultural heritage;
- 4.3. development and demonstration of technologies for safe, economic, clean, effective and sustainable preservation, recovery, renovation, construction, dismantling and demolition of buildings, in particular for large groups of buildings;

²⁰ «The overall objective of this key action is to sustain steadfast economic development, and the competitiveness of cities and urban areas, to advance city management and integrated planning and, at the same time, to protect and promote citizens’ quality of life and cultural identity. Such an action will regard the constitution of an integrated basis of socio-economic knowledge, and of products, services, instruments and technologies that may forward city management and answer environmental challenges» (Council of Europe, Decision no. 1999/170/CE, our translation).

²¹ «Economic development and the cultural heritage are both essential factors for the vitality of cities and of their economic trends: culture promotes the shaping of an identity and the enrichment of social capital. The Commission had already financed, through the Raffaello programme, a series of exchanges of experiences that looked to programmes designed to favour cultural development and make cities more attractive and competitive» (cf. European Commission, 1999d, p. 31, our translation).

- 4.4. comparative assessment and cost effective implementation of strategies for sustainable transport systems in an urban environment (European Commission, 1999c).

Within each thematic area, some of the prevalent problems afflicting European cities were taken into account, Member States were asked to present research programmes and new successful tools, methodologies and practices were tested.

It may be seen that, in the specifics of sub-programmes, a new aspect appears alongside the traditional questions of conservation – typical for the cultural heritage of urban centres – that is, the integration of cultural heritage in urban development. The importance of cultural heritage as a resourceful element of urban growth is acknowledged with due respect for the socio-economic dynamics, the exigencies and needs of which must still be satisfied while maintaining the quality of sustainability.

Any possible solution must meet with two fundamental requirements: (a) it must constitute an innovative approach to the problem; (b) it must be applicable not just in the factual case in which it was formulated and tested (i.e. urban realities), but anywhere else in the Union with the same characteristics.

3.2.3. Some results of the key action

The “The city of tomorrow and the cultural heritage” key action was the object of two calls for projects in June 1999, and in February 2000. The first call had a good response, with 137 proposals (for a total of 180 million Euro), and 21 projects which are presently receiving funds (for a total of 21 million Euro)²². The projects admitted for financing by FP5 covered all the thematic areas provided for within this key action, and showed a “substantial” socio-economic content (cf. Miles 1999, p. 3). Specifically, proposals pertaining to the development of innovative strategies for sustainable management of the cultural heritage (sub-theme 4.2.2) were deemed as «excellent» in their «richness of potentialities» for future community and national policies (cf. *ibid.*, p. 4). The list of projects admitted for financing was made public after the first auditing by experts from the Directorate-General for “Research” (presumably in June 2000); it will then be possible to get to know the project’s objectives, methodological approaches as well as the proposing organisations and/or institutions.

As regard the results of the second call for proposals, with deadline February 2000 (cf. Miles 2001a), focusing on the key-action “The city of tomorrow and the cultural heritage”, the available budget was 37 million Euro, while the 284 proposals submitted to the European Commission required 405 million Euro. The average number of partners was 9.3. Twenty-nine proposals were financed.

²² David Miles, Director of Key-Action no. 4, “The city of tomorrow and the cultural heritage” (cf. Miles 1999, p. 2).

Specifically, as far as cultural heritage was concerned, 107 proposals were evaluated (37%), and the average number of organisations in the partnership was 7.4. The budget requested was for 177 million Euro; nine projects were funded, to a total amount of 7.72 million Euro, which constituted roughly 30% of the total amount devoted to the key action. End users were frequently not included in the consortia and proposals lacked any real prospects of impact, or any substantial scientific-technological content.

SUIT
(Sustainable development of cultural heritage through an active integration within towns)

Sub-theme: 4.2
Consortium: Universities, regional government

The aim is to establish an Environmental Impact Assessment methodology (in line with the EU environmental Impact Directive) to ensure compatibility with the conservation requirements of cultural heritage and urban development. It will enable local authorities to assess their plans for urban development with regard to the sustainable exploitation of urban and architectural cultural heritage.

Source: Miles, 1999.

As to the third call with deadline 15 February 2001 (cf. Miles 2001b), the available budget was for 43 million Euro. There was a response of 121 proposals of which 8 not eligible, requesting 184 million. The average size of the proposals was of 1.5 million Euro, and the average number of partners 11.4. 26 proposals were funded. In particular, as regards cultural heritage, 50 proposals were recorded (41%), the average of partners being 10.2 and the budget requested 67.8 million Euro. Eleven proposals were funded to a total of 15.3 million Euro. This amount constituted one third of the total amount devoted to the key-action.

3.2.4. Future perspectives

The inclusion within FP5 of a key action specifically devoted to the urban unit, and also to cultural heritage must be considered a potentially significant fact.

European cities, which have always been the seat of economic, commercial, and administrative activities, were already at the centre of community rulings in the drawing up of the Development Scheme; the recommendation, at the time, was to urge the formation of a compact urban structure able to support the outgrowth of a whole regional domain. The examination of urban conditions in the territory of the Union had also recognised the importance of social and cultural factors; as a matter of fact, cities were defined as «the places people live, work, and enjoy themselves in»,

and as «the spaces for culture and training, the tourist poles, the centres of multiple demands» (European Commission, 1998c, p. 13). At the same time, European cities were identified as the sites where the heritage «most abundant with historical and artistic testimonies» were located (European Commission, 1999d, p. 33).

In these terms, the existence of cultural heritage exceeds the traditional concept of a fundamental point of reference for the collective memory, and can certainly be thought about as a possible and exceptional motor for economic development. As a matter of fact the global economy, although performing on a national scale, depends upon the prosperity of urban centres, and, within them, on specific factors that can only be transferred or copied to a limited extent.

4. The Sixth Framework Programme

In February 2002, the European Commission submitted the first proposal for decision to the European Parliament and to the Union's Council of Ministers for the Framework Programme "Research, Technological Development and Demonstration Activities, contributing to the creation of the European Research Area and to Innovation (2002-2006)". The proposal fixes the limits of the financial sources to the amount of 16,720 billion Euro (and to 1,230 for the Programme Euratom), with a 17% estimated increase compared to the balance sheet of the FP5's Technological Research and Development.

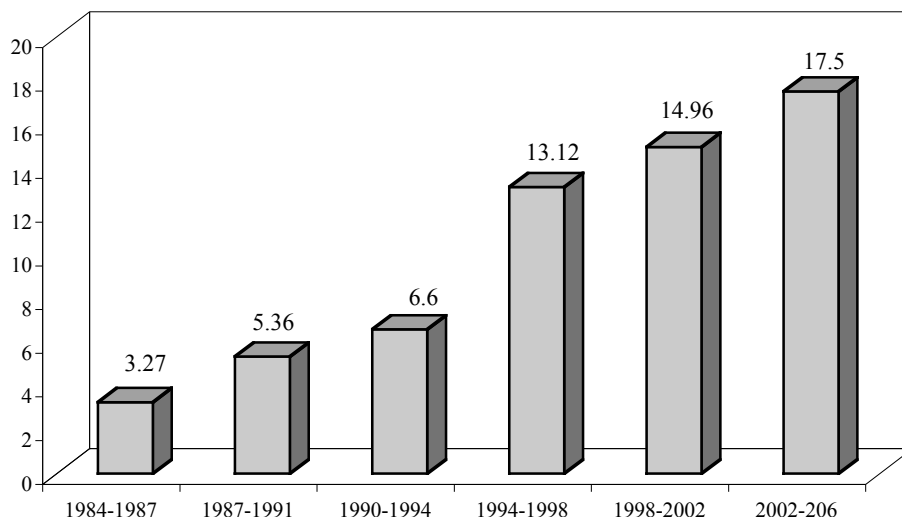


Fig. 5.3 – Budgets of the six Framework Programmes, 1984-2006

Source: our elaboration, data from: <http://www.cordis.lu>, 2002.

The main innovation the framework programme introduces consists of how the programme is conceived: while in the past it was an essential element of Community strategy for technological research and development, it has now become a financial instrument for the implementation of a European Research Area (ERA), and for the development of innovation for the use of citizens and for industrial competitiveness.

The Sixth Framework Programme (FP6) is divided in two main specific programmes: the first is called “Integrating and strengthening research”. The second specific programme aims at “Structuring the European research area”. In addition to these, three other specific programmes cover the Joint Research Centre (JRC, third and fifth specific programmes) and EURATOM activities (fourth)²³.

The largest share of FP6’s budget will be spent on «focusing and integrating» future research activities, on the basis of seven key actions. In our investigation, we will focus on key actions, underlining the thematic priorities associated with the cultural, artistic and environmental heritage (CAEH) of art cities, as we have already done with FP5. The various priorities, and their respective budget allocations, are shown in Tab. 5.1.

Tab. 5.1 – Distribution of funds among different thematic priorities

I. FOCUSING AND INTEGRATING COMMUNITY RESEARCH		13.345
(a) Thematic priorities		11.285
• Life sciences, genomics and biotechnology for health	2.255	
Advanced genomics and its applications for health	1.100	
Combating major diseases	1.155	
• Information society technologies	3.625	
• Nanotechnologies and nanosciences, knowledge-based multifunctional materials and new production processes and devices	1.300	
• Aeronautics and space	1.075	
• Food quality and safety	685	
• Sustainable development, global change and ecosystems	2.120	
Sustainable energy systems	810	
Sustainable surface transport	610	
Global change and ecosystems	700	
• Citizens and governance in a knowledge-based society	225	
(b) Specific activities covering a wider field of research		1.300
• Policy support and anticipating scientific and technological needs	555	
• Horizontal research activities involving SMEs	430	
• Specific measures in support of international co-operation	315	
(c) Non-nuclear activities of the Joint Research Centre		760

²³ The JRC is a Directorate-General of the European Commission, providing independent science and technology advice to European policy makers.

Tab. 5.1 – continue

2. STRUCTURING THE EUROPEAN RESEARCH AREA		2.605
Research and innovation	290	
Human resources	1.580	
Research infrastructures (4)	655	
Science and society	80	
3. STRENGTHENING THE FOUNDATIONS OF THE EUROPEAN RESEARCH AREA		320
Support for the co-ordination of activities	270	
Support for the coherent development of policies	50	
TOTAL		16.270

Source: <http://www.cordis.lu/fp6/home>, 2002.

As we can see, FP6 presents no specific key action related to CAEH or to the management of art cities. An objective of the European Commission was to concentrate the efforts of the Community on fewer priorities than before. In fact, in the first area of FP6, there are seven thematic priorities, six of which are related to specific techniques, accounting for 98% of the European Commission budget.

The priority that will probably group together the largest number of themes associated with the management of CAEH is the seventh, which is aimed at the constitution of a knowledge-based society. However, this priority only obtained 1.5% of the total budget (see Tab. 5.2), which corresponds in FP5 to the percentage obtained by the key action “The city of tomorrow and the cultural heritage”, while the “Energy, environment and sustainable development” priority accounted for more than 10%.

From our point of view, the issues more closely related to the concept of CAEH, registered a fall in interest, losing that “space” they had acquired in FP5. The attention on the development of small and big art cities in fact criss-crosses the key actions presented here transversally.

4.1. The key action “Citizens and governance in a knowledge-based society”

In this context, we can only hint at the contents and objectives of the seventh thematic priority.

Its main objective is to provide a scientific basis for the management of the transition to a European knowledge-based society which, as explained during the Lisbon meeting, is conditioned by national, regional and local policies, and by decision making by individual citizens, families, and other units of society.

This action is also subdivided in two thematic areas: the first – “Knowledge-based society and social cohesion” – brings together projects that look to removing the obstacles that restrain the generation, distribution, and use of knowledge, and to alternative choices for the development of a knowledge-based society; while the

second – “Citizenship democracy and new forms of governance” – shows the implications of European integration and enlargement, and represents a call for new forms of governance, the resolution of conflicts and restoration of peace, new forms of citizenship and new cultural identities. It is also aimed at solving problems linked to cultural heritage and at developing new forms of governance.

[T]o identify the main factors influencing changes in governance and citizenship, in particular in the context of increased integration and globalisation and from the perspectives of *history and cultural heritage* as well as the impacts of these changes and the possible options to enhance democratic governance, resolve conflicts, protect human rights and take account of cultural diversity and multiple identities (European Commission, 2001).

As we can see, cultural heritage only constitutes a part of the objectives to be reached in order to build a European knowledge-based society that conforms to the specific conditions and aspirations of Europe.

As we have already hinted, the enhancement of cultural heritage, and the development of policies and the best practices for art cities are not envisaged in any specific key action for FP6, as in the previous FP5. We will try and underline this point in the following section, by introducing the Expressions Of Interest (EOIs) submitted to the European Commission.

4.2 Report on the analysis of the Expressions of Interest 2002

A total number of 1,218 Expressions of Interests (EOI)²⁴ were received for priority 7, which is greatly superior to those expected. Such a response represents about 10% of the total number of submissions received, thus denoting a very high level of interest for social sciences and humanities. This Priority share in the submissions is more than four times higher than its budgetary share in the FP6 allocation of funds.

Tab. 5.2 presents the areas that the European Commission identified in separating the proposals received.

The submissions received covered a broad range of topics, of which not all were plausibly relevant to the issues addressed in the specific programme²⁵. Among the issues recorded are the economic, social, and technological dimensions of sustainable development, as well as territorial governance and the application of

²⁴ The Commission made an invitation to submit Expressions of Interest before the formal adoption of FP6 in order to consult the research community on its readiness to prepare research projects using, in particular, the new instruments for funding research – Network of Excellence and Integrated Projects.

²⁵ We recommend referring to the Report of the European Commission on the EOIs submitted in order to analyse every single area of action.

policy principles and practices in the new perspective of sustainable development for European cities and countryside.

Tab. 5.2 – Expressions Of Interest divided by area of action

AREA OF EOI	PERCENTAGE
Knowledge production, transmission, utilisation/Innovation	13.8
Knowledge-based society and improving quality of life	5.7
Knowledge-based society and social policies/social cohesion	6.0
Knowledge-based society and employment & labour market policies	2.9
Knowledge-based society and Life Long Learning/Education and Training	10.1
Knowledge-based society and sustainable development	4.1
Variety of paths towards a knowledge based society	2.7
European integration and enlargement	5.8
Political and social institutions/Competence and responsibility areas	15
Resolution of conflicts/Peace and justice/Fundamental rights	5.2
Citizenship and identities	8.6
Culture and humanities	8.3
Dialogue with other world regions/Migration	5.1
Other and transversal issues/European Research Area	3.6
Infrastructures/Databases/Indicators	3.1

Source: European Commission, 2002e, our elaboration.

It would seem worth noting that, according to the report we examined, the actions relative to the cultural and artistic heritage were grouped together in the “Cultural and humanities” area, while those related to art cities and sustainable development were included in the “Knowledge-based society and sustainable development” area. This first partition is in fact an indication of the transversal quality of our issues we hinted at before.

A confirmation of this tendency can also be traced in a synopsis of EOIs, that we only present here as an example; this is based on a report published by the European Commission (cf. http://eoi.cordis.lu/search_form.cfm). It may be noted that the EOIs we looked at – that is, aimed at the enhancement, preservation and dissemination of the European artistic and cultural heritage – were not only presented in Priority 7, but in others as well (in particular, Priorities 2 and 6).

Appendix A

1 – TUTELAGE OF HISTORICAL BUILDINGS

In the context of the Community framework of support to Italy for the period 1989-1993, The European Fund for Regional Development participated in the restoration of “Lagopesole Castle” (Basilicata). This project constitutes a valid example of how the tutelage of cultural heritage can be associated with commercial exploitation, cultural research and environmental concern. The castle, once restored, will host an institution responsible for the restoration and re-adaptation of historical monuments in the South, as well as the surveillance of the environment. It will also house the National Centre for Woods Preservation. The Castle co-operative, also installed in the restored building, will deal with the organisation of guided tours, conferences, exhibitions, musical and performing art events, and run a restaurant open to visitors.

Source: Our elaboration on European Commission, 1999f.

2 – EFFECT OF A FILM

There are cultural events that can determine the development of certain regions, without even being planned; this is the case of a recent film, that was very popular and set a record in terms of earnings. The film is about the story of William Wallace, a famous Scottish patriot who beat the English army at the Battle of Stirling, in 1297.

The municipality of Stirling (East Scotland) attempted to exploit the film by inflating those aspects of the local heritage associated with the figure of Wallace. Special events on his life and the period were organised: medieval markets, and commemorations of his travels. This program was financed by the European Union, and ended up in 1997. A significant extension of the tourist season was one of the first results of the promotion of local culture.

Source: Our elaboration on European Commission, 1998a.

3 – CULTURE IMPROVES THE QUALITY OF LIFE

In 1990, the population of 35 hamlets in South Pembrokeshire (Wales, UK), decided to concentrate on their ancient culture to start a new stage of economic development, mainly in the tourism sector following an assessment of the area situation, which established how culture and natural wealth constitute in fact the main richness of the region. In the first place, a cultural identity is the starting point from which to define the “product to sell”: that is, *Landsker Borderlands*. The first intervention came with the setting up of five itineraries of topical interest, using paths and other beaten tracks linking all the villages, and thus constituting an 80-kilometre walking course. Apart from the tourist appeal of walking tours, the aim is to preserve the rural landscape and to enhance the natural heritage. The new direction followed in the region accounts for a growing interest on the part of the villagers in activities such as the maintenance of traditional furnishings and old-time rural buildings and tools, not to say of local monuments. As for the tourism sector, various training programmes are active, while investigations into the level of general acceptance are regularly carried out.

In 1990, the standard of living of people in South Pembrokeshire was below the Community average; today, about 300 small projects are active, with 3,000 local people keeping them alive and absorbing a total of 3.6 million ECU.

Source: Our elaboration on European Commission, 1999f.

4 – CULTURAL INDUSTRIES AND CULTURAL HERITAGE AS AN INTEGRAL PART OF AN INITIATIVE FOR LOCAL DEVELOPMENT

The *Temple Bar* Project carried out in Dublin demonstrated how a run-down urban neighbourhood can be revitalised by supporting the rise of SMEs specialised in the cultural sector. This is an ideal example of how culture can be integrated into a comprehensive strategy of local development including the advancement of residential building, environment, retail trades, refreshment rooms and hotel structures, and advertising promotion. Such a long-term project fostered the creation of various cultural centres (art laboratories and galleries, exposition centres, a museum with Viking archaeological findings, a centre for goldsmiths’ creations, a theatre for children, etc). In a four-year period, public funds (from both the Community and the State) contributed 120 million ECU, and the private sector 70 million ECU; 1,200 jobs were created in the cultural and services sector; 72 new enterprises were set up in Temple Bar. The site is today considered the third biggest tourist attraction in Dublin.

Source: Our elaboration on European Commission, 1999f.

5 – A NETWORK OF ART CITIES

The Association of European cities' tourist promotion enterprises combines 42 art cities in a network designed to develop urban tourism through co-operation between public and private cultural institutions and operators in the tourism sector. Tourist "packages" are offered which include cultural itineraries and new convenient and functional information tools, preferably implemented with the support of a computer. Any visitor or agency will be able to make a reservation for the selected trip, and discover the cultural wealth of European cities.

Source: Our elaboration on European Commission, 1998a.

6 – INTERCONNECT INTER-REGIONAL CO-OPERATION, CULTURE,
AND NEW TECHNOLOGIES

The rapid diffusion of technology provides extraordinary opportunities for the cultural sector. Some European regions resolved to collaborate in the creation of the "Promise": a *virtual museum* site which contains reproductions of the most representative elements in their respective historical heritages. In the virtual museum, under the guidance of Antwerp, works of art from the following regions and cities will be presented: Uusimaa (SU), Palermo (I), Tuscany (I), Oporto (P), Newcastle (UK). Aside from exploring Internet, the aim of the project is to promote the presence of tourists in the participant localities.

Source: Our elaboration on European Commission, 1999f.

Appendix B

1 – ASSISTING CITY GOVERNANCE FOR SUSTAINABLE DEVELOPMENT: TOOLS FOR URBAN REGENERATION

The project analyses the economic impact of city governance policies as currently implemented at a European level, with particular consideration of those policies referring to the role played by *cultural heritage in the development of the city*. Current consultation processes and their efficiency in creating a democratic framework for the development of the city and in managing social conflicts will be analysed. It explores the role played by non-market valuation for the development of new consultation process and the eliciting of public preferences for cultural heritage management strategies. It develops new IT tools for the recording and listing of European cultural heritage, accounting for public preferences. A novel, integrated, methodological approach together with a system of tools and methodologies to support urban decision-making are among the main research objectives.

Applicable instrument: Integrated project

Sub-thematic priority most relevant to your topic: 1.1.7 Citizens and governance in a knowledge-based society.

Other relevant sub-thematic priorities: 1.1.7.ii Citizenship, democracy and new forms of governance

Source: http://eoi.cordis.lu/search_form.cfm.

2 – KNOWLEDGE BASED DECISION-MAKING SYSTEMS FOR SUSTAINABLE PROTECTION AND SOCIO-ECONOMIC INTEGRATION OF CULTURAL HERITAGE IN EUROPE

The *Protection of Cultural Heritage represents an instrument for economic development and socio-economic integration*. Cultural policies should be integrated into strategies for sustainable development assuring its viability and enabling a higher quality of life for citizens of the City of Tomorrow. A common European policy is essential for the development of a new professional profile. The basic means for the accomplishment of the objectives are the diffusion and exploitation of research results, as well as the education of citizens in Europe and future active participants in the Protection of Cultural Heritage.

Applicable instrument: Network of excellence

Sub-thematic priority most relevant to your topic: 1.1.7 Citizens and governance in a knowledge-based society

Other relevant sub-thematic priorities:

1.1.2.iv Knowledge and interface technologies

1.1.3.ii Knowledge-based multifunctional materials

1.1.6.1 Sustainable energy systems

1.1.7.i Knowledge-based society and social cohesion

Source: http://eoi.cordis.lu/search_form.cfm.

3 – GEOLOGICAL DANGER FOR THE CULTURAL HERITAGE OF EUROPE

Cultural monuments of worldwide or national significance are distributed in Europe. The multiethnic cultural heritage testifies to the preceding evolution of civilisation and helps the development of the well-educated society. The monuments are situated in active territories or in long-term stable areas. Various geological processes provoke the deformation of the earth crust and of the superficial constructions of the monuments. The main tasks are the national interdisciplinary studies of the geological situation in the localities of selected monuments, the assessment of the negative influence of the geological phenomena on them and the formulation of certain recommendations for the mitigation of geological danger

Applicable instrument: Integrated project

Sub-thematic priority most relevant to your topic: 1.1.6 Sustainable development, global change and ecosystems

Source: http://eoi.cordis.lu/search_form.cfm.

4 – REMOTE PHOTONIC TECHNOLOGIES FOR THE PRESERVATION AND
DISSEMINATION OF CULTURAL HERITAGE

European scientists have pioneered the study and the development of applications of laser technology in the field of Cultural Heritage. Europe's role as a world leader is assured by REPHOTECH the network which aims to achieve and maintain these advances. The achieved state-of-the-art in laser technologies for art conservation as well as in information technologies provides the basis required for the effective exploitation of novel pan-European approaches. Different knowledge from experts working in museums, technical laboratories, universities and SMEs can be effectively shared and combined by installing virtual laboratories and running remote inspection and evaluation technologies. All the required data regarding an investigation or a request for an investigation can be transmitted to the corresponding technology providers, SMEs, and end-users. An intangible working space is thus foreseen where all network members have instant and simultaneous access to all the necessary information, knowledge and technologies.

Applicable Instrument: Network of excellence

Sub-thematic priority most relevant to your topic: 1.1.2 Information society technologies

Other relevant sub-thematic priorities:

1.1.2.i Applied IST research addressing major societal and economic challenges

1.1.2.ii Communication, computing and software technologies

Source: http://eoi.cordis.lu/search_form.cfm.

Appendix C

Fifth Framework Programme

EESD – Environment, Energy and Sustainable Development

Key Action IV – City of tomorrow and cultural heritage

Project title: CARD Project (Cities of ART and cultural Development)

Scientific Coordinator: Prof. Luciana Lazzeretti

Call identifier: EESD-ESD-3 (JO 2000/C324/09)

Proposal Number: EVK4-2001-00216 - CARD

The purpose is to develop a methodology that is qualified, on the one hand, for analysing the art city in its characteristic components, and on the other hand, for providing some appropriate tools to manage its heritage, where the objective is to identify the best lines of intervention that permit the redress or revitalisation of the economy of small and large European art cities.

Thus, the objective of the CARD project is the working out of a methodology (PACA Methodology)* that is beneficial for researchers and practitioners, and that conjugates theory and operability. A method for analysing the “economic enhancement of PACA” (PACA Method) will be worked out, and specific tools of management for end users – Municipalities as decision makers – planned and carried out (PACA Tools).

The expected results are:

1. The development of methodologies and tools supporting policies in the area of economic management of Artistic, Cultural, and Environmental Heritage, for different ideal-types and models of culture-driven economic development in small and large European art cities (PACA Method).
2. The working out of an appropriate set of products and services (PACA Tools) for the management of PACA from the point of view of local bodies (Municipalities and other local institutions), will be designated to introduce and promote the best practices of economic policy and PACA management in the various European art cities.
3. The evaluation of the replicability and transferability for PACA methodology between the many types of art city and the various countries, and the applicability of the suggested solutions through the sharing of theoretical leading concepts and methodological outcomes between universities, research centres, policy makers and firms.

The essential parts of PACA Methodology are:

1. The definition of PACA Method
2. The definition of PACA Tools

* PACA stands for Patrimonio Artistico Culturale ed Ambientale, i.e Cultural, Artistic and Environmental Heritage (CAEH).

1. Definition of the PACA Method

The PACA Method is a process that identifies, measures, and locates the set of artistic, cultural, and natural resources distinguishing a specific place (High Culture Local Place) – a art city in our case – and that describes the network of economic, non-economic and institutional actors contributing to the economic enhancement of the above-said set of resources. The totality of these actors constitutes a High Culture Cluster (HCC), which in turn is composed of the different sub-cultural clusters (the artistic, the strictly cultural and the environmental-naturalistic ones), among which particular relevance is given to that of non-profit cultural organisations and firms. The unit of analysis that results from the PACA Method is the High Culture Local System (HCLS), which is determined by the interaction between resources and actors.

The proposal is to develop policies and strategies for the management of PACA in the context of a model of culture-driven sustainable development, along the lines of the Italian industrial district model. In fact, through the analysis of the different forms of cultural districtualisation that can be detected in a city, it is possible to formulate hypotheses of economic policy for revitalising and redressing the exploitation of the existing PACA, or for an *ex-novo* exploitation of it, where the logic of localised development finds its most complex and advanced conformation in the Marshallian industrial district.

The PACA Method develops through:

- *Key elements*
 1. Art City
 2. PACA (resource)
 3. Cultural cluster (Actors)
 4. Management policies and strategies
 5. Models of culture-driven local development
- *Guideline concepts*
 1. Unit of analysis (HCLocal System)
 2. PACA Components (Artistic, Cultural and Environmental), HC City Place (HCCP): geo-referencing of resources in the territory
 3. HC Clusters and sub-clusters, geo-referencing of actors in the territory
 4. HC Best Practices and Problems at a Borough level, and at the level of the other actors of cultural clusters
 5. Cultural District; the Cultural Districtualisation process in the art city

2. PACA Tools

In this step the general approach of the project consists of planning a set of software and consulting services in order to support the strategic analysis and economical management of the local governments' PACA.

After having established a first set of prototypal products/services addressed to an end user – e.g. Town Council – in order to support it in the management of the art cities' PACA, we will test them in Florence and Seville, and afterwards all the results will be presented to the other cities in order to check whether it is possible to transfer and apply the same models to different contexts, either local or European.

In detail we propose:

1. A computer decision support system. OSSCARD (Orientation Support System-CARD) is an integrated system that supports policy makers in directing, evaluating and accompanying strategic planning. This system would provide them with the best solutions of urban economic policy and PACA management in different European cities.
2. A CARD Consulting Group, composed of international experts, who will support local governments and policy makers in carrying out plans for the economic and sustainable development of PACA, and consequently in promoting training activities addressed to the Public Administration.
3. CARD Team, which should improve the OSSCARD with the results of local tests and users' case histories, and therefore give a counselling support to final users.

Source: Abstract of the Project "Cities of ARt and cultural Development" (CARD), Scientific Coordinator Prof. Luciana Lazzeretti, Programme "Energy, Environment and Sustainable Development", Call identifier: EESD-ESD-3 (JO 2000/C324/09), Proposal Number: EVK4-2001-00216 – CARD, submitted October 15, 2001.

PART II

Art cities and museums

6. The control system in non-profit organisations. A consideration of cultural organisations

Barbara Sibilio

1. The role of the information system

Non-profit organisations have a need for adequate information sources to enable them to guide their operational choices and control achievement of their pre-established objectives, mainly ethical and social.

The information system of such organisations must therefore guarantee a regular flow of information through the organisational structure to enable a constant and thorough verification of the economic and financial situation as well the communication of a series of facts to the various stakeholders and, more generally, to the community, about the range of benefits achieved and the use of the resources received.

The role attributed to the information system of an organisation has always been one of satisfying the cognitive needs of the internal operators, linked to the achievement of their objectives, and the external stakeholders connected with their spheres of action.

Such features are also confirmed in the non-profit organisation, where, nevertheless, the information system acquires a more relevant role than in other economic units because of the relevance of the ethical and social aspects, considered the organisation's very foundation, strongly determining its "mission", the final goal for the achievement of which all the available resources of the organisation are used. The institutional goals of the non-profit organisation determine its information needs to a large extent, the need to supply adequate information about the financial and economic situation remaining unvaried.

The relationship between this information and that regarding institutional activity reflects the role that may be assigned to the pursuance of economic and financial equilibrium targets with respect to the achievement of its social objectives. In the medium-long term, the achievement of economic equilibrium and, during the continued performance of its management activities, the achievement of monetary and financial equilibrium represents an essential condition for the survival and efficient development of the non-profit organisation's ethical and social activities.

This is the reason for the definition of distinct information requirements regarding institutional objectives on the one hand and economic and financial aspects on the other.

More specifically, as already said, the information system needs to have the following characteristics:

- the availability of information to support the “internal” operators of the organisation in their definition of objectives goals and in the organisation and realisation of planning, programming and control procedures;
- the spreading of information destined to satisfy the “external” cognitive needs of public and private subjects, with different interests in the results and conditions of the management activities.

Consequently the non-profit organisation must provide itself with an information system able to:

- «co-ordinate strategic social objectives during the implementation phase with economic and financial constraints;
- qualify/quantify the level reached as regards its social objective, defining its impact in terms of profitability and/or solvency and assets;
- enable third parties, both internal and external, on the basis of their specific options, to assess such *performance and constraints* in order to validate them or not» (Matacena, 1999, p. 75).

So the information system must enable the non-profit organisation, regardless of its mission, to verify the accomplishment of its social effectiveness and the respect of economic and financial constraints, as well as to activate a two-way communication process based on qualitative and quantitative measurements and characterised by its transparency.

It should be remembered that non-profit organisations carry out most varied activities of an institutional nature. Consequently, the single cognitive needs inevitably differ according to the institutional objective being pursued. Also, such needs change over time from organisation to organisation and even within the same unit, due to modifications of the choices regarding strategic targets and the organisational composition, and as a consequence of the important and ineradicable differences in the contents of the management procedures and the manner in which they are applied.

Within the limits of the information system, as already said, information about the economic and financial situation has a relevant function. This need for information varies with the activity being carried out by the non-profit organisation and in the course of time, with changes to the contents and the form of the reporting systems implemented to analyse the resources “acquired” and “consumed” during management.

Several constraints follow from the varied and variable information requirements of the non-profit organisation¹.

In such contexts, it is not normally possible to use economic and financial indicators which can concisely and exhaustively express the extent to which social objectives have been achieved. Considering their heterogeneity, it is in any case impossible to identify a single “social” indicator able to demonstrate the efficiency produced by the activities performed by any non-profit organisation.

In fact, we must apply a system of parameters, which, appropriately combined, enable internal and external information requirements to be satisfied. In any case, such a system must identify the specific management characteristics of each typology of organisation: it cannot therefore be presumed possible to make a list of quantitative (monetary and non-monetary) and qualitative indicators, directly and effectively applicable in each context.

For this reason, the selection of the structure and of the contents of an information system must be carefully formulated depending on the specific cognitive needs connected with the institutional objectives of each organisation, completed with the necessary measurements of the economic and financial aspects of management activities. It is clear that such a result cannot be achieved by simply adapting the information systems used by companies but requires, in the first place, an interpretation of the complex activity of the non-profit organisation – referring to sufficiently homogeneous types of management – and, therefore, the adoption of adequate instruments for data acquisition and communication.

2. The control system

The need to be aware of the “vitality” of such organisations, the opportunity to be able to express opinions on the strategic choices formulated by their management and the possibility of evaluating the hypothesis of their permanence in a dynamic environment where even the needs of the community change rapidly, make the regular application of measurements of effectiveness, efficiency and profitability essential. For this purpose, it is essential for there to be an active control procedure, with proper back up from an adequate information system, in the units in question.

As for any economic unit, the main purpose of a control system² in the non-profit organisation is to guarantee the organised and efficient development of its activity. By examining this concept more closely, it becomes clear that the objective pursued in predisposing control systems is related to the need to direct all behaviour towards a better use of the internal and external potential, while fully

¹ On the subject, see Marcon and Tieghi (2000, pp. 78 ff.).

² The expression “control system” is used here in its broader meaning, including the strategic and technical-management dimension of the control procedure.

respecting – now and in the medium-long term perspective – the conditions of the organisation’s existence. The control system, therefore, represents an essential support to the organisational efforts for the utilisation of the limited, available resources and to the achievement of the institutional aims in the presence of economic and financial equilibrium.

To summarise further, there are two considerations to be made regarding the positive role played by control in the non-profit organisation.

First of all, the dynamic creation of satisfactory points of encounter between the acquirable resources and existing needs is produced thanks to the existence of properly structured control procedures founded on suitable and shared organisational procedures. Such control procedures must, of course, act by addressing both the procedures for the allocation of resources and the ways of creating value with clear effects on the potential to obtain new resources.

Moreover, the effectiveness of the control procedure can be correlated with its considerable penetration of and systematic intervention in all kinds of company operations, so that, at its activation, the expectations associated with different types of behaviour, the division of resources, constraints and possibilities of manoeuvring different variables can be made known at any time.

Vice versa, in the absence of a clear definition of the goals (strategic, tactical and operative) and a strategic and operational control procedure able to guide the activities towards the achievement of such objectives, it is likely that the actions performed by the operators of the organisation become ineffective, as they do not produce what was hoped for, and inefficient, in their use of excessive resources.

So, considering the characteristics of non-profit organisations, one might say that in such organisations the control procedure must focus on the realisation of an *interactive harmonisation of social effectiveness and management efficiency*, both of which must be achieved within the different spheres of their activities.

The success of a control system is strictly related to the “agreement” of the internal operators with the external stakeholders about the mission of the organisation and the choice of strategic goals³.

More precisely, such agreement must come from the community referred to, in other words from how it shows its appreciation of the type of services offered and the distribution of the results achieved by the management. The assent of the community may show itself in various forms: through the ongoing demand for services, through the assignment of funds by private subjects and public institutions, through the willingness of volunteers to co-operate in the proposed initiatives activity, though approval of the allocation of the benefits obtained.

³ It is implicit in these observations that the body referred to tends to be a *multistakeholder* organisation, whose *corporate governance* is characterised by the application of the principle of democracy and respect of the coherence with its objectives as well as economic and financial constraints (see Cavenago, 1998, pp. 261 ff.).

Functionally related to the first, the agreement of all the members of the organisational structure is also required. This is shown in each individual's awareness and approval of the mission and by the abundant commitment made towards its realisation. To achieve this result, it is essential to implement through the control procedures, an action aimed at orienting the behaviour of people working at different levels of the organisation, whether employees or volunteers (the often very important role that volunteers play in this context is not to be underestimated). The above-said initiative must try to influence their work so that it is not only guided by individual assessments but also by the need to achieve those strategic goals of the organisation which allow it to fulfil its mission.

Control instruments are effective in this sense if they can:

- specify the tasks of each employee and show how the individual contribution is important for the performance of the activity;
- motivate the employee to carry out his duties, trying to integrate his personal aspirations with the "performance" the organisation expects of him.

The realisation of these characteristics is particularly complex in the non-profit organisation, where it is mainly the qualitative connotations which ensure the success of the performance of service, connotations, which, by their very nature, are difficult to define and measure. Besides, in such units, the incentive system is not based on financial rewards but on a system of ethical values, which is not easy to communicate to each single employee.

In any case, the control system, once the mission has been defined and the strategic goals fixed, must act on the one hand by communicating such goals to each employee and making him responsible so that he performs his duties with motivation and commitment and on the other co-ordinate the work of all the organisational positions.

At this stage we can delineate along general lines a control system model for the non-profit organisation which focuses on the identification of the social needs to be met to then describe the mission in detail.

The strategic goals to be pursued must be defined accordingly since they feed in to the process of strategic planning, programming and control as well as the drafting of "report" systems.

In a control system, a move needs to be made from the mission and the strategic objectives to the planning and programming processes. The first are essential for indicating the direction to follow, while the planning and programming processes are needed to create a path to follow as regards the chosen direction. In this context, strategic control is used to measure the extent to which the mission and the strategic goals have been achieved, while its ability to act as a signal is influenced by their breadth and generality.

In the non-profit organisation, as in any other economic unit, the arrangement described only works if the employees at all levels of the organisational structure

are involved in its process (Fig. 6.1)⁴. In fact, very often, organisational problems affect the success of a control system. Just consider the importance, in terms of structural functionality, of aspects such as the definition, communication and negotiation of objectives, the resolution of conflicting positions, performance assessment and the various co-ordination activities, all of which are present at all levels of the organisation. Furthermore, we must consider that each of these aspects produces mechanisms influencing the employees' perception of the organisation's goals and their personal motivation in order to integrate the first (the goals) with the second (the personal targets), and so obtain a general consensus.

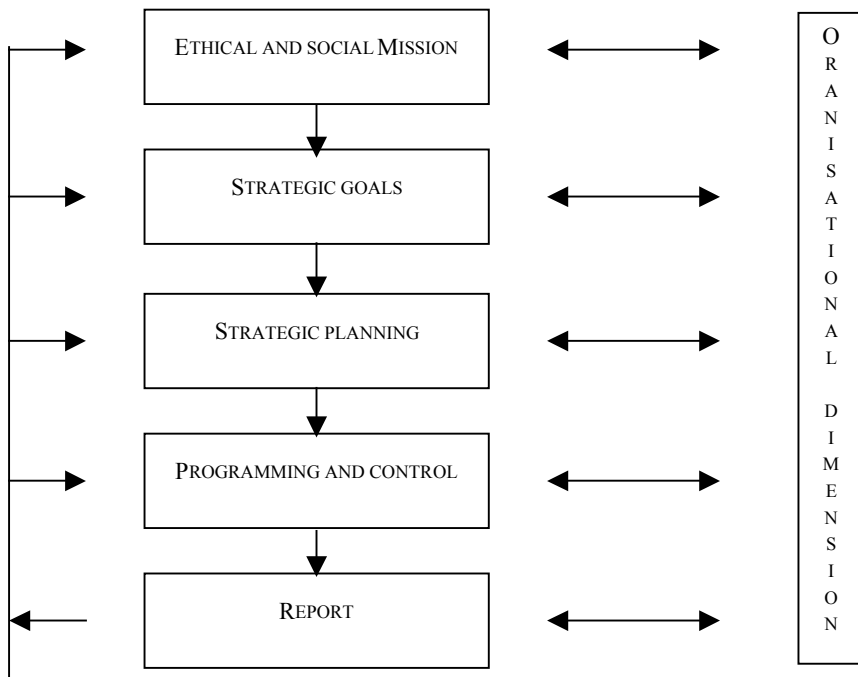


Fig. 6.1 – Control system set up

So, the organisational dimension influences the entire control system and cannot be separated from it.

It should also be considered that the mission and the strategic goals express the proposal which the organisation makes both to those already involved and to

⁴ Ramanathan proposes a different management control model. However, even this context highlights the *technical* and *behavioural* dimensions, which, only if strictly related, permit effective functioning of the system (see Ramanathan, 1982, pp. 172 ff.).

potential third parties to involve in its realisation, offering each of them specific perspectives and requesting contributions and agreements. This is the reason why the definition of the mission and the related choice of strategic objectives must be extremely clear.

In any case, any such formulation, even where it may appear particularly accurate and convincing, must be discussed again after changes occur to the environment and to the organisational structure. All these factors together continually impose, even if at variable intervals, the evaluation of the strategic project in order to understand the current situation, to assess its validity and to perceive the possible need for renewal of the project itself.

If only in general terms, it is interesting to identify the main variables which must be considered in a non-profit organisation in the re-examination of its mission and its strategic goals.

A priority position must be recognised to the environmental context in which the organisation operates, firstly, to meet the needs related to the use of the services offered and then, to respond positively to the reasonable expectations of its stakeholders. It is therefore essential to analyse the current social context as well as expected growth, in terms, for instance, of demography, culture, life style and human behaviour, so as to be aware of and understand existing social needs and to identify any emergency situations. On the basis of these information flows it is possible to evaluate the “product system”⁵, in other words the offer of services predisposed by the organisation including all the elements which characterise it: performance characteristics (quality, reliability, technological level), related intangible factors (safety, health), accessory services, economic conditions. Each aspect must be carefully examined both to see whether it really satisfies the needs, expressed or not, of the users and to modify, if necessary, the strategic choices already implemented.

For instance, a technological innovation may be considered important for its impact on the supply of services and, consequently, may constitute an element which, during the evaluation of the strategic project, prompts the introduction of changes.

The analysis of the environmental context also involves examining the “competitive system” so as to find out how it is composed through the identification of structures supplying similar services and those involved in complementary activities. This knowledge can be reflected in strategic decisions in terms, for example, of redefinition of the services combination and/or the customer segment.

The result of such observations may lead to a consideration of the need to enter into processes of aggregation and co-operation with other non-profit organisations

⁵ For this analysis, we have chosen to use the *business formula* model described by Coda, introducing the necessary modifications imposed by the object referred to (see Coda, 1984, pp. 7-8).

in order to find the appropriate set up for the organisation's goals. This evaluation may even lead to a new formulation of the mission itself.

Another variable to keep in mind is represented by the "social stakeholder system", in other words those subjects addressed by the organisation who in some manner expect to influence the life of the organisation.

This is a variable with a complex composition, as it includes stakeholders with very different motivations. The analysis conducted aims to verify the existence of a balance of contributions and agreements requested on the one hand and satisfaction, trust and cohesion achieved on the other. The energy and resources needed by the organisation will only be produced in a climate of decisive and compact support.

It is therefore essential during the phase of re-examination of the mission and its strategic goals to verify the existence of conditions for a growing consensus on the part of the stakeholders. Extending to every stakeholder what was previously said here about the employees, the organisation must make every effort to valorise each individual's contribution, taking into consideration both motivations and aspirations. These must, on a general note, fit in with the organisation's goals and harmonise with them: thus requiring continuous adjustments of their respective positions.

Lastly, another variable to be taken into consideration is represented by the "structure" of the organisation in its broadest sense, in other words not only the organisational structure, integrated by operational mechanisms, but also the tangible and intangible assets, which, together, enable the economic unit to commit itself to the realisation of its mission.

It is necessary to evaluate the existence of a qualitative and quantitative balance of all the components. It is also necessary therefore to verify the correspondence of the existing resources, considering both their technical features and the amount available to the resources needed to support the supply of the requested services. Even the control procedures mentioned here may cause modifications to the strategic project.

This, however, inasmuch as it is frequently rectified and redefined in the light of changes occurring to important variables, encourages the formation of a strong culture, rooted in shared values, which, over the years, becomes a powerful motivational device. In this way, by calling for commitment to the realisation of the mission, such "culture" will also create the most favourable conditions for attracting the resources and collaboration required.

As explained previously, a continuous re-examination of the mission and its strategic goals, the activation of the related process of planning, programming and control and, consequently, the compilation of a report presuppose the existence of a

“multidimensional” information system⁶, able to meet very different cognitive needs thanks to the numerous and diversified variables it analyses. It is also evident that the role of the control system is highly influenced by the existence of an efficient information system.

With reference what has been said, it does not appear possible to give a scientific justification for the distinction between the profit and the non-profit organisations as regards control procedures.

It is essential, however, to distinguish the activities developed by the non-profit organisation for the purposes of planning distinct mechanisms to guide and assess management and to understand processes of change through a specific examination of the important variables. It is obvious that such variables will vary according to the different types of non-profit organisation and will also vary from one organisation to another within the same sector, as they reflect different management situations.

Each unit must therefore select its own control instruments, best suited to identifying the correspondence of its decisions to the social needs of the users and to assessing the degree to which the institutional goals have been achieved in a situation of economic and financial equilibrium.

3. Control instruments in cultural organisations

We wish to focus our attention on the cultural organisations within the non-profit sector. Aimed at the organisation and management of artistic and cultural activities this category includes widely differing situations, given the breadth of the accepted meaning of “art”. However, considering “art” as a form of “knowledge”, the cultural organisation aims to maximise its diffusion through the utilisation of various mechanisms of communication so as to widen the cognitive horizons of members of the community⁷.

The institutional goal of a cultural organisation is to increase the advantage perceived by the consumer of goods or artistic and cultural services, the characteristics of which are intrinsically educational and formative. The benefit produced may be identified in a greater capacity for assessment and critical judgement, in other words, in the perception of the message conveyed by the new assets or artistic and cultural services, which add to the body of knowledge already acquired⁸.

⁶ The accepted meaning of information system given by Santi (2000, pp. 63 ff.) is particularly appropriate.

⁷ On this subject, Spranzi speaks about «economia della diffusione della conoscenza artistica» and sets out an artistic policy aimed at optimising the learning process (see Spranzi, 1994).

⁸ For an in depth investigation of these subjects, see: Di Maio (1999); Santagata (1998b); Trimarchi (1993).

Artistic and cultural activities are both numerous and diversified⁹. For the purposes of this study we will limit ourselves to considering the units belonging to the so-called *visual arts* or *cultural assets*, including museums, galleries, libraries, historic buildings (buildings of architectural interest, monuments, churches), and archaeological excavation sites.

Such elements preserve a rich historical, artistic and cultural heritage. It is what connects the past to the present and the present to the future and its valorisation is an act of respect towards past history and future generations (Bertini, 1999, p. XIX).

This is the reason why this vast and rich heritage requires not only “protection” and “conservation”, but also “management”: in short, “valorisation”. More specifically, artistic and cultural heritage is valorised through the communication of its wealth, so that the bigger it is the larger, even if more complex, is the valorisation activity. The success of the valorisation of artistic and cultural assets presupposes the existence of an organisation, which aims not only to strengthen and develop culture, but which also satisfies pure and specific principles of business management.

This is therefore the profile of the cultural organisation in which a synergy may be created between institutional goals and their economic dimension. A synergy capable of strengthening the vision of such an organisation as an open system able therefore to interact with the outside world environment and to present itself as a factor of political and economic importance, thanks to its interdependence with numerous social and economic variables at a local and, often, at national and international level, as well as for its unquestionable, direct and indirect effects in terms of income, investments and tourism (Varaldo, 1998, pp. 29-33).

It is nevertheless important to specify that we cannot imagine the management of the artistic and cultural heritage without the existence of a widespread consensus between external stakeholders and internal operators regarding the mission and strategic decisions of each single organisation (museum, library, archaeological site, etc.).

On the one hand, the community must show its appreciation of the choices made relating to the protection and conservation of the heritage, its valorisation and the promotion and communication of culture.

On the other hand, the members of the organisational structure must agree on the mission and the strategic goals, committing themselves to their achievement. All this would be more efficient with the activation of adequate operational mechanisms, such as the information system, the planning, programming and control process, the techniques for personnel management, and the use of qualified and competent administration.

With such premises, in the cultural organisation, as well as in every non-profit organisation, the performance of management activities will naturally be orientated

⁹ For a view of artistic and cultural activities, see the review by Paola Dubini (1999, p. 8).

towards the pursuit of efficiency and profitability and therefore not only ensure the maintaining of conditions of survival but also achieve a growing social legitimisation and, consequently, a greater ability to achieve the goals, so that the cultural mission itself proves strengthened.

It is the establishment of a “company culture” which ensures the achievement of efficiency and of quality of the service offered with a minimisation of costs and a maximisation of benefits. All this, aimed at valorising the heritage of the institution itself and, more generally, at adding to the cultural foundations of the community produces clear social benefits.

The operators of this sector are starting to consider the cultural institution as an enterprise, that is, they realise the importance of the role played by “company culture” in such a context, and are increasingly committed to its establishment and development. In this way an environment which encourages the use of control instruments is created which by improving communication and stimulating the participation of all the stakeholders, helps to achieve the institutional goals, the efficient use of resources and the long-term economic equilibrium.

In conclusion the same considerations, already expressed for the non-profit organisation, are also true for the cultural organisation. Specifically, it may be said that the existence of a control system in such an organisation positively contributes to the achievement of its goals, which may be summarised as social effectiveness and operational efficiency, generating agreement and collaboration around them.

However, it is not easy to choose the right instruments for carrying out the control procedures of such a unit.

In general, the traditional instruments, such as financial accounting, cost accounting, budgeting and reporting, can be used, so long as they are modified to pick up the specific features of each management circuit.

Some of them (financial budget and report) are particularly relevant because of the difficulties presented by financial management in a cultural enterprise. In fact, a situation of lack of liquidity or financial *impasse* does not only produce negative economic effects, but influences the realisation of the mission, slowing down, due to scarcity or lack of resources, the development of actions aimed at valorising the heritage. It is therefore essential for the monetary and financial situation to be constantly using suitable methods.

However while on the one hand all the instruments described substantially outline the economic and financial dimensions of the operations and provide important information for the verification of its operational and economic efficiency, on the other hand, they contribute little or nothing to the measurement of the effectiveness with which the institutional goals are pursued.

In this regard performance indicators can however play an important role: by being based on non financial quantitative and qualitative expressions of management they can better express the effect of knowledge accumulation.

Even though the supply of culture is intangible and, consequently, difficult to measure, suitable parameters need to be chosen which permit the measurement of its formative and communicative effectiveness.

It should not be forgotten that the mission of such an organisation is to perform an important function in the production and communication of culture. So it needs to have an internal control system which shows how the management processes are planned and enforced and ascertains the extent to which the actions taken meet the users' expectations and increase the individual heritage of knowledge.

The *performance indicators* must be constructed so as to monitor the most important aspects of company activity and thus meet the information needs of external stakeholders and internal employees which would otherwise remain unfulfilled.

Of the many indicators which may be constructed, the most important are the *social benefit indicators*, which by expressing the performance level of the cultural activity carried out in a synthetic manner, are obviously a matter of considerable importance to all the stakeholders.

Such parameters, however, are not easy to measure, since it is almost impossible for their value to consider the many and very different factors, above all the external factors which contributing to generating or curtailing benefits to the community. Moreover, the complexity of their determination depends on the difficulty of identifying the direct relations that link the cause (the action developed by the organisation) with the obtained cultural effect. For these reasons, *social benefit indicators* are usually expressed in very general terms.

Of the parameters that the cultural organisation can use, those aimed at measuring the communicative efficacy of the use of its services, the extent to which its ability to communicate reflects the users' perception of it and the relationship between knowledge/fruition appear significant.

From a practical point of view, any attempt to measure the communicative efficacy of a visit to a museum, historical building, archaeological site or library requires the setting up of instruments, which enable the "communicative ability" of the relevant organisation to be investigated. Such ability may be correlated to both the organisation's internal factors, specifically to the composition and quality of its offer, and external factors, mainly the social and cultural characteristics of the users.

Usually, any assessment of communicational impact has been conducted through interviews¹⁰ aimed at identifying the how much the users of the services have learned. Such interviews have been conducted using questionnaires, which clearly factored in internal and external elements thought to be significant for the

¹⁰ Many surveys have been carried out on random samples of museum visitors. Solima describes the different choices taken as regards filling out the survey: in some cases, it was done immediately after the visit, in others, a long while after the visit to verify its depth of impact on the system of knowledge at an individual level (see Solima, 1998, pp. 235 ff.).

survey¹¹. It is clear that the effectiveness of such surveys increases with the possibility of repeating them at regular intervals.

In order to assess the extent to which the user's perception corresponds to the communicative ability of the cultural organisation, it should be remembered that this is influenced by very different elements. Among the most important are a mistaken interpretation by the organisation of the cognitive patterns of its "customers" and modifications to everybody's system of individually acquired knowledge upon which the construction of attributed meanings at a subjective level depends.

This indicator is able to create communicative harmony between the cultural organisation and its audience. It is undoubtedly effective, even if expensive, to assess it both on a "preventive" basis, of identifiable expectations, and in a "concomitant" manner by directly observing behaviour or periodically gathering information by means of interviews – and afterwards – by evaluating the answers given by the users even taking into account the effects of the corrective actions implemented during the period of time in which the survey took place (Solima, 1998, pp. 239-240).

Another interesting social indicator is represented by the relationship between knowledge/fruition, which synthetically expresses both the popularity of a specific cultural organisation and the attraction it exercises compared to potential demand. From this indicator information may be obtained regarding the public's knowledge of the organisation and on the behaviour expressed by how it is actually used, information which will certainly prove useful in seeing how the demand is split up.

Due to the difficulty of measuring the social benefit indicators and considering the high cost this measurement implies, their use is quite limited so that other parameters need to be identified to make the control procedure more effective. Among these the *outcome indicators* appear particularly significant¹².

¹¹ As an example, we may consider the variables introduced by McManus in his model for the assessment of visitors' learning at a temporary exhibition (see McManus, 1993).

¹² Other performance indicators that can be constructed are the program benefit, output and input indicators. The following is an explanation of their meaning, considering that these parameters have a different content varying from one organisation to another, even within the same cultural sector.

The *program benefit* indicators show the financial flows arriving from different channels to the economic unit. In a cultural organisation, these may include the revenues from the services supplied, the contributions and donations by private individuals and public funds. The function of such indicators is to measure the degree of financial independence of the management and the ability to generate resources.

The *output* indicators are non-economic or financial measures of the volume of activity performed. They are easy to verify and immediately comprehensible as far as management control is concerned.

The *input* indicators measure the quantity of the productive factors used in performing management. They are productivity indicators which express the efficiency with which specific resources have been used and are therefore defined in relation to them.

Completing the description of performance indicators are the cost indicators, which measure the economic effects produced by each single operation. To make management control more effective, these indicators must be referred to management circuits identifiable in each operational body. The distinction between indicators used in this paper is the same as the one proposed by Ziebell and

Each of these may be used to obtain the representation of a specific aspect of management. In order to get to a broader perspective of the company activity, a group of well co-ordinated parameters needs to be constructed which enables the identification of the interdependencies in existence between the various aspects.

Their use permits a reflection to be made on the quality of the work done by the organisation and the identification of possible corrective action. Considering that “quality” is the real essence of “art”, the assessment of management of the artistic and cultural heritage cannot be ignored¹³.

This implies that the quality of the people (employees and volunteers), of the processes and services should be planned considering that the dissatisfaction of the user derives from an incapacity of the services to meet his explicit needs and/or from the fact that his implicit needs have been overlooked. Vice versa the user’s satisfaction results from the comparison of the quality perceived and the expected level of quality, determined by implicit and explicit needs.

If it appears evident that the cultural organisation should pay ongoing attention to quality, it is also true that quality is extremely difficult to define, manage and measure. This should not however discourage attempts to construct specific indicators which prove useful in any case even if indirect and approximate¹⁴.

The outcome indicators are non-financial expressions of the benefits deriving from management activity. They may be immediate and very easy to obtain and interpret (such as those described below) or more abstract and elaborate and, consequently, more complex to measure (such as those related to quality).

For example, inside a museum, archaeological site or library, the actions aimed at increasing the individual’s cognitive heritage and at spreading culture throughout the community, can be assessed by means of the following indicators¹⁵:

- the increased number of visitors to a museum or readers in a library (comparing the figures over time);
- composition of users (observing the variations over time);
- accessibility to the structure (observing changes in the opening hours);
- enrichment of the collections or of the volumes¹⁶.

DeCoster (1991, pp. 165 ff.). It is interesting to observe the application of the Ziebell and DeCoster model by Santi to two types of non-profit organisation (see Santi, 2000, pp. 82-86).

¹³ The qualitative level of artistic and cultural goods and services, being of great significance as regards user choices, must in any case be controlled regardless of the difficulties of obtaining such information. On this subject, however, Trimarchi observes: «the qualitative aspect, despite the difficulties of assessing and measuring it, is also of dubious identification». In making such a statement the author wants to emphasise the difficulty of succeeding, despite empirical analysis, in reflect the perception of quality as perceived by the users (see Trimarchi, 1993, pp. 103-104).

¹⁴ On this subject, Anthony and Young make some interesting comments. Despite adopting a different classification of the performance indicators as the one used here they examine the features of such in detail. (see Anthony and Young, 1992, pp. 391 ff.).

¹⁵ Dubini proposes other examples (1999, pp. 165 ff.).

Certainly, the construction of a group of well-related performance indicators, facilitates the carrying out of an in-depth control procedure.

The operation, though, presents various problems to be dealt with.

The first, implied by the previous considerations, concerns the identification of parameters which express management performance.

The second lies in evaluating how worthwhile it is to have a system of indicators available which entails considerable costs but the benefits of which are not always significant.

Lastly, a third problem is the organisational environment already existing in the enterprise. The effectiveness of a system of performance indicators, as is the case with other control instruments, requires the employees, at all levels of the organisational structure, to be motivated in their own tasks and to feel involved in the realisation of objectives, showing themselves as resourceful and inclined to experimentation. In other terms, through their individual and collective behaviour, all the subjects must show a willingness to accept the changes suggested by signals emerging from the control process.

In the final analysis these observations confirm that a control system will only be effective in a cultural organisation where a genuine “managerial culture” is present.

3.1. Utilisation of the balanced scorecard

The control model set up for the cultural organisation, which may be extended with the necessary modifications to all non-profit organisations, is systemic. In fact, it contains many important variables which express the different relevant aspects at a strategic level that need to be integrated and balanced.

This activity of interrelation and co-ordination may be performed using a specific strategic control device: the *balanced scorecard*¹⁷. This is a balanced system of parameters which aim to express the degree of achievement of the strategic goals.

While specifying that no performance indicator can, by itself, completely express the complex dynamics of the enterprise, this device is based on the construction of an

¹⁶ The proposed indicators represent a small part of those which can be constructed for a cultural organisation. It does not however appear appropriate to indicate others with the danger of over generalising since this control instrument must meet specific cognitive requirements which vary from one organisation to another. One may not, in fact, assume that the same group of indicators is suitable for correctly interpreting the management of different cultural institutions such as, with reference to the Florentine situation, the Spadolini Foundation Library and the National Library or the Uffizi Gallery and the civic museums such as the Brancacci Chapel or the Collection of Contemporary Art Alberto della Ragione.

¹⁷ Kaplan and Norton introduced the concept of the “balanced scorecard” in 1992 (see Kaplan and Norton, 1992, pp. 71-79). Subsequently the concept was examined in more depth and perfected by the same authors, thanks to the results of the experiences of many organisations and to the contributions of other academics. For a picture of the important works on the subject, see the bibliographic review edited by Colombo and Moro (2000).

organic system of opportunely correlated parameters and is thus able to formulate a general assessment of management. Such parameters, then, must enable an explanation of the cause-effects which generate the company results, observing from a specific perspective the internal and external variables of the firm.

The balanced scorecard, according to the definition given by Kaplan and Norton (1992), is an instrument which measures the performance of the organisation by means of the following four perspectives (or dimensions), defined according to those considered fundamental for competitive success (Fig. 6.2):

- financial perspective;
- customer perspective;
- internal business perspective;
- learning, innovation and growth perspective.

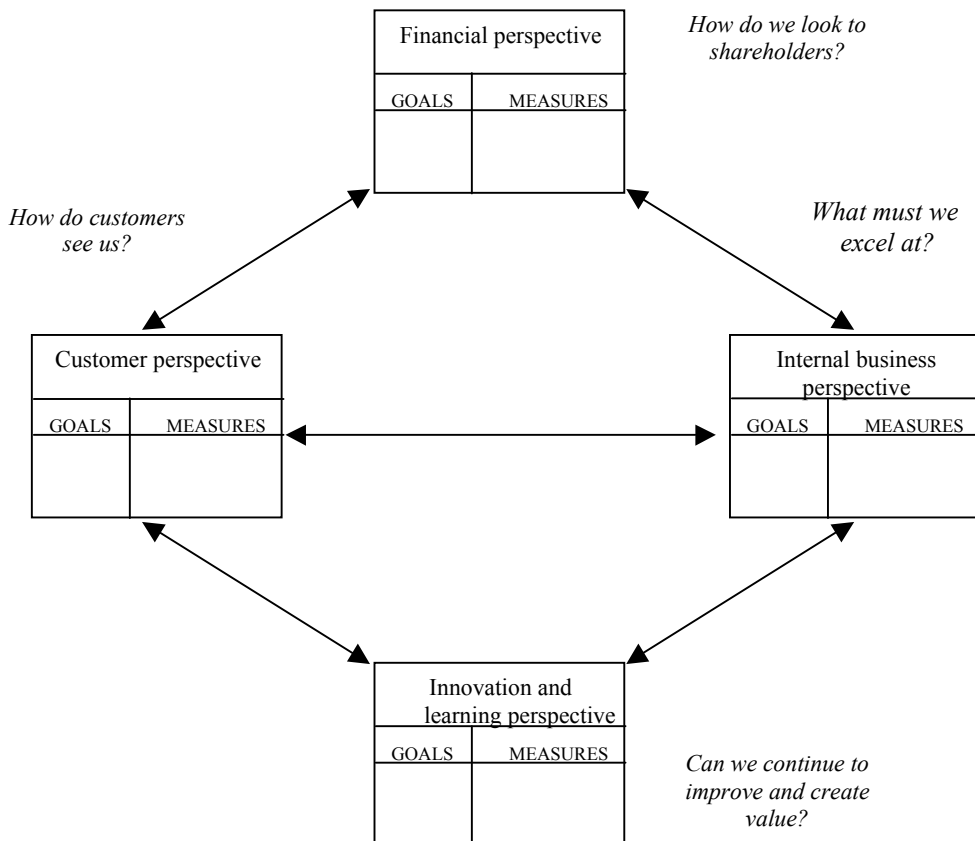


Fig. 6.2 – The balanced scorecard

Source: Kaplan and Norton, 1992, p. 72.

The balance of such dimensions is achieved insofar as the economic, financial and monetary parameters are connected to the physical and technical ones, just as the process indicators (orientated within the organisation) are integrated with the outcome indicators (projected towards the outside).

The above mentioned perspectives, considered from a systemic viewpoint, thus become the basis for a planning and programming process aimed towards the strategic goals and help to create greater involvement of the organisation. In fact, the identification and the definition of the goals to be achieved in each dimension requires all the operators to be responsive to the different problems and stimulates their collaboration.

This having been said the balanced scorecard appears to be a valid device for the strategic control of the cultural organisation, bearing in mind the many variables that such an organisation must co-ordinate and add to.

Its use within such a unit imposes, however, the introduction of considerable modifications to the basic structure. In fact, the cultural organisation's financial perspective, originally placed at the top position, must be considered as a function of customer perspective, here replaced by the institutional subject's perspective.

Consequently, the balanced scorecard will be constructed by putting the *perspective of the institutional subjects* represented separately from the *social stakeholders' perspective* and the *perspective of the users* of the supplied services at the top. This is because the described organisation:

- appears to the first with its own program of choices regarding both the acquisition and the safeguarding of the artistic and cultural heritage, as well as the realisation of initiatives for cultural promotion and communication;
- addresses the second with its offer of culture deriving from the performance of its main activities, often integrated with communication and support activities and with complementary services, generally created to increase the cognitive heritage of the community.

From both categories of subjects, the organisation expects positive answers, which can be seen, on the one hand, in the attendance of the public to its structures for the exploitation of the proposed services and, on the other in the allocation of financial contributions from private subjects and public bodies. In a general overview this behaviour shows the organisation in question the degree of consensus achieved by its choices for the enhancement of its heritage.

In the balanced scorecard of a cultural organisation, therefore, the two perspectives described are at the top. Naturally, the strategic goals are fixed for each of them.

Then the internal processes which create value for both the subjects are identified: in other words the activities to be developed and new ones to be activated, within the framework of an economic and financial balance, are chosen. This requires, as a result, that employees at all levels are informed of the objectives

to reach and that they agree with them, thus committing themselves to their achievement.

Such considerations, in line with the basic philosophy of the instrument being examined, lead to a reformulation of the balanced scorecard as first represented (Fig. 6.3).

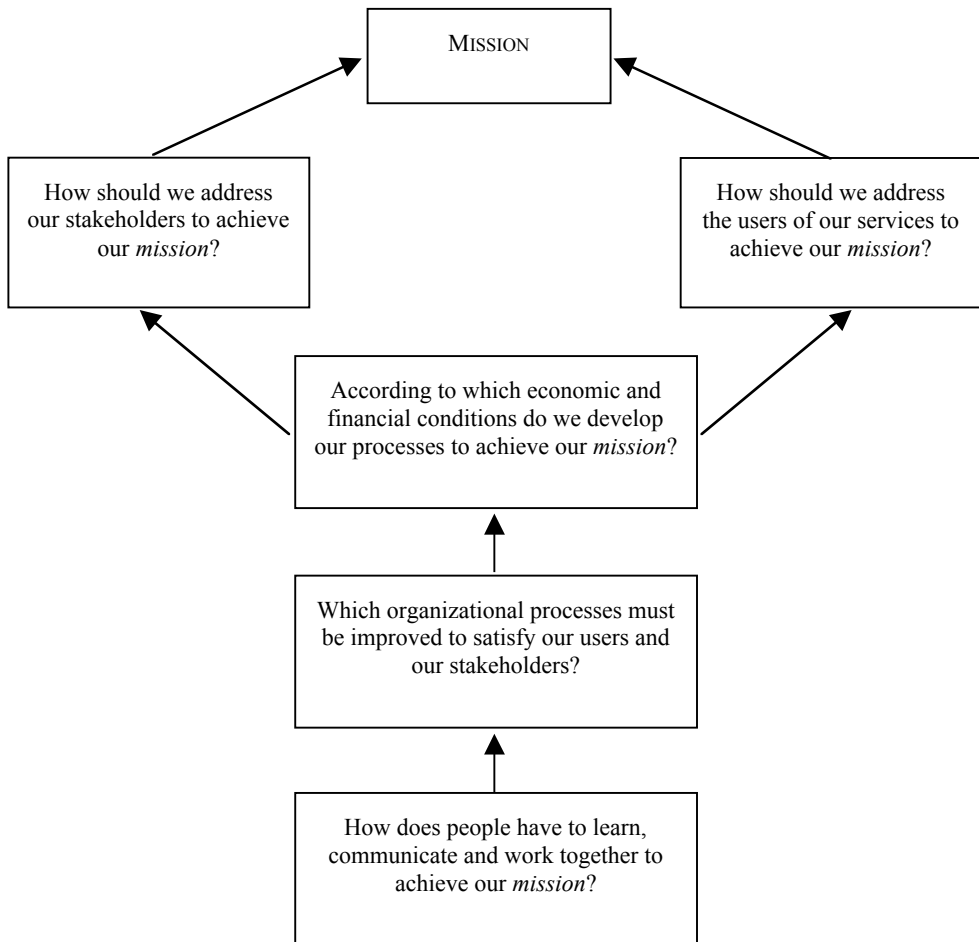


Fig. 6.3 –Adaptation of the original model of the balanced scorecard in the cultural organisation

Source: Our elaboration of the model proposed by Kaplan and Norton (2001, p. 135).

From the proposed model, it can be inferred that its construction requires:

- a preliminary and accurate process of strategic analysis to be reactivated any time that important changes related to internal and external factors suggest such a necessity;
- the research and interpretation of cause-effect relations, at least among the main variables of the context in which the organisation operates;
- the necessity of focusing the control procedures on social and cultural aspects and the identification of other expressions of management operations (economic, financial, monetary and technical) to complete the cognitive picture¹⁸.

It is clear that the development of such activities encourages a responsiveness and inclination to collaborate between organisational positions of varying hierarchic levels as well as the integration of information and decisions. Each subject is called to act not just according to the specific functions attributed to him, but also to the strategic goals of the organisation. These therefore need to be known to all, just as everyone must be given information which is as accurate as possible about the factors affecting their single contribution to the achievement of the mission¹⁹. Such factors, including aspects of activities of individual competence and responsibility and other correlated activities, need to be regularly monitored with suitable performance indicators.

It should therefore be emphasised that to respect the objectives indicated in the balanced scorecard all the people involved are induced to compare their choices, to exchange data and information to create an environment of transparency and collaboration even as far as the purely operational decisions are concerned.

Moreover, this type of behaviour, by encouraging continuous attention towards the variables external to the organisation, stimulates the employees to acquire information about the impact of their own decisions on users and stakeholders and, therefore, encourages them to evaluate the effects of such choices in terms of social effectiveness, efficiency and quality.

In short, the influence of the balanced scorecard on the behaviour of the single subjects facilitates the diffusion of the business culture within the organisation.

By analysing how the balanced scorecard is constructed, it can be seen that the first step to take is the definition of the mission.

Generally, in artistic and cultural institutions, the mission is duly formulated and described in the charter and/or the statutes. However, it can also be seen that that management choices, almost independently of such, are directed towards the pursuance of operational efficiency and are therefore mainly aimed at reducing costs, limiting errors, shortening waiting times and accomplishing specific tasks.

¹⁸ See on this subject: Bubbio (2000) and Toscano (2000).

¹⁹ About this subject, see Scannerini (1997 and 1998).

On the contrary, the mission should not occupy a marginal position, but since it is the very reason for the existence of the organisation, must be placed in a prominent position and clearly expressed to represent a guide for management activities and an opportunity for dialogue between the stakeholders.

Undoubtedly, every cultural organisation has its own mission, which determines its planned actions and the role it wants to play in the social context.

However, the attempt to elaborate a balanced scorecard applicable to any unit operating in this sector requires a definition of mission which generally holds true. As already said, this may lie in the acquisition, conservation and safeguarding of artistic and cultural assets, in the promotion and the diffusion of culture, in the enhancement of the cultural and artistic heritage.

In keeping with this formulation of mission here are some of the objectives which might characterise the different perspectives identified (Fig. 6.4).

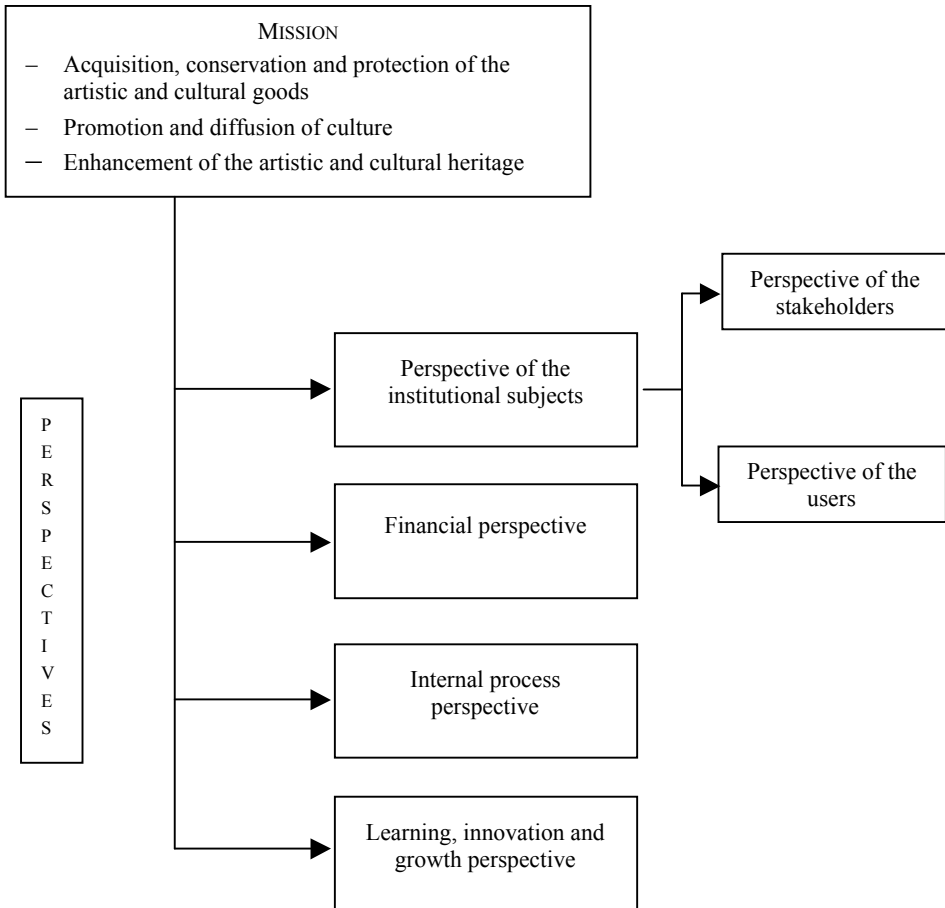


Fig. 6.4 – Relationship of mission and perspectives

(a) Institutional subjects perspective

Interpreting this perspective in extensive terms it has been thought fit, as already said, to place the perspective of the *users* or the final consumers of the cultural services in a separate position from that of the *stakeholders*, in other words all those public and private subjects interested in the activity performed.

The institutional subjects, despite all being interested in the mission and participating through their direct or indirect choices in its realisation, are motivated by different, sometimes conflicting reasons.

Hence, it is logical to state that the cultural organisation, like any economic unit, must identify its “customers” and the “segment or segments of the market” in which it wants to compete.

But here the weakness of our organisations becomes apparent. It is true they are aware of being the hub and the producer of culture and not to a mere warehouse or lab for cultural objects, but the management is inclined to attribute to the protected heritage a limited function of specialist learning instead of proposing its use to the entire community, that is, soliciting all to approach it and satisfy their own needs of knowledge²⁰.

The concrete difficulty in creating this aperture derives from the fact that the programming of cultural institutions’ activities often veers away from the needs, desires and opinions of the community. After all, it is not easy to assess the experience or motivation of each single potential user. Moreover, a practical examination shows the demand for cultural services to be characterised by a high degree of heterogeneity and dispersion and by a diversification of the willingness to pay for the service offered²¹.

However, despite the difficulty in identifying these elements, they must be known to the cultural organisation so that it can define its “system of products” in relation to the segment or segments of interest²² and consequently develop the goals within the users’ perspective.

Moreover, the cultural organisation must analyse the “competitive system” surrounding it in order to create links with other cultural institutions, universities and local, national and international associations. Such initiatives, as well as increasing the number of users, also improve the organisation’s image and strengthen its reputation to the evident satisfaction of all the stakeholders. Such

²⁰ An illustration of the relationship between the cultural organisation and its public is given in the statement by Cumming during his seminar on “The management of change in museums”, held in 1984: «Too many visitors damage the structure of our buildings and the objects displayed there, thus increasing the costs of maintenance; if, however there are too few visitors, we witness a form of failure and immediate organise for surveys to be conducted on the public» (Lumle, 1989, p. 245).

²¹ Di Maio distinguishes the following typologies of demand: learning, recreation, research, conservation, consumer goods (1999, pp. 73 ff.).

²² With reference to museums, Neil Kotler and Philip Kotler evaluate the marketing instruments and techniques useful for conducting a market survey. See Kotler N. and Kotler P. (2000).

opportunities must be known of and analysed to establish the specific objectives of the stakeholders' perspective.

(b) Financial perspective

Here attention is focused on the conditions of economic-financial equilibrium as well as on the resources acquired and consumed.

These two aspects are closely related. It should be considered that in cultural organisations, economic management is characterised by a high incidence of important structural fixed costs, by a rigidity of the productive processes and by the extremely limited nature of the service sale revenues. This creates an evident problem for the economic, monetary and financial situation.

The origin of all this may be found in the nature of the managerial operations. In fact, the enhancement of the artistic and cultural heritage, involving the performance of numerous and very expensive activities (the purchase of works, their conservation through normal or special maintenance operations or restoration, their exhibition), requires the availability of large sums.

As is known, the funds for cultural organisations come mainly from the public sector: despite constraining elements and limitations these actually finance a part of management activity. They are necessary contributions but not always sufficient to cover the overall financial needs.

Besides, public funds are slow to be assigned and thus risk compromising the solvency of the cultural organisation.

All these aspects together create a situation of monetary and financial unbalance, which the management bodies can avoid or control with ongoing initiatives focused on obtaining resources from the private sector or from other sources.

In the light of all this, it is clear that only with adequate coverage of the financial needs can the foundations be laid for a lasting life of the economic unit in fact, while respecting the limitation of the achievement of economic and financial equilibrium, the organisation can efficaciously develop a social and cultural action, realising in this way its own mission.

(c) Internal business perspective

This perspective regards the identification and monitoring of the business processes which create value for the users and the stakeholders.

To this purpose, with reference to the processes deemed critical, efforts to increase their effectiveness and quality should be intensified after having carefully verified how they are performed. This may obviously lead to the introduction of innovations in the process and/or in the service.

To accomplish its mission, the organisation cannot just continue to perform the same activities, even if improving the conditions of their enactment: the organisation should also carry out research to identify new, complementary or

support activities able to increase the satisfaction of both users and stakeholders, within the logic of global economic efficiency.

(d) Learning, innovation and growth perspective

Attention is focused on the goals and their measurement parameters, which together guide both learning and organisational growth.

Learning is to be considered as referred to both individuals, in relation to the improvement of the social effectiveness and the operational efficiency of the activities they are responsible for, and the organisational bodies, in relation to the innovative potential of the services and the processes needed for their realisation. Consequently, individual learning is strictly related to the accomplishment of the broader process of organisational learning.

The latter is the essential requirement for successfully achieving the goals which characterise the other perspectives.

This dimension is based on the following aspects:

- employee and volunteer skills and spheres of duty;
- information system;
- motivation, sense of responsibility and involvement of the employee.

Evidently, the improvement of the processes and the satisfaction of users and stakeholders must be compatible with the skills of the personnel, who must be offered the training necessary for the achievement of the new goals.

It is also clear that for the personnel to operate as efficiently as possible they need prompt feedback which enables them to see the effects of their decisions on the different perspectives.

However these conditions are necessary but not sufficient in themselves to guarantee the achievement of the mission: the decisive element is the motivation of the employee to act in the interests of the organisation. And such motivation needs to be continuously controlled and solicited by means of adequate mechanisms.

Such considerations, directly referring to the internal operators of the organisation, may also be extended to the external stakeholders. In fact, open and effective communication activities addressed to the community involved activate a process of individual learning on the part of its members. This process represents an opportunity for elaborating and transmitting shared values, to produce innovation, to start a debate on new subjects and to contribute to the satisfaction of the demand for “knowledge”.

The more this process spreads, the more public responsiveness and the attention paid to art by groups of subjects grows as does the education of the public towards respect for its artistic and cultural heritage.

Such considerations are briefly reported in Tab. 6.1. This balanced scorecard does not aim to be an operational proposition, but an occasion to try to co-ordinate

Tab. 6.1 – The balanced scorecard in the cultural organisation

PERSPECTIVE	STRATEGIC GOALS	RESULTS (measured with performance indicators)	
Institutional subjects	Stakeholders	<ul style="list-style-type: none"> • Cultural growth • Responsiveness and learning about “art” • Identification of the competitive system • Information about results 	<ul style="list-style-type: none"> • Appreciation of the stakeholders (measured with social benefit and outcome indicators)
	Users	<ul style="list-style-type: none"> • Identification of the users • Identification of the competitive system • Information about results • Quality of the service 	<ul style="list-style-type: none"> • Satisfaction of the users • Growth of the users (measured with outcome and output indicators)
Financial	<ul style="list-style-type: none"> • Stability of the long-term economic equilibrium • Achievement of monetary equilibrium during ongoing management performance • Increase of the amount of funds collected 	<ul style="list-style-type: none"> • Economic results of the management circuits • Overall Operating result • Cash flow • Program benefit, input and cost indicators 	
Internal business processes	<ul style="list-style-type: none"> • Improvement of the critical processes with the offer of efficient services • Development of a research process 	<ul style="list-style-type: none"> • Critical processes orientated towards quality • Development of complementary and support services • Innovation of processes and/or services 	
Learning, innovation and growth	<ul style="list-style-type: none"> • Development of effective information systems for internal and external communication • Personnel training • Wide involvement of personnel • Open and effective communication towards the personnel and the public 	<ul style="list-style-type: none"> • Fast and effective diffusion of information to the subjects concerned • Personnel productivity • Personnel satisfaction • Public responsiveness and respect of the artistic and cultural heritage 	

and integrate the numerous aspects of strategic importance in the cultural organisation.

As previously said, the construction of the balanced scorecard requires that for each perspective parameters able to measure the established goals are defined. Such a device translates the mission and the strategy into reachable goals and succeeds in establishing a balance of apparently contrasting targets. The formulation of the goals by means of adequate parameters also facilitates the alignment of initiatives taken on an individual and inter-functional level in pursuance of a common goal.

The application therefore of the balanced scorecard may not to be achieved without a system of performance indicators. The previous considerations about the use of such indicators within the cultural organisation for the measurement of its social effectiveness and operational efficiency remain valid.

7. The enhancement of art assets through the establishment of foundations: the case of the Marino Marini foundation in Florence

*Francesca Papini and Niccolò Persiani**

1. Introduction

Professionals, scholars and lawmakers have taken a significant interest in museum institutions for the past 20 years.

This is without a doubt due to the growing importance of tourism both as an economic sphere and as a factor of development in many areas of Italy. Specifically, in Italy, which may be considered the home of the museum par excellence, growing attention is being paid to museum phenomenon and the search for increasingly innovative management solutions or innovations in the promotion of an enormous art heritage inherited from thousands of years of history.

However, how a museum is created, how it develops and even the definition of the word itself is not always clear-cut either in teaching or in the minds of the professionals operating in this field, who accept a many sided definition, the result of an extremely complex historical evolution.

In fact, a museum has been defined as

a non-profit making, permanent institution in the service of society and of its development, and open to the public, which acquires, conserves, researches, communicates and exhibits, for purposes of study, education and enjoyment, material evidence of people and their environment¹.

While appreciating the attempt to find a definition, one cannot deny that different concepts of a museum as an institution coexist and are, at times, even antithetical. In fact, the above-mentioned definition is the result of a compromise

* We would like to thank Dr Carlo Sisi, who is the Head of the historical, art and demo-ethno-anthropologic heritage of the provinces of Florence, Prato and Pistoia who allowed us to carry out our research at the Marino Marini Museum and to Dr Gabriella Sorelli for her availability and co-operation. This contribution is the result of the joint research work of Niccolò Persiani who wrote Sections 1, 2 and 6.1 and Francesca Papini who wrote Sections 3, 4, 5 and 6.2.

¹ Statutes of the International Council of Museums (ICOM) Art. 2.

between a range of historical, geographical and tourist experiences of such bodies, the result of centuries of historical evolution.

How is a museum founded? It is definitely created by private and “court” collectors; in fact man has always tended to collect works of art both for personal prestige and as a symbol of power. This unappeased tendency reached its height during the early Middle Ages when it became a fashionable must for ruling families (consider the private collections of the Gonzagas’, Montefeltros’, Estes’, Viscontis’ or Medicis’).

Yet, we are still far from the modern concept of a museum, as those collections were private and access was only granted to them on specific invitation or as an act of liberality².

Nonetheless, museums certainly received their greatest impetus from these collections. In fact, the whole concept of public use of “art treasures” started to spread during the early decades of the 18th century.

This awareness, along with the desire to keep art collections intact gave rise to the first donations and legacies to academies or institutions that were to enable the public enjoyment of works of art. In fact, the first European museums³ were formed from these collections as a means of preserving and exhibiting the art heritage accumulated by entire generations of a family.

The concept of the public enjoyment of an artistic asset as a right was greatly emphasised at the time of the French revolution, leading to the nationalisation of the crown assets belonging for the most part to French noble families and the clergy⁴.

Such assets, which before the revolution were considered as elite privileges subtracted from the masses, were therefore exhibited in public as public property.

Not even the Restoration and the Vienna congress managed to change such an established trend. The Enlightenment and the Age of reason imposed a new concept of history and art, extending the right of knowledge to everyone.

Thus, museums were created as public bodies which took shape from collections offered for the enjoyment of the people through public or private initiative. The concept of public use of art assets brought with it a system of values and objectives immediately adopted by the Museum. On the one hand, it was responsible for conserving, maintaining and restoring the works and on the other properties, while on the other it had a duty to exhibit the works for public enjoyment⁵.

² There were some rare exceptions in the Capitolino Museum (1471) and in the Grifagni collection (1523) as they were opened to the public.

³ It is worth mentioning the donation from H. Sloane to the British government, which gave rise to the British Museum.

⁴ Indeed the Louvre museum was founded in 1793 following the nationalisation of the royal assets.

⁵ Thus, the National Gallery of London was established in 1824 and the Hermitage museum of St. Petersburg was opened to the public in 1840. The Victoria and Albert Museum of London was established in 1840 too. Italy experienced a similar approach which led to the foundation of the

Only recently however have some Museums been turned into study centres thanks to a closer collaboration with scientific institutions. The Museum thus changed from being a “container” for works of art into an instrument for studying the past or the art phenomenon⁶.

2. The development of regulations regarding museum institutions

Italian legislation regarding Museum Bodies was very unbalanced and confused for many years and has only recently become more complete and systematic. In fact, the inefficiencies of Italian museums today can partially be blamed on lawmakers and their enduring lack of interest for such institutions.

The legislative scenario in Italy prior to its unification included many measures that dealt with the subject of cultural assets, although they do not specifically concern museums. All these regulations aimed specifically at guaranteeing the conservation of the art heritage, by means of a series of preceptive rules to avoid its being damaged or dispersed.

Italian lawmakers did not relinquish such an approach for a long time, their primary and often only aim being that of conserving the works or art and historic documents.

This was the spirit behind Law no. 1089 dated 1939 which dealt specifically with the conservation of cultural assets⁷, and which, up to the present day has had considerable influence on the matter.

In fact, the priority given to conserving assets progressively turned museums into simple containers of works of art, while mortifying their corporate and management dimension which was only recently rediscovered.

This static image of the museum was not even changed by the decrees delegating “Museums of local authorities or of local interest” (1970-72) to the regions nor by Law no. 5 dated 1975 establishing the Ministry of Cultural and Environmental Assets⁸.

The museum was still considered as a “container” for works of art, responsible for their conservation and, occasionally, their enhancement.

In this sense, the lawmakers’ decision to associate cultural assets with environmental ones in terms of organisation was significant. The work of art, an

Science Institute in Bologna in 1715, while the Grand Duke of Tuscany opened the Uffizi Gallery to the public in 1769.

⁶ In this sense, the issue of cataloguing, transferring and restoring works of art becomes relevant etc.

⁷ Actually, museums were dealt with in an incidental and instrumental manner in this regulation.

⁸ The limited administrative and financial independence given by these regulations to public museums and the complex system of controls on them should not be underestimated.

essential resource for Italy, still lacked independence; its national management delegated and confused in a wider group of services enhancing the territory.

A meaningful change of approach occurred during the following years when, increasingly, the “museum” came to be seen as a potential resource which could be financially exploited. It was in this sense that Law no. 512 dated 1982 introduced tax relief for any financial support of exhibitions, shows, research, studies, maintenance, restoration and acquisitions within museums.

Similarly, the Gullotti bill of law of 1985, although not resulting in further laws, defined the participation of private individuals in museum activities.

It is interesting to note the change of direction illustrated by these regulations which began to see the museum no longer as being a closed institution limited to collecting and conserving works of art, but rather as an institution projecting its activities externally towards society, with a duty to offer a quality service to the entire community.

The instrument of such change consisted in acquiring new financial and professional resources, through confrontation and the interaction with the world of private business.

Thus, the journey started by lawmakers in the eighties was no longer abandoned. The idea of a museum as a public service in fact was the basis of the bill of law drawn up by the Ministerial commission for the 1991 reform of the museum system. Such proposal contained innovative suggestions regarding the organisation and the management of museums aimed at making them more independent and improving interaction with the public.

Law no. 4 dated 1993 contained the same objective, namely, to make these institutions more comfortable for visitors and to ensure a guaranteed income. In this case too, the basic idea was that a museum must promote and disseminate culture in addition to conserving works of art. In order to do so, it had to be increasingly aware of the expectations and the needs of the public so as to satisfy them adequately⁹.

The same approach can be found in Law no. 352 dated 1997 and in the following Legislative Decree no. 490 dated 1999 (Unified Code of the legislative dispositions regarding cultural and environmental assets, in accordance with art. 1 of Law no. 352 dated October 8, 1997) both of which deal specifically with the relationship between the public and private individuals (museums, companies, voluntary associations), the management of additional services in museums, the relations between museums, schools and the public and the issue of their organisational and managerial independence. In fact, a new type of logic behind

⁹ The law refers specifically to the so-called “additional services”, such as cafeterias, restaurants, cloakrooms, production and sale of reproductions, books, catalogues and gifts to be commissioned to private companies.

museum management could be seen, breaking definitively with the static image which had built up, in part due to the inadequacy of museum laws.

Similarly, the Presidential Decree no. 441 dated 2000, that is the law which included the organisational regulations by the Ministry for cultural assets and activities, emphasised the role played by museums in creating wealth in addition to conserving works of art. The thorough reorganisation of public activities and the focus on museums in fact bode well for suitable development of the sector based on the rediscovery of business principles.

3. The social and economic goals of the museum enterprise

The process of development in economic and financial studies has led, over the past few years, to an exaltation of the “social role” played by companies. As a result, this has opened up a debate on museums’ business goals, institutions with both a “social-cultural” and “economic” role. Understanding the ratio of economics and social issues in the museum enterprise is quite a delicate issue. In fact, to speak of social objectives does not justify «making profit into a demon, sacrificing it on the altar of altruism» since each company must, in any case, find the resources it needs to exist and create wealth, useful to itself but, above all, to the society it is part of.

Economy is a rule of business conduct which is good for any institution and its absence cannot be a means for achieving the other non-economic goals inspired by ethics, morals and politics (Airoldi, Brunetti and Coda, 1994, p. 177).

So it is the search for a balance between “sociality” and “economy” which leads to a process of management reorganisation; the foundations themselves of management need therefore to be reviewed so as to single out a new “way of being” for museums.

The focus is then put on a type of management based on a balance of costs-benefits so that by means of an appropriate information system, it will be possible to identify all the costs the museum enterprise is bearing and all the benefits it is producing for the community.

Certainly there are many application difficulties, especially if one looks at the fragmented Italian museum system. In fact, the differences between one museum organisation and another in terms of the typology of the collection, size, location, services and above all ownership, heavily condition the management and therefore the creation of a valid information system in absolute terms. It is therefore logical to imagine that each museum organisation shall adapt a largely shared reference model to its goals and to the sizes it needs to monitor.

4. Mission, strategic objectives and activity system

The formalisation of a museum enterprise's information system into specific documents must necessarily draw from the definition of its *mission*¹⁰ and strategic objectives. In fact, we cannot neglect the social and cultural aims which characterise the management of these institutions, which contribute to justifying their existence and which condition the "destination of the production" (Marcon and Tieghi, 2000, p. 83).

The mission is formally defined in the Charter or in the Statutes of the museum organisations and generally speaking has three specific functions:

- to protect and conserve the cultural heritage;
- to promote and disseminating culture;
- to enhance the cultural heritage.

In the first place, the museum must safeguard the heritage it contains. In fact, the museum holds the collective memory of a territory and therefore its primary function is to conserve such richness over time. Secondly, the museum, as a privileged cultural context, that cannot exempt itself from its duty to spread those aesthetic, historical and cultural values which make it unique by means of diffusion and promotion. Finally, the heritage contained in the museum must be enhanced, in other words its overall value must be increased in qualitative and quantitative terms, so as to guaranteeing its use in optimal conditions to present and future generations.

The recognition of the museum organisations' function of enhancement calls for the implementation and the organised management of personal, tangible and intangible resources and at the same time, requires an information system¹¹ capable of giving a clear interpretation of the results obtained on the basis of the expected strategic objectives.

The definition of the museums' objectives is strongly linked to their mission. In brief, these may be expressed in terms of social effectiveness and management efficiency (see Fig. 7.1).

Social effectiveness¹² is particularly relevant for these institutions and is expressed by reaching the objectives guiding the business activity. As previously stated, museums have the task of increasing the value of their heritage over time, of creating

¹⁰ By mission, we intend the overall goals and the ultimate aims characterising the life of the organization. The definition of mission is essential to disseminate a shared system of values both inside and outside the structure. For further information, see Coda (1988).

¹¹ An information system, as Maticena reminds us, must always be made in such a way as to guarantee the perfect correlation between strategy (business mission), the organizational structure (corporate governance) and the accounting system for identifying business facts (accountability). See Maticena (1998, p. 9).

¹² Effectiveness is defined as the ratio between the actual output and the desired output. For further information see the work of Anthony and Young (1992).

and disseminating culture, by also responding to the unexpressed needs of museum-goers. The measurement of the results achieved may be expressed in terms of the interests of the community as regards the quality of the supply, the ability to conserve and to encourage awareness of the heritage to future generations.

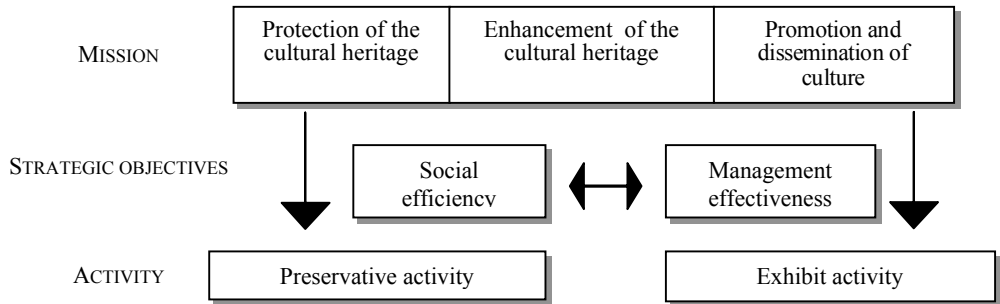


Fig. 7.1 – Mission, strategic objectives and activity system of museum organisations

Management efficiency¹³, if analysed in economic terms, becomes an ambitious goal for this type of organisation. The huge costs of conserving the heritage and managing the institution are set against typical proceeds¹⁴ (resulting from ticket sales) the size of which is well below the threshold required for economic balance. In the light of the social role played by museums, it would appear more meaningful to compare cost-profits and benefits for an objective evaluation. In this sense, it is important to highlight the presence of an additional source of proceeds, namely the contributions by public authorities or private institutions. So it is necessary for these organisations to resort to external financial sources in order to guarantee their survival, justification for which may be seen in the benefits to the community. The problem is to find the right balance between the internal income produced and external income.

However, it should be emphasised that reaching an economic balance is not a goal so much as a limiting condition which they need to satisfy if they are to survive and pursue institutional goals of meta-economic kind (Marcon and Tieghi, 2000, p. 79). The definition of the mission and of the strategic goals is an essential condition for a clear outline of the complex system of activities characterising the typical management of a museum organisation while also being the preliminary step to the creation of an economic model. Generally speaking, museum activities may be grouped into two main categories: conservation and exhibition activities (Fig. 7.2).

¹³ Management efficiency, generally speaking is the minimization of the input versus an equal amount of output. For further information, see the work of Anthony and Young (1992).

¹⁴ Merely consider the determination of the price of museum tickets, which do not take the economic results of management into account since they are strongly influenced by social implications.

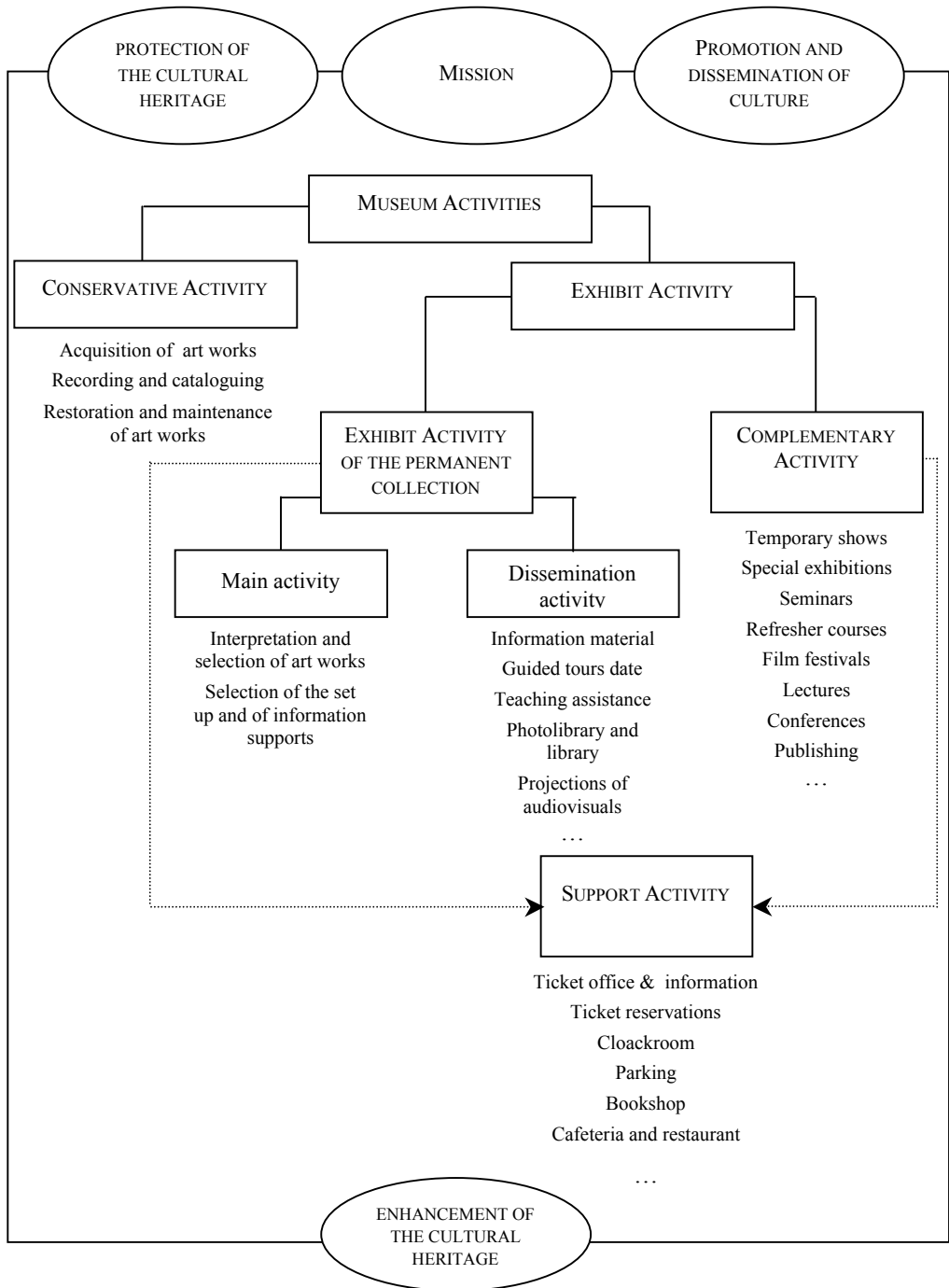


Fig. 7.2 – Activities characterising the museum management

Conservation activities, as affirmed by Solima

accomplish the primary goal of subtracting a certain number of assets from the danger of degeneration over time, the conservation of which entails their systematic monitoring so as to regularly check their condition as well as the environmental conditions for maintaining them (Solima, 1998, p. 85).

This is an essential function for any museum institution and is not necessarily linked to the exhibition function. In this sense, the museum could be considered a “container of cultural wealth” the sole purpose of which is to safeguard the heritage. Conservation activities take place specifically through:

- *Acquiring works of art*, namely the totality of efforts made leading to the ownership of cultural assets¹⁵.
- *Recording and cataloguing works of art*. These are two functions contribute to making the presence of the works of art in the museum official. Specifically, the recording of the works, made compulsory by the Civil Code, aims at supplying a physical description of the cultural assets, while their cataloguing is a scientific tool of little legal value, which aims at entering the works in a database used for the scientific and operational management of the cultural asset (see Moretti, 1999, pp. 59 ff.). In fact, setting up correct and tidy records is not only essential for ensuring rapid access to each piece of the collection, but also for guaranteeing the tracing back of each work of art or handicraft to its origin with absolute certainty.
- *Restoration and normal maintenance*. These activities include all those aimed at avoiding the deterioration of the work and guaranteeing a good state of conservation. Usually, museums envisage both normal and special. Normal maintenance is carried out regularly, such as the cleaning of a work of art. Emergency restoration however is part of special maintenance, as it is usually performed when the work of art has just been discovered or following events which have hastened its deterioration.

A museum synergically interacts with the market through its *exhibition activity*. In fact, such activity aims at spreading a cultural message outwardly to increase the perceptive and learning faculties of the different categories of potential visitors. The exhibition activity of a museum entails exhibiting its permanent collection and in the more highly developed cases, organising temporary exhibitions, shows and other special events, in other words activities which may be considered as complementary activities.

¹⁵ There are various methods for acquiring cultural assets including, “discovery”, namely the discovery of a cultural asset; “recognition” which is the desire of the community to recognize the cultural value of an asset; “purchase” implying paying money to the author of the work and finally “donation”, namely the transfer of ownership of a work free of charge.

Exhibiting the permanent collection is the core business of a museum. For the purposes of the present analysis, it was deemed appropriate to divide the activities into main activities and dissemination activities, in order to have a more thorough and complete outline to use for the creation of an information system. Specifically, the main activities include the following:

- *The interpretation and selection of works of art*: Interpretation consists in trying to give a meaning to the exhibition in order to improve its enjoyment. Selection is a particularly delicate matter, especially in the Italian context, as the surface area available is often insufficient to accommodate all the works in a collection. Works are often selected on the basis of an assessment of their state of conservation, in other words seeing which objects may be exhibited without the danger of physical deterioration and which have to be excluded because they are already in precarious conditions¹⁶. The curator's job is to select those works which visitors will be more interested in.
- *Choice of the installation and of information supports*. This is a question of organising the exposition in such a way as to make it interesting and understandable. In detail, the installation may be supplemented by clear indications of the itinerary on explanatory panels and with information about each piece.

The dissemination activities include the services aimed at backing up awareness of the cultural project and the visit to the museum. Their main role is to make the visit to the museum more effective, by means of a proper and exhaustive documentation of the collection. In this regard it is important to mention the sign system of the galleries and the itineraries, the explanatory panels on the contents of each room, the information material, the guided tours, the teaching assistance, the photolibrary and library service, the collection and the projection of audio-visual material.

The distinction made so far between conservation and exhibition activities takes on a very special meaning, in as much as it allows us to move from a static view of museums ("as containers") to a dynamic concept. In fact, museums should, first of all, guarantee the conservation of the heritage and subsequently make the collection available to the public for viewing. This is unconnected with payment of a ticket. In fact, there are many cultural institutions which exhibit their collections for free (like churches and some small museums). Nonetheless, the development of dissemination activities while strengthening the dynamic vision on the one hand, also provides a justification for the payment of the ticket on the other.

¹⁶ The presence of visitors in large numbers affects the exhibiting conditions, as the temperature and humidity of the environment greatly increase. In order to conserve works of art correctly such characteristics must be stable, this is actually one of the main reasons why museums are obliged to limit the number of visitors, in some cases distributing them throughout the day.

The dynamic vision of the museum is further consolidated if complementary activities are carried out in it although these require effective organisation in order to be successful. Specifically, these activities include organising temporary exhibitions, special shows, seminars on museographic activities, art restoration refresher and training courses, film festivals, courses of lectures on matters regarding collecting, conferences and traditional publishing.

Lastly support activities should also be taken into account. Their primary aim is to improve the quality of the overall supply. They include services that satisfy many different needs linked to the various expectations of museum-goers, who think of a visit to a museum not only in strictly cultural terms but also as leisure and entertainment. This category of reception facilities¹⁷ includes parking, reservation services, cloakroom, cafeterias and restaurants, shops, meeting points, entertainment spaces for children, infirmary, bookshop, ticket and information office.

5. Proposal for a profit and loss statement of a museum enterprise based on management circuits

The suggested model of Profit and Loss Statement tends to outline the different circuits characterising the unitary management of a museum enterprise, in order to clarify the link between the different business operations and the institutional aims which, ultimately, are the reason why a museum exists¹⁸.

The reference to management circuits¹⁹ is a suitable means for museum enterprises to both highlight the means by which institutional goals are achieved and to define the internal and external need for information of the various stakeholders, in other words those subjects whose interests affect the institutional management sphere, such as the personnel, the suppliers of goods and services, the actual and potential visitors, but also and above all, the financiers and sponsors, the benefactors and donors, the scientific and local community and the media system.

In attempting to outline the typical management areas of a museum enterprise, a first essential distinction needs to be made between the normal and special areas. The importance of this division results from the need to single out where the source of income derives from. For this purpose, it is appropriate to eliminate those elements which are essentially “special” from the results for the period. Such

¹⁷ The development of reception services in Italian museums became more widespread following the introduction of the Ronchey law passed in January 1993.

¹⁸ «The financial statement of the non profit making business should be able to explain to third parties the function of the various circuits within the unitary and overall business management, in order to clarify the fortuitous and instrumental connections between the various business operations and the institutional goals which are ultimately the reason why the non profit making business exists» (Marcon and Tieghi, 2000, p. 89).

¹⁹ About the management circuits, see Andreaus (1996), and Travaglini (1995).

elements are not part of the normal economic activity carried out by the company, as they are special ones²⁰.

The focus is mainly on the normal area, where three different circuits have been singled out, namely the characteristic management, the supplementary or support management and the financial management. The difference between the first two circuits is based on the function attributed to them. We deemed it appropriate to separate the characteristic management circuit from that of the support management. The former is aimed at enabling the direct pursuance of the museum's institutional aims providing for the free entry or the application of a fee which is not based on market logic, while the latter, on the contrary, includes activities the purchase and sale price of which is based on market logic. The criteria inspiring the above-mentioned distinction uses the analysis of evaluation mechanisms, thus verifying the presence or absence of "typical market exchanges" inside the circuit²¹.

The characteristic management circuit includes all the economic elements of the activities linked to the institutional aims of the museum. Taking into account the complex system of museum activities, this circuit has been divided into three different management areas. The first, defined as the first level characteristic management circuit, includes conservation and exhibition activities and is limited to the main activities. The second, defined as the second level characteristic management circuit, includes dissemination activities linked to the exhibiting of the permanent collection. Finally the third, defined as the third level characteristic management circuit includes complementary activities. Such division tends to outline the process of creation of value through a growing interaction of the museum with the external environment.

An analysis of the main economic elements of each characteristic management circuit is presented below.

²⁰ If one intends to assess the conditions of economic equilibrium, it is not enough to take into account the amount of the income but rather, it is also necessary to measure the strength of the income too, namely the income's ability to reproduce itself for a satisfactory length of time. In this sense, the income is strong if it almost exclusively results from the ordinary management". See Giunta (1999-2000).

²¹ Quoting from Marcon and Tieghi (2000, pp. 88-89): «Wherever the circuit features the presence of exchanges in which the purchase or sales prices are strictly based on market logic, the economic value of the goods/services which have been purchased/sold is determined in the same manner as for profit-making organisations. Consequently, there should also be a "support" circuit to the institutional activities of the non-profit making organisation. If, however, there is no "economic exchange" within the circuit (meaning that goods and services are purchased and sold for free) or the exchanges take place according to logics which are different from the "market price" ones, the circuits should be closely linked to the non profit making organisation's institutional aims».

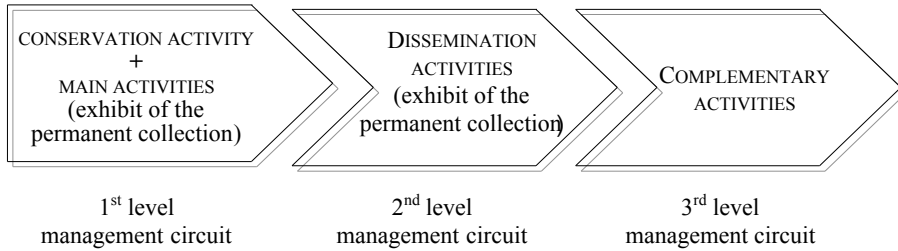


Fig. 7.3 – Economic elements of management circuits

1st level characteristic management circuit (Tab. 7.1).

It includes the economic elements functionally linked to the management of the conservation and exhibition activities, limited to the main activities. Specifically, the special expenses of the conservation area refer to the costs for acquiring,

Tab. 7.1 – Economic elements of the conservation and main activities (exhibition of the permanent collection)

1 ST LEVEL CHARACTERISTIC MANAGEMENT CIRCUIT	
Special burden	Special proceeds
Amortisation of the works of art	Public authorities' contributions
Amortisation of the restoration costs	
Amortisation of registration and cataloguing costs	Private institutions' contributions
Normal maintenance costs	
(A) Results of the conservation activity	
Costs for interpreting and selecting the works of art	Public authorities' contributions
Amortisation of costs for reproducing works of art	
Amortisation of information supports	
(B) Results of the main activity (exhibiting the permanent collection)	
RESULT OF THE 1 ST LEVEL CHARACTERISTIC MANAGEMENT (A+B)	

restoring, recording and cataloguing works of art²², as well as their normal maintenance, while the special proceeds regard the contributions connected to the

²² The registration and cataloguing activity is usually carried out by the curator, who also regularly controls the thermoigrometric, safety, conservative and hygienic conditions of the

institutional aims of conservation, namely the contributions of public authorities (Municipalities, Provinces, Regions and State) and private institutions. The special expenses of the exhibition area include the costs for interpreting and selecting the works of art by the curator, the expenses for copying the works subject to deterioration and the purchase of information supports such as explanatory panels. The special proceeds covering such items mainly come from public bodies²³.

In this circuit, the resources consumed are covered only by external contributions. In other words, a museum carrying out its institutional activity, aimed at guaranteeing cultural conservation and dissemination, must allow visitors to enjoy its collection free of charge. So, the first level operations are carried out without any economic exchange (see Travaglini, 1997, p. 234). It should be noted that the interaction between the museum and its environment is quite modest in this circuit. Nonetheless, although this is all that small museums can expect, it is only the first step for other more dynamic institutions.

2nd level characteristic management circuit (Tab. 7.2).

This area includes those economic elements which are functionally linked to the dissemination activities relevant to the exhibition of the permanent collection.

Tab. 7.2 –Economic elements of the dissemination activity (exhibition of the permanent collection)

2 ND LEVEL CHARACTERISTIC MANAGEMENT CIRCUIT	
Special expenses	Special proceeds
Amortisation of the audiovisual equipment	Proceeds resulting from ticket sales
Amortisation of the creation of information material	
Costs for reproducing information material	
Amortisation of the furnishings of the ticket office, the library, the photolibrary and the cloakroom	
Amortisation of the costs for purchasing books, magazines and photos for the library and the photolibrary	
Costs for the personnel in charge of the ticket office, library and photolibrary, audiovisual projections and guided tours	
RESULTS OF THE 2 ND LEVEL CHARACTERISTIC MANAGEMENT	

warehouses, carries out teaching activities and collaborates in the organisation of permanent or temporary shows and also controls the maintenance, cleaning, consolidation and restoration of works of art. So that the cost of the curator should be seen as a shared cost, to be divided according to the contribution made to the different management circuits. His or her costs could be charged according to the number of hours devoted to each activity.

²³ The contribution of the public authorities in this case would be a proceed shared with the conservation area.

Specifically, the special expenses refer to the costs for purchasing audiovisual equipment and for creating information material and reproducing it. They also include the costs for furnishing the ticket office, the library, the photolibrary and the cloakroom, as well as the costs incurred for the ticket office, the library and photolibrary personnel and lastly for the production of audio-visual material. The proceeds result from the sale of admission tickets.

In this circuit, the museum tends to interact with the market in a more dynamic manner. Specifically, the information material, the guided tours and the other means of dissemination contribute, on the one hand, to enhancing the exhibition in both qualitative and quantitative terms (respectively the cultural growth of the visitors and a higher number of visitors), while on the other, they call for more complex management, thus involving higher costs. In this regard, the proceeds of this circuit result from the sales of tickets²⁴, justified by the wider range of services offered.

3rd level characteristic management circuit (Tab. 7.3). This area includes the complementary activities and all the costs incurred for organising temporary exhibitions, special shows, seminars, refresher courses and film festivals. It is evident that any museum organising temporary events, incurs costs linked to the type of service being offered. The proceeds may result from contributions both from private institutions and from the issue of special tickets. Nonetheless, it should be noted that it is impossible to budget special ticketing, except in some exceptional situations²⁵ for special events. Thus, singling out special proceeds is

Tab. 7.3 –Economic elements of complementary activities (example of a temporary exhibition)

3 RD LEVEL CHARACTERISTIC MANAGEMENT CIRCUIT	
Special costs	Special proceeds
Costs of organising and setting up the exhibition	Proceeds from tickets sales (increment
Advertisement costs	Contributions from private institutions
Costs of transportation of the works of art	
Opening costs	
RESULTS OF THE 3 RD LEVEL CHARACTERISTIC MANAGEMENT	

²⁴ The exchange of goods and services falling within the institutional activities is taken into account within this circuit. Thus, such exchange may be affected by the museum’s choice of institutional activities as well as by the economic exchange, as is the case of a ticket paid by visitors enjoying a service. See Travaglini (1997, p. 235).

²⁵ Only those museums which can separate the permanent collection from the temporary events may resort to special ticketing, thus issuing a separate ticket.

very complicated²⁶. One could estimate the proceeds from this area perhaps by taking into account the increase in the number of visitors linked to the temporary event compared to the average number of visitors of the permanent collection. An example of costs and proceeds connected to the organisation of a temporary exhibition, as a complementary activity, is given below.

By organising complementary activities, the museum further enhances its offer, while fully complying with its institutional function. It is interesting to underline that the above-mentioned activities involve incurring relevant costs which are often not covered by internal proceeds (ticket proceeds). So external contributions need to be found to achieve balanced operating results.

The accessory or support management circuit includes all the activities which, although performed on a continuous basis, do not concern the characteristic and prevailing business purpose. Specifically, this area has been referred to the management of support activities such as the bookshop, the cafeteria and the restaurant. These activities²⁷ tend to increase the number of services although they are not necessarily present in all museums. The economic elements relevant to this management circuit refer to all the expenses and special proceeds resulting from such activities. An example of an economic element of a support service such as a bookshop is presented below (Tab. 7.4).

Tab. 7.4 – Economic element of support activities (bookshop example)

SUPPORT ACTIVITIES MANAGEMENT CIRCUIT	
Special expenses	Special proceeds
Amortisation of bookshop furnishings	Bookshop sales proceeds
Costs of the bookshop personnel	Final balance
Costs for purchasing catalogues, photos and magazines for the bookshop	
Starting balance	
OPERATING RESULT OF THE SUPPORT CIRCUIT: BOOKSHOP	

²⁶ It would be possible to monitor the number of visitors of the temporary event. Nonetheless, such numeric precision would require organizational skills which are currently difficult to find in museums. In addition, this method would be affected in any case by the number of visitors also interested in the permanent collection.

²⁷ It should be noted that unlike the classification of the activities presented in the previous paragraph, the support activity included also the ticketing and cloakroom service. Nonetheless, these services support the exhibit activity in a strict sense and therefore the nominal elements cannot be part of the accessory area, rather they belong to the characteristic area (cycle of the 2nd level characteristic management).

Finally, the financial management circuit includes all financial investment extraneous to institutional management. It is possible to divide the area into fund raising and the financial area in a strict sense.

The fund raising area concerns all operations carried out by the museum in the attempt to obtain contributions and donations in order so as to be able to carry out the functional and instrumental activities for pursuing its institutional goals. These may take the form of generic contributions from public or private bodies or proceeds coming from the sale of image rights.

The financial area in the stricter sense however includes the financial management activities needed for the activity of the institution. It must be specified that, within the reclassification based on management circuits, we deemed it appropriate to include the contributions for the fund raising area before the shared costs, since these are general contributions destined to cover any further structural overheads which the museum must sustain in order to operate.

Below is a model of the profit and loss statement of a museum enterprise based on management circuits (Tab. 7.5). It should be noted that the scalar structure was selected, because it made it possible to highlight the contribution made by the various “management areas” to the operating results, allocating the economic elements according to destination.

This model tends to emphasise the information value of the net result from each circuit and its contribution to the global operating result, with reference both to the entire structure and the circuits. The area of characteristic management shows that typical operating results are represented by partial results deriving from an increasing interaction of the museum with the external environment. Specifically, the operating results of this area are meant to assess the museum’s ability to finance its institutional activities by means of special contributions from public bodies or private institutions and the management of services. The result of the characteristic area added to the components of income for the support area gives the overall results of the museum activity. By adding the shared contributions and subtracting the shared overhead costs, considered currently at a corporate level²⁸, the operating results before financial management are obtained. The reclassified profit and loss statement thus shows the ordinary income net of the financial expenses and finally the net operating income.

²⁸ Within this contribution, the shared structural costs were considered at a corporate level, despite some of them having a potential position located after the operating results of the characteristic area, given their close connection. An example could be the costs of the curator.

Tab. 7.5 – Profit and loss statement of a museum enterprise based on management circuits

Normal area

Contributions destined to the conservation activity

- Costs of conservation activity
- = Results of conservation activity
- + Contributions destined to exhibition activity
- Costs of exhibiting the permanent collection: main activities
- = (a) Results of the 1st level characteristic management circuit

Special proceeds from the sale of tickets

- Costs of exhibiting the permanent collection: dissemination activities
- = (b) Results of the 2nd level characteristic management circuit

Special proceeds/contributions destined to complementary activities

- Costs of complementary activities
- = (c) Operating results of the 3rd level characteristic management circuit
- = (A) Operating results of the characteristic management (a+b+c)

Proceeds from support activities

- Costs of support activities
- +/- Variation of the support activity balance
- = (B) Operating result of support management
- = Results of the museum activity (A+B)
- + Fund raising and various contributions
- Shared costs such as marketing and administrative costs, operating charges, personnel costs, amortisation costs
- = Operating results prior to financial management
- +/- Financial elements
- = Ordinary income

Special area

- +/- Special elements
- = Income before taxes

Fiscal and tax area

- Taxes

Net income

6. The Marino Marini museum

6.1. Institutional aspects

The solution presented in the previous paragraphs has been applied to a specific case. The purpose of this application was not to show the data of the case taken into account, but rather to define a behavioural model for the analyst. The data of the Marino Marini Foundation of Florence were analysed.

As will be mentioned later on, this is a small museum institution exhibiting contemporary art located in Florence, the birthplace of the Renaissance and with a wealth of tourism and museums. Such a choice shows that through careful analysis

of the management aspects of even small sized institutions, it is possible to make strategic decisions for pursuing effectiveness and efficiency.

The Marino Marini foundation (founded by an agreement between the Marini Foundation of Pistoia and the municipality of Florence).

aims at ensuring the conservation, protection, enhancement and exhibition of the works donated to the Municipality of Florence by the sculptor Marino Marini and by Mrs. Mercedes Pedrazzini and to manage the Marino Marini museum located in the former San Pancrazio church in Florence where such works shall be gathered and exhibited. In addition, the foundation shall manage the crypt underneath the former church and promote shows and other kinds of cultural and art events (Art. 1 of the Statutes of the Foundation).

The purpose of the foundation immediately leads us back to the issues previously dealt with regarding museum objectives.

Such aims include conserving, protecting and enhancing the properties, as well as organising supplementary activities such as shows and art and cultural events aimed at promoting the museum.

The extent of the objectives (although in a small context) calls for an analysis both for correctly managing the available heritage and for dealing with the administrative complexities of a museum foundation.

The foundation is, in fact, a typical legal form of museum. Foundations are established as non-profit making bodies, which unlike associations do not include the personal element, thus privileging the assets.

The foundation is a collective organisation formed by administrators and is established by a founder who assigns some assets with the constraint to pursue an ideal or moral aim, or in any case, a non economic one. The aims are defined in the charter in which the founder manifests his will²⁹ and the constraint he intends to impose on the new legal entity.

As an example, the Marino Marini foundation operates under the constraint of its objectives and is subordinate to the funding offered by the Municipality of Florence. The assets, despite being owned, may not be sold and if the foundation should cease to exist, they would be returned to the Pistoia foundation.

Thus, it is clear why foundations are ideal for artists or collectors who want to donate their assets for public enjoyment by creating a museum. This is the most suitable form for including the wide range of aims of a museum organisation, while respecting the regulations on non-profit making organisations, and supporting them with commercial activities aimed at finding the resources needed to pursue the institutional objectives³⁰.

²⁹ The foundation resulting from a will is extremely popular.

³⁰ On this account, the limits imposed by tax regulations for maintaining non-commercial entity characteristics and its facilities are referred to.

In addition to the above-mentioned advantages, the current study on management circuits analyses these different activities.

6.2. Management circuits and their detection

The conservation activity of the Marini Museum regards a collection of about 180 works by Marino Marini³¹ which were donated by the artist. The works were appropriately recorded both by inventorying and cataloguing them. The restoration activity was entrusted to the Fine Arts Service Restoration Department or to the *Opificio delle Pietre Dure*³², while the normal maintenance consists of regularly cleaning the works.

The exhibition activity of the main collection is monothematic and the works are arranged according to subject and not in chronological order. The criteria for selecting and interpreting the works of art refer to the size and the theme. The information supports are limited to a caption for each piece exhibited in the museum. It should be noticed that the museum did not foresee any setting up activity³³.

The dissemination activities within the Marini Museum include information material, guided tours³⁴, didactic assistance and audiovisual projections.

The complementary activities carried out over the years include research activities, temporary exhibits linked to the permanent collection, seminars on museographic activity³⁵, refresher and training courses on restoration, film festivals, lectures on themes based on the collection and conferences.

Finally, the support activities of the Marini Museum include a ticket and information office where tickets may be reserved for schoolchildren only. It is part of the larger foreign tour operators' tourist sites and includes a free cloakroom and a bookshop³⁶.

³¹ Out of the 180 works contained in the museum, 155 are on free loan from the Municipality of Florence while 25 belong to the Marini San Pancrazio Foundation.

³² About 80% of the works are restored on site, namely within the museum facilities because of the difficulty in transporting Marini's large and heavy works.

³³ The museum does not provide a recommended itinerary nor are there explanatory panels about the contents of each room. This is because the works are exhibited in groups to a theme, so as to allow the visitor to communicate with the world of the artist.

³⁴ The Museum offers guided tours for adults, school children and the visually impaired. The tactile guided tours for the visually impaired are carried out in cooperation with the VAMI group (associated volunteers for Italian museums, (non profit making organization), whose headquarters is in the Marini museum with which it signed an agreement for using some equipment. Such service is totally free and consists in guiding the visually-impaired in their discovery of work of art. In addition, the VAMI group has reproduced some of the works contained in the Museum in a smaller size).

³⁵ The seminars are hosted in the Crypt and are free. They usually deal with subjects linked to the restoration of contemporary works of art.

³⁶ Visitors can purchase the following in the bookshop: publications and audio-visual material about Marino Marini's work, a museum guide and catalogue, posters, postcards and catalogues about

The diagram of the activities (Fig. 7.4) and the model of the profit and loss statement based on management circuits (Tab. 7.6) are presented below, on the basis of the activities carried out by the Marini museum and this study. It should be noted that the figures referring to the economic situation refer to the 1999 fiscal year.

Tab. 7.6 – New classification of the profit and loss statement based on management circuits of the Marino Marini Museum, 1999

<i>Normal area</i>	
Contributions destined to conservation activity	35.216.000
– Costs of conservation activity	35,216,000
= Results of conservation activity	0
+ Contributions destined to exhibition activity	0
– Costs of exhibiting the permanent collection: main activities	0
= (a) Results of the 1 st level characteristic management circuit	0
Special proceeds from the sale of tickets	45.413.570
– Costs of exhibiting the permanent collection: dissemination activities	34,892,260
= (b) Results of the 2 nd level characteristic management circuit	10,521,310
Special proceeds/contributions destined to complementary activities	48.410.430
– Costs of complementary activities	295,201,124
= (c) Operating results of the 3 rd level characteristic management circuit	–246,790,694
= (A) Operating results of characteristic management (a+b+c)	–236,269,384
Proceeds from the support activities	55.604.000
– Costs of the support activities	45,848,500
+/- Variation of the support activity balance	4,150,095
= (B) Operating result of the support management	13,905,595
= Results of the museum activity (A+B)	–222,363,789
+ Fund raising and various contributions	530,784,000
– Shared costs such as marketing and administrative expenses, operating expenses, personnel costs, amortisation	573,530,484
= Operating results prior to financial management	–265,110,273
+/- Financial elements	1,370,685
= Ordinary income	–263,739,588
<i>Special area</i>	
– Special elements	27,626,220
= Income before taxes	–291,365,808
<i>Fiscal and tax area</i>	
– Taxes	3,321,000
<i>Net income</i>	–294.686.808

the temporary exhibitions. The museum also sells publications in bookstores which have signed a fixed contract or sale or return agreement.

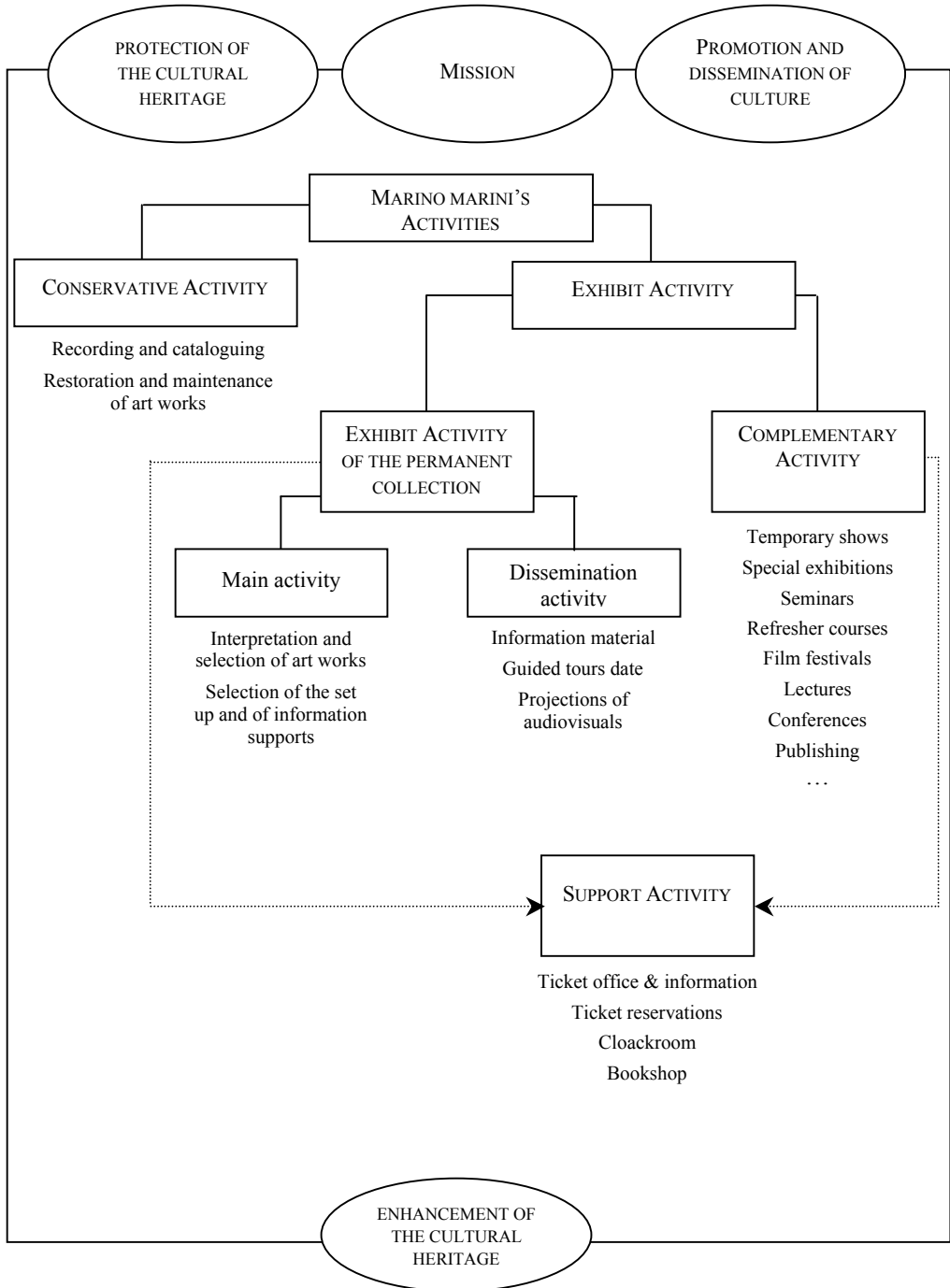


Fig. 7.4 – The activities of the Marino Marini Museum

7. Conclusions

In light of what has been said it can be seen that there are still many aspects that have to be analysed within museum organisations, the definition of which is essential for their development.

Specifically, the draft of the profit and loss statement based on management circuits shows the wealth produced by an institution within its economic dimension. The evaluation of the results of a museum enterprise nonetheless goes beyond its income. In fact, the traditional information elements supplied by economic measurement alone do not fully demonstrate whether the institutional objectives have been met.

The number of objectives (not only of an economic nature) characterising museums requires in fact an interpretation which permits the observation of the different contribution made each activity to the overall economic balance.

In this regard, the analysis should be adequately supported by the study of appropriate performance indicators³⁷ which are able to monitor qualitative and quantitative aspects of museum management, while at the same time measuring the satisfaction of different internal and external categories of social interlocutors.

In addition, differences in forms of ownership from one museum to another tend to heavily affect management so that an information system needs to be set up which takes the different characteristics and sizes to be monitored into account.

The model suggested in this study is intended as the first tool for professionals, one which can satisfy the primary needs for knowledge, and at the same time, one which can create a directional control panel on which a wider management control system can be implemented at a later date.

³⁷ For a thorough study of the main performance indicators, see Lothian (1997); Molteni (1997); and Chirieleison (1999).

8. Opificio delle Pietre Dure in Florence (1882-1905)

*Marco Mainardi and Massimo Valeri**

Per tutto il mondo risuona un lungo grido che esce dal cuore dell'artista: consentitemi di fare il meglio che posso.

Karen Blixen, *Il pranzo di Babette*, Roma, Editoriale La Repubblica.

1. Introduction

The ability to adapt, even by modifying stances consolidated over time, has always represented a critical factor for the development of any organisation and, especially in environmental contexts subject to deep-seated change, may even prove essential for its survival.

High-ranking figures in the organisation who combine elevated technical and specialist skills with an in depth knowledge of market trends and the surrounding environment as well as leadership qualities often play a very important role in the introduction of the radical modifications.

It is in this type of interpretative perspective that a study has been conducted of the historical events of the Opificio delle Pietre Dure of Florence over the last decades of the 19th century, a study therefore of an Institute which found itself having to tackle a delicate phase of transition which called into question its very existence.

In this regard, the study of this case presents a number of elements of great interest, such as:

- The prominent position, consolidated throughout the previous centuries, which the Opificio occupied in a sector characterised by a rich artistic and cultural tradition.
- The presence of constraints, internal and external, which hindered the introduction of changes as far as the organisation and management of the Institute was concerned.

* Although the present work is the result of a joint study and commitment, paragraphs 3, 4 and 6 are to be attributed to Marco Mainardi and paragraphs 1, 2 and 5 to Massimo Valeri.

- The urgency to adopt such changes in an environmental context which had changed profoundly following national unification and which posed no little threat to the continuation of the existence of the Institute.
- Lastly the appointment of a person to direct the Opificio not only with a high level of artistic competence but with a clear vision of the political, social and market reality which the Institute had to tackle as well as undoubted leadership qualities.

2. Historical analysis of the vicissitudes of the Opificio under the management of Edoardo Marchionni

The name “Opificio delle Pietre Dure”, which today identifies a public body (depending directly from the Ministry of Culture and Cultural Heritage) dedicated to the restoration of works of art, does not correspond so much to the present day Florentine institution, as to its history.

Founded 1588 by Ferdinando I de’ Medici as a state factory, soon the Opificio became specialised in the art of semi-precious stone mosaic work, also known as *commesso fiorentino*, precious examples of which may still be admired both in Florentine and European museums. Such activity continued through periods of crisis even surviving the Medici dynasty to attain with the Lorenas, new heights of virtuosity, to then fall into decline during the last years of the Grand Duchy.

However, it was after national unification that the Opificio found itself in extreme difficulty, to the point that its very existence was in peril and which led to the introduction of significant changes in its activity so as to adapt to the changed context.

Some of these difficulties derived from problems of production and organisation which had existed in the Institute since the times of the Restoration. Such as the Opificio’s inability to adapt its production, except on a sporadic basis, not just by adapting the patterns and the quality of the artistic objects which remained tied to the “*déjà vu* of neo-classical ornamental motifs” to the changes which had taken place in society, but also by training the personnel to use innovative and more modern techniques of organisation and production.

As well as these problems, after national unification, a serious economic and financial crisis gave rise to worries about the future of the Opificio. When it passed under the jurisdiction of the Ministry of Education, this resulted in an immediate and drastic reduction of the annual allocation decided by the same Ministry. Moreover, with the abolition of the Grand Ducal Court, the main patron of the Opificio and, most importantly, the social environment in which its works were appreciated and commissioned no longer existed. The main stakeholders for whom the Opificio now worked were mainly members of the bourgeoisie, who were not attracted by economically inaccessible works, even if they appreciated their artistic value. Around the middle of the 19th century the art of the *commesso fiorentino*

began to appear among small, private producers who were able to make objects which although not of great artistic worth had decidedly lower costs, the only work which there was still a real chance of marketing.

Faced with the threat of closing down the Opificio, as hypothesised by many, there was an attempt to make the most of the considerable technical and human resources to transform the Institute into a real industry, capable of producing for the market and achieving positive economic results for the State (see Bertelli, 1991).

Such intervention, however, did not achieve the hoped for economic or artistic results, because of the limited worth. On the contrary, it was observed that the Opificio should have dedicated more resources to improving the artistic skills of its personnel in the respect of its great tradition, instead of trying to compete with private producers in the pursuance of unlikely profits¹.

Given the Opificio's need for self-financing to ensure its future, it was decided to open some "Sale di Ostensione" (rooms for exposition) in via degli Alfani, where the headquarters were located. Here both new works and older ones found in the warehouse of the Opificio² were exhibited for sale to the public. This was the beginning of the dispersion of historic collections which, at first, was only limited thanks to the prohibitive prices of many works and which, in 1882, was definitively stopped by the government's decision to give the "Sale di Ostensione" the status of a Museum with an entrance fee for the visitors.

The poor administration caused by the old age of the director, Niccolò Betti, added to the "structural" problems described. In 1869, the Ministry decided to place alongside Betti, a vice-director, the young Edoardo Marchionni. He managed the Institute from 1876 (when Betti retired) to February 2, 1923 (the year of his death), introducing important changes to overcome the economic and productive crisis and to improve the administration and the organisation of the Opificio.

Marchionni's administration was marked by his paternalistic vision of the Institute as a family where the director «was the father and every member had his own well defined rights and duties»³.

¹ With this sense since the State had narrow financial constraints to respect, it was suggested that the Institute be placed under the direct authority of the King similarly as had happened at the time of Grand Duchy so as to release it from any economic constraints. Discussion of this matter continued for some time but without any conclusion being reached. It was, in fact, the Ministry's wait-and-see policy which while preventing the relaunching of the Institute probably also prevented a drastic closure order being served on it (see Bertelli, 1991).

² In the "Sale di Ostensione", the price tag thus appeared close to the one indicating the name of the author.

³ Cf. Bertelli (1991, p. 73). The vision and the resolute character of the director of the Institute in managing relations with the personnel and the political circle can be clearly seen from a reading of his annual Reports to the director of the Royal Galleries and Museums in which if, on the one hand, he showed himself to be severe with those workers who did not respect their duties, on the other he did not hesitate entering into conflict with the superior authorities in order to defend the rights of the personnel.

His commitment to the Opificio not only led to a recovery of discipline and collaboration among the employees and, consequently, an image of efficiency with the public opinion, but it also made it possible to re-launch the Institute by means of a series of initiatives.

The main initiative dealt with the redefinition of the activities performed by the Opificio in the light of the new political and social scene in which it found itself.

In this regard, while not neglecting the fine work, in other words the *commesso* semi-precious stone mosaic, which had guaranteed the Institute's international fame, it appeared necessary to address energies towards other works which made the most of the human and technical resources and skills available, as in the "relief and ornamental" works. Specifically, Marchionni saw in the achievement of the Medici Chapels an important opportunity for the "strategy of diversification". The proposition he formulated for the realisation of such work was strongly criticised and discussed⁴ before being accepted in 1882 by the decree of Umberto I King of Italy (see Appendix a).

This was how the most important work characterising the activity of the Opificio was entered into in the following years, giving it full legitimacy in the political context and contributing, moreover, to re-launch its image in the public opinion.

However, the importance of the decision to carry out the renovation work on the floors of the Medici Chapels should be seen not so much in the importance of the same compared to previous works, as in the fact that with this job a new operative sector came to be identified which subsequently took up almost all the Opificio's energies, thus saving it from its structural crisis: namely the maintenance and restoration of works of art.

In the same year that work on the Medici Chapels was authorised, another important decision, as far as its implications on the future development of the Institute were concerned, was represented by recognition of the status of the "Sale di Ostensione" as a Museum with an entrance fee for the visitors. While the most evident effect of such recognition was that it stopped the dispersion of the works belonging to historic collections; it also marked the decline of the manufacturing activity of the Opificio.

Marchionni himself had difficulty in immediately realising the important transformation, which was taking place, complaining that the imposition of an

⁴ At the beginning of 1879, there was a lively dispute between two Florentine newspapers, "La Vedetta, Gazzetta del popolo" and "Gazzetta di Firenze" not only about the assignment of Cappelle Medicee works to the Opificio, but the whole activity and autonomy of the Institute. See "La Vedetta, Gazzetta del Popolo" of February 21, 22, 26 and March 1, 1879 and "Gazzetta di Firenze" of March 16, 1879.

entrance fee would not only raise an extremely limited financial revenue⁵, but that it would considerably decrease the number of visitors and, consequently, reduce the sales of the mosaic works.

Assessing such change with hindsight it can be seen that the decrease in the sales of the artistic works marked the beginning of a process that became unstoppable. However, it must also be said that at the time, given the insufficient State funding, the income deriving from such business was still an important resource for the Institute.

The second area in which Marchionni intervened was that of the personnel. Specifically, as soon as he had re-established discipline within the Opificio, he proceeded to reorganise the workers' duties.

It was actually a complex task, requiring mediation between different needs that were not easy to conciliate, such as:

- those related to the effective and efficient performance of the Institute's activity and in particular to the realisation of the massive commission of the floors of the Medici Chapels;
- those of the workers, who had to be guaranteed, in relation to the responsibilities assigned to them and the commitment required, a suitable wage which was sufficient to ensure a dignified standard of living, particularly for the daily workers;
- those, at last, dictated by the constraints of the State budget, the allocations of which were almost completely absorbed by personnel costs⁶.

In the light of all these needs, in 1880, Marchionni developed a project for the reorganisation of the personnel, so that he could have enough workers for the realisation of the restoration of the Medici Chapels, without neglecting the other types of work. He reduced the number of workers in the mosaic activity, increasing the number of workers in the sawmill, who had a prominent role in the realisation of the flooring for the Chapels.

The main body of Marchionni's suggestions for the new role of the personnel were accepted by Ministerial decree in April 1882⁷.

⁵ The works exhibited in the museum, in fact, were not comparable with those exhibited in other famous museums in Florence.

⁶ In those years the annual budget allocated by the Ministry amounted to Lit. 55,000, considerably less than that allocated by the Grand Duchy Court of 80,000 Lire. Those funds could just cover the salaries of the personnel, which amounted to 53,000 Lire.

⁷ The composition of the Institute's new personnel was established as per that decree. It consisted of 18 employees and of 25 daily workers, whose number was considerably decreased, in line with the State financial constraints. Specifically, the number of the *commesso* operators was decreased from 13 to 9, while 14 daily workers were provided for the decorative workshop and for the sawmill with the possibility to employ new ones. Their salaries were revised, too and raised to levels reflecting the

The third and last area in which he intervened was in internal reorganisation. Reference has already been made implicitly to this in speaking about the reorganisation of the activities and the personnel of the Opificio. In this regard it is sufficient to add that in 1882 a new charter was drawn up, subsequently modified in 1885 to take its present form.

Lastly, it should not be forgotten among the important projects of the period undertaken by Marchionni was that of exhibiting and classifying, in collaboration with the University of Bologna, the extensive sample collection of the stones traditionally used in the products manufactured. In 1891, the director edited the first catalogue of the Opificio, while in 1905 the inventory of all the artistic objects was completed.

3. The institutional mission of the Opificio: from the creation of new works to the activity of restoration

In 1882, a Charter of the Opificio, subsequently modified, was drafted as well as a description of employees and workers' duties approved by Royal Decree no. 705, 3rd series on April 2.

Already in 1891, the Royal Commissary in charge of Fine Arts and Antiques in Tuscany, the Marquis Carlo Ginori, in his report to the Minister of Public Education denounced the conditions of the Opificio delle Pietre Dure of Florence and formulated the proposition to give «greater impulse and vitality» to the Institute, employing the personnel in works of restoration and repairs of monuments and works of art, at the same time continuing the *historical specialisation*⁸ of the semi-precious stone work.

With the Royal Decree no. 612 of September 5, 1895 the new statute of the Opificio was approved. Besides preserving its «glorious traditions» in the art of mosaic, it could thus later become an important institution for the restoration of monuments and the reproduction in plaster and galvanised plastic of works of art for academic purposes.

workers' different responsibilities and commitments, in the aim of ensuring a dignified standard of living.

⁸ The need to avoid the Opificio's technical and artistic know-how being lost was clearly felt. That knowledge should be preserved and handed on naturally to the new young apprentices. In this regard, the comments of the Royal Commissary Marquis Carlo Ginori may be read: « Since by adding new young blood, prepared to study and learn, to the work force, then a sort of school will be created within the Opificio itself capable of producing skilled mosaic makers, decorators, stone-masons and marble-cutters to be employed to the advantage of art itself and with a most considerable saving of costs, in the restoration of monuments» (Report for 1891 sent by the Royal Commissary Marquis Carlo Ginori to the Minister of Public Education, our translation).

Until 1882, the *mission* of the Opificio had centred mainly around the art of mosaic work – dealing mainly in the production and sale of new works – and, in second place around restoration work. It was with the above-mentioned statute that its original mission was extended to give greater importance, even under a purely formal profile, to restoration work. The two activities (the production of new works and restoration) continued however to represent for another 20 years the two main sectors of the Opificio's activity for another 20 years.

From the beginning of the 20th century, the Opificio's main activity was in the field of restoration, producing many works in marble and semi-precious stones, statues, Della Robbia-style ceramics, floors and walls mosaics, stuccoes, wax and metal representations⁹.

Among the most important restoration work of this period was:

- 1887-1888: Charterhouse of Pavia – Restoration and repairs of the altars and marble marqueteries;
- 1892-1895: Pisa – Restoration of the Baptistery floor; Florence – Restoration of the Orgagna – Replacement and repairs of various ornamental pieces, replacement of many missing glass parts and pasting of the marble marqueterie floor mosaic.

Moreover, in 1884, the Ministry of Public Education, following the great success of the previous restorations, requested the Opificio to carry out the work on the St. Giustina altars in Padua, the restoration of which lasted four years.

A new life had started for the Opificio: it won and was to win, in the course of time, national and international awards for its restoration work and its main mission would continue to the present day¹⁰.

The 1895 Statutes of the Royal Opificio delle Pietre Dure of Florence, which signal the institutional change of its original mission in a formal manner may be found in the Appendix b below.

4. The inventory process of the State heritage at the Opificio delle Pietre Dure in Florence

Its new institutional organisation and specifically the status of the “Sale di Ostensione” as a Museum required the inventory and the evaluation of the State

⁹ Specifically, the restoration work mainly comprehended semi-precious stone works and marble statues, meaning that the restoration work was strictly linked to the traditional “core business” of the Opificio.

¹⁰ However, the importance of the school for restoration should not be underestimated. It undoubtedly represents a characteristic activity of the Opificio that enabled the conservation and the diffusion of the heritage of technical and artistic knowledge built up inside the Opificio so as to be handed down to future generations (see Narduzzo and Zan, 1999, pp. 193 ff.).

heritage owned by the Opificio. Such activity was performed by means of a structured inventory process carried out by a Commission specially established in 1905.

The above mentioned commission, which was responsible for the inventory of all State materials existing up to June 30, 1905 in the Opificio building, according to the Royal Decree no. 231 of May 21, 1905, was composed of the representative of the Ministry of the Treasury in the person of the First Accountant of the Revenue Office of Florence, the representative of the Ministry of Public Education, in the person of the Secretary of the Royal Institute of Fine Arts of Florence, the Director of the Royal Opificio delle Pietre Dure and the Secretary Treasurer of the same Opificio as the consignor of the Opificio's material.

The main source for the identification and description of the assets listed in the inventory and especially for the basic information leading to their evaluation was the Opificio director, as he was given the institutional appointment of semi-precious stone expert. In carrying out such activity, he was aided by the consignor of the goods.

The first meeting of the Commission was held on July 1, 1905 (see the minutes of the Commission institution). The Commission ended its work on June 23, 1906.

The inventory organised had as its formal object «assets belonging to the State existing in the warehouse of the Opificio delle Pietre Dure».

Apart from the specific expression used, the process of recognition and evaluation of such assets did not just regard the materials used for the works, the leftovers of which, in terms of its budget, represented a typical entry, but also long-term goods, such as frozen assets, that is the goods representing the museum endowment¹¹.

From the minutes, we read the limited considerations regarding the traditional basic operations characterising a typical inventory process with reference to the phases of *research, description, classification, evaluation and representation*¹².

¹¹ Besta reminds us that the State Accounting Regulations (art. 8) considered as capital assets any museum, art gallery, library, observatory and any other institute featuring similar artistic collections (Besta, 1897-98) as regards the compiling of the inventory.

¹² Already in 1895, Besta pointed out that the inventory drawn up (of the entire heritage or part of it) required:

«careful research of all the things and all the single assets, credits or debits referred to, the study of all the legal entitlements connected with them, of the quality, state or condition, the calculation of the quantity, extent or size, this being a fundamental operation from which the inventory gets its name; the ordered and systematic display, by means of one or a series of notes or writing, of all the data gathered;

and may also require:

the evaluation of the assets, credits or debits found and the enumeration of the value attributed to them.

An evaluation is always required wherever for any reason the total sum must be known, in other words a total measurement of the assets and goods to make an inventory of. In any case, when an estimate must be made, it forms an integral part of the inventory» (Besta, 1895-96, p. 38, our translation).

Following such a sequence, the results obtained by the Commission will be described below; the accurate minutes in fact make the Commission's internal discussions available to us.

Research

The Commission did not receive specific instructions from the Ministry of Public Education about the recognition¹³ of the inventory goods. Such recognition was based on the precious support represented by the stock book updated to June 30, 1905. The identification of the goods did not occur, as expected, through the examination of the documents. The verification was carried out through direct observation. In fact, the Commission itself proceeded to physically inspect the various warehouses of the Opificio and its workshops. In addition, the Commission gave specific organisational instructions and was extremely careful: the Ministry of the Treasury representative was asked to shut the Opificio's warehouse doors and put seals on them.

Description

This phase gives an accurate description of the inventoried objects by means of which the inventoried piece may be specifically identified. It may be observed that the presence of unique pieces, such as manufactured and artistic objects, makes their identification easier even by means of a merely qualitative description. The minutes of the meetings of the Commission do not reveal any particular problems or questions worthy of interest.

Classification

This may be considered the phase in which the Commission introduced the biggest number of innovations compared to the past. It redefined the inventory categories more "clearly" and "exactly" so as to make the groups formed more homogenous. Specifically, the Commission decided to make books and publications into a new category: the sixth category¹⁴. The assets to be included in the inventory were thus divided into the following six categories:

- Category no. I Machine-tools and production machinery
- Category no. II Raw materials
- Category no. III Worked materials

¹³ See the minutes of July 3, 1905.

¹⁴ See the observations of the Commission: «Having recognised the opportuneness of varying the current denominations of the categories in the new inventory so that while remaining unchanged, they specify more precisely and clearly the classification of the materials, and having also recognised the convenience of instituting a new category for books and publications registered in the old inventories of the Institute with office furniture» (as per the minutes of the meeting held on March 12, 1906, our translation).

- Category no. IV Works in progress
- Category no. V Manufactured objects and artistic objects
- Category no. VI Books and publications.

Evaluation

If the work of the Commission seems extremely accurate from a formal point of view, the same may not be said of the main aspects of the inventory process, that is, for the criteria of evaluation adopted. This does not mean that the Commission did not discuss the evaluation problem, it is difficult to imagine otherwise, but that the limited number of comments found indicates some failing in the taking of the minutes. After all, the evaluation phase, more than the other phases, is the most delicate of any inventory process and more so in the case in point, where real works of art are concerned and where it is not always easy to make a comparison with similar works because of their uniqueness.

Certainly, the cost¹⁵ represented the criterion of evaluation adopted by the Commission for the inventoried goods – excluding the manufactured goods and the artistic objects.

As far as the manufactured goods and the artistic objects were concerned, the recognition of their value considered both the cost value already existing in previous inventories as well as the market value of the period. From indications contained in the minutes, it would seem that the market value was adopted for the entire category (the move over to the value of the period seems to be documented for some goods, in those cases where the Commission felt that the original value attributed to them was no longer significant). Finally, the evaluation was submitted to the professional judgement of the Director of the Opificio, as happens even today.

Within this framework, the contribution of the Director of the Opificio was decisive in the assignation of the new value.

Representation

Once the identification, description, classification and evaluation operations of the assets being inventoried were completed, the results of such process were registered in the inventory document¹⁶. An examination of the inventory gives the following information for each single item:

- *progressive sequence number*: to identify the progressive number of the inventoried items (the total shows the number of inventoried items)¹⁷;

¹⁵ This statement is supported by the recurrent *a latere* remarks in the inventory about the estimate of the purchase cost of the leftover stock materials. In the event of many purchases, the average unit price was estimated per kilo.

¹⁶ The inventory results were shown in a standard document (the inventory, more exactly) drawn up on special forms printed by the Ministry of Public Education. See the minutes of March 12, 1906.

¹⁷ In all, 1797 items. See p. 325 of the inventory.

- *category number*: to identify the category of the goods (one of the six categories previously mentioned);
- *category sequence number*: to identify the progressive number of the items inventoried within the category;
- *inventory items*: to give the qualitative description of the inventoried object;
- *indications about the conditions of the material*: if the material is in good condition or not. Normally, the Commission itself issued a certificate of good condition;
- *unit of measure*: in kilos, where possible;
- *quantity*: the quantity in the warehouse;
- *tariff*: unitary value of the goods or of the reference unit of measure (i.e., the price of the material per kilo);
- *amount*: the total¹⁸ value of the inventoried item;
- *note*: space reserved in the inventory document for notes or special comments.

The inventory in figures carried out in 1905 estimated the inventoried goods as totalling the amount of 3,001,859 Italian Lire, divided as shown in Tab. 8.1.

Tab. 8.1 – Amount in Lire for inventory categories

	INVENTORY CATEGORY	AMOUNT IN LIRE * FOR THE CATEGORY
I	Machine-Tools and production machinery	39,439
II	Raw materials	60,248
III	Finished material	469,652
IV	Work in progress	674,015
V	Manufactured objects and artistic objects	1,757,881
VI	Books and publications	624
	Total	3,001,859

* Source: 1905 inventory.

It is perhaps useful to offer to the reader, for the important specimens related to category no. V (“Manufactured objects and artistic objects”), some comparisons between the value resulting from the original inventory and the present value, resulting from estimates made in the year 2000 for insurance¹⁹ purposes (see Tab. 8.2).

¹⁸ Of course, the total value corresponds to the unitary value, wherever the inventoried item is represented only by one physical unit (ex. a picture or a tile).

¹⁹ Even today, the Director of the Opificio, Anna Maria Giusti, essentially carries out the evaluation of manufactured goods and artistic objects, if the works are lent to an exhibit or a cultural event. She is one of the greatest international experts. Among her numerous publications on conservation and restoration, see the interesting book (Giusti 1992).

Tab. 8.2 – Manufactured objects and artistic objects, inventory value and present value

DESCRIPTION OF OBJECT	INVENTORY NUMBER	VALUE IN LIRE*	YEAR 2000 ESTIMATE IN LIRE**
Portrait of Cosimo I de' Medici semi-precious stone mosaic	1370	2,000	600,000,000
Medici Lorena coat-of-arms soft stone mosaic	262	400	600,000,000
Tuscan landscape semi-precious stone mosaic	463	400	600,000,000
Northern fluvial landscape semi-precious stone mosaic	468	300	400,000,000
Ebony cabinet	567	24,000	800,000,000
La Fama semi-precious stone mosaic	465	800	500,000,000
The Banquet of Abraham semi-precious stone mosaic	460	500	600,000,000
Table cabinet representing biblical and gospel stories ebony and gilded bronze with painted lapis lazuli plaques	670	3,400	200,000,000
Latona transforms Licia's shepherds into frogs oil painting on lapis lazuli	1930	12	200,000,000
Episode from Orlando Innamorato oil painting on <i>pietra paesina</i>	1939	4	200,000,000
Cabinet door with sunflower semi-precious stone mosaic	560	140	120,000,000
Tile with flower pot in relief semi-precious stone mosaic	665	400	120,000,000
Four tondi representing sea views soft stone mosaic	677	260	320,000,000

* Source: 1905 inventory.

** Source: Correspondence attached to the insurance policy.

In conclusion, the inventory studied (1905) today still represents the reference inventory of the Opificio for the identification of the goods belonging to the V category ("Manufactured objects and artistic objects").

5. Sources of finance of the Opificio delle Pietre Dure

From an analysis of the financial sources of the Opificio, it can be seen that the available information is very fragmentary due to the problems connected with the preservation of the administrative documents of the time as well as to the organisational rules of the Authority of Artistic and Cultural Heritage. The latter,

on which the Opificio still depends, is an administrative body of the ministerial department.

The sources of reference required to reconstruct the dynamics of the main financial revenues of the Opificio are constituted of:

- The documents for the application for funds from the Opificio to the Ministry of Public Education;
- The account books for revenues and expenditures as well as for the mosaic works of the Opificio delle Pietre Dure;
- The monthly sales takings cashed from private individuals as registered by the Accountant of the Institute;
- The documents certifying the control of the Ministerial Representative for Judicial Expenses of the various financial activities;
- The annual reports drawn up by the Director of the Opificio delle Pietre Dure and addressed to the Director of the Royal Galleries and Museums.

It is these last reports which have provided important hints, because, despite containing necessarily partial economic and financial data, they often show clear considerations of the main organisational problems of the Opificio.

From the data gathered it has proved possible to establish the revenue deriving from donations and sales to private individuals during the first 30 years after the Opificio came under the authority of the Ministry of Public Education (see Tab. 8.3). The importance of such financial flows is linked to the fact that they represented, during that period, a relevant financial source for the Opificio, if we consider the Ministry's limited allocation.

It is useful to analyse the revenue from sales to private individuals, considering the scarcity and rarity of donations (Fig. 8.1). From the Seventies onwards, despite the discontinuity of the flows over several years, this tendency shows an overall decrease, resulting in a progressive and inevitable reduction of this source of revenue. In fact, even during the years in which a partial resumption was registered, this was in any case linked to the realisation of a few important but occasional works²⁰.

²⁰ For instance, considering only the financial years of Marchionni's management (1883, 1884-85 and 1887-88) during which the highest revenues were registered for the sale of works to private people, it can be seen that:

In 1883, 88.53% of the 18,456.79 Lire of sales revenue is accounted for by the sale of two major works: a porphyry cup sold to W.Z. Walters for 9,000 Lire and a stone table to Mercolani di L. for 7,340 Lire.

In the years 1884-85, 77.5% (equal to 12,000 Lire) out of 15,483 Lire of total sales comes from the realisation of a semi-precious stone mosaic table for Parhier Jounley Roberto.

In the years 1887-88, almost the total amount of revenue deriving from sales to private individuals (12,416 Lire) refers to a single masterpiece, the price of which amounted to 12,000 Lire (about 96.6%).

Tab. 8.3 – Revenues from sales to private individuals and donations in the period, 1860-1890

YEAR	INDIVIDUALS	DONATIONS
1860	–	–
1861	–	–
1862	26,294.52	–
1863	21,118.08	–
1864	525.62	–
1865	–	3,575.00
1866	34.92	–
1867	22,309.13	–
1868	9,800.94	4,412.00
1869	2,153.31	–
1870	48,648.48	10,000.00
1871	3,417.10	–
1872	30,285.71	645.00
1873	9,606.30	–
1874	6,625.70	307.34
1875	18,667.93	–
1876	4,317.83	–
1877	420.35	–
1878	291.80	–
1879	6,098.00	616.84
1880	551.00	–
1881	196.12	635.91
1882	13,411.75	–
1883	18,456.79	–
1884-85	15,483.00	–
1885-86	681.00	–
1886-87	25.84	–
1887-88	12,416.00	–
1888-89	270.10	–
1889-90	152.00	–
1890-91	80.00	–
Total	272,339.32	20,192.09

As far as State financing is concerned, its drastic reduction can be observed following the passage of the Opificio from the Grand Duchy to the Ministry of Public Education: from 80,000 Lire to 55,000 Lire, barely sufficient to cover the costs of the personnel.

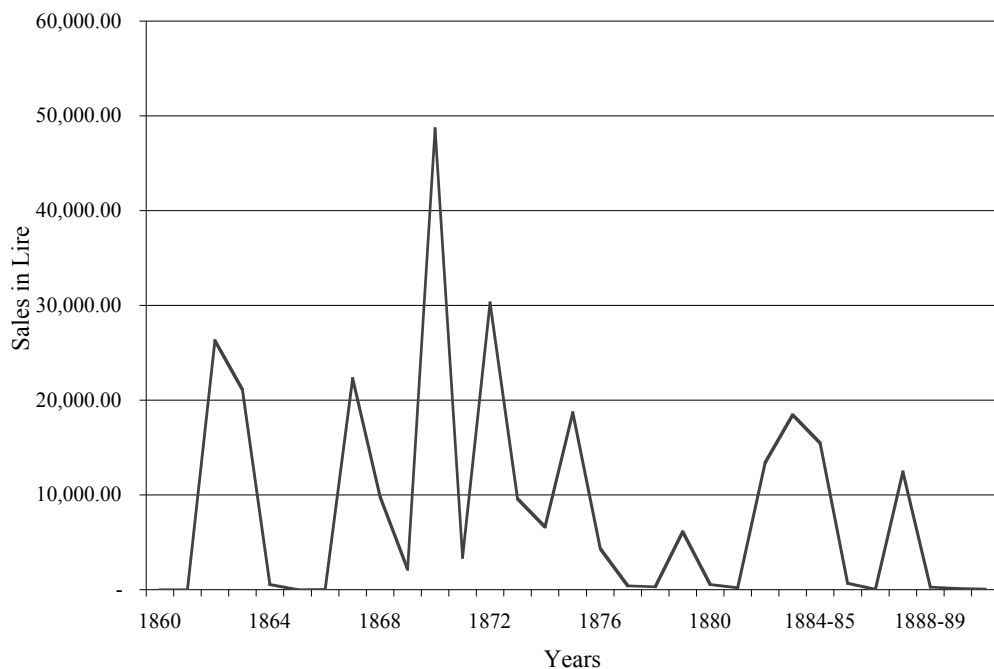


Fig. 8.1 – Flows of revenue from sales to private individuals

But an important change took place in 1882, when the Opificio was assigned the restoration of the Medici Chapel floors. This was an outstanding event, not only in view of the importance of this commission compared to those realised in that period by the Opificio²¹, but also because they mark the passage of the Opificio's activity from private to public commission and, more gradually, from mosaic work in semi-precious stone to the realisation of important restoration works.

This is clear from the analysis of Fig. 8.2, showing the percentage distribution of the revenues registered by the Opificio during the first five years following the beginning of the works.

An analysis of the accounting books shows that the prices of the works commissioned were calculated on the full cost. The full cost included the direct costs (raw materials and direct workforce), the general expenses (costs of the personnel, direction, administration and services, maintenance and depreciation) as well as an amount added for the value of the work done esteemed by the Director of the Opificio.

²¹ The Accounting Books for the years 1882 (beginning of the works) to 1905 (end of the works) outlined the costs of restoration of the Medici Chapels as 380,247.09 Lire, of which 203,346.68 Lire regarded work on the first four sections of the floor (from 1882 to August 1, 1990).

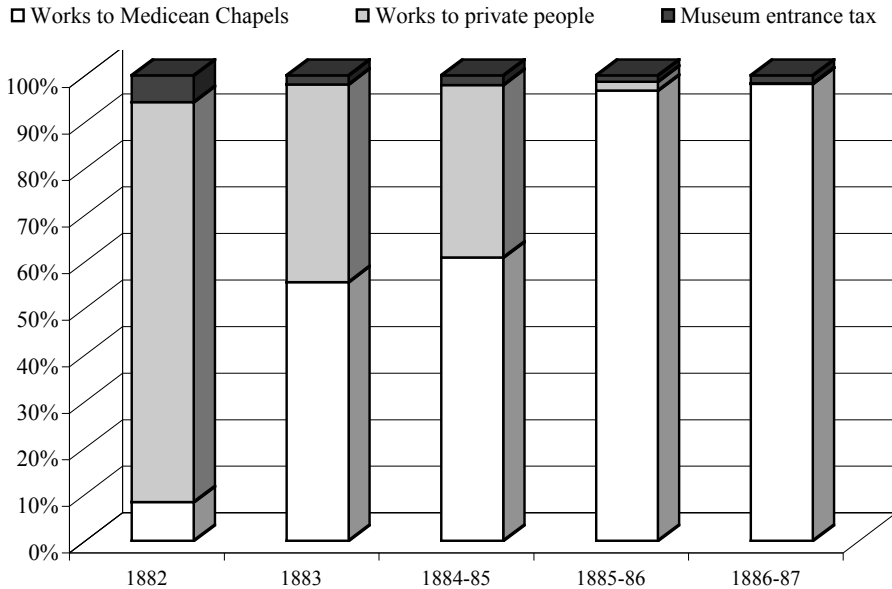


Fig. 8.2 – Percentage distribution of the Opificio's revenues in the period 1882-1887

And here two important specifications need to be made:

First, that the Ministry only reimbursed the Opificio for a part of the costs estimated for the realisation of the works ordered by institutions controlled by the Directorship of the National Galleries and Museums – and specifically for the reconstruction work on the Medici Chapels. These were mainly the costs of the daily workers and anything done by external companies. Moreover, documents of the period show that on various occasions, the severe constraints on the budget for the Kingdom led to delays and, sometimes, even curtailment of such refunds.

Second, the definitely overly approximate specification of these costs and more generally of the costs related to each project and commission realised by the Opificio.

From an analysis of Fig. 8.2, it can be seen that a part of the revenues registered by the Opificio was represented by the payment of a museum entrance fee. Since 1882, when the “Sale di Ostensione” had been given the status of museum, an entrance fee had been established, the amount of which was almost irrelevant if compared to other sources of funds (see Tab. 8.4).

On this point, in his annual report to the Director of the Royal galleries and Museums, Marchionni often complained that such an entrance fee was not justified

and even counterproductive, because it caused a reduction in the number of the visitors to the Opificio and, thus, a decrease in potential sales²².

Tab. 8.4 – Revenues related to the entrance fee for the Opificio delle Pietre Dure Museum

YEAR	REVENUE REGISTERED FROM THE MUSEUM ENTRANCE FEE	% OF TOTAL REVENUE OF THE MUSEUM ENTRANCE FEE
1882	897.00	5.75
1883	844.25	1.94
1884-85	865.50	2.07
1885-86	474.75	1.35
1886-87	595.75	1.71

Such a position is perfectly understandable if one considers the state of uncertainty as regards the activities to be carried out and the financial difficulties, which characterised the Opificio in those years.

6. Conclusions

The conservation of a rich, diversified documentation has shown itself to be of help not only in understanding the events relative to the institutional set up of the Opificio, but also in observing its patrimonial and financial features.

This said, a few short final observations will be made on the events characterising the Opificio in the period analysed.

1. The formal recognition of the “Sale di Ostensione” as a Museum was the prelude to a new mission for the Opificio.
2. The fact that the Opificio could guarantee its survival may certainly be traced back to the “conversion” of its traditional mission into a new strategic project, which foresaw the involvement of the Opificio in the field of restoration, its main activity, even though not the only one, up until the present day.
3. The inventory process carried out in 1905 identified features that are still of great interest and relevance nowadays, such as the economic valorisation of artistic and cultural assets.
4. The analysis of financial management has made it possible to emphasise the importance of the different financial sources of the Opificio and to understand the significant changes, which characterised its activity in the historical period under scrutiny in this contribution.

²² In the report of the financial year 1884-85, Marchionni underlined that the museum entrance tax was not altogether justified, «not having brought any material benefit to the Museum itself so far while denying the Opificio the publicity it required and the opportunity to show its products» (our translation).

Let now conclude this study with the words of Karen Blixen, praising the work of these artists, who, despite events and institutional difficulties, have left us precious works of art:

“Cara Babette” disse con dolcezza, “non dovevate dar via tutto quanto avevate per noi”.

Babette avvolsse le sue padrone in uno sguardo profondo, in uno strano sguardo: non v’era, in fondo ad esso, pietà, e fors’anche scherno?

“Per voi?” replicò. “No, Per me”.

Si alzò dal ceppo e si fermò davanti alle sorelle, ritta.

“Io sono una grande artista”, disse.

Aspettò un momento, poi ripeté. “Sono una grande artista, mesdames”.

Poi, per un pezzo, vi fu in cucina un profondo silenzio.

Allora Martina disse: “E adesso sarete povera per tutta la vita, Babette?”.

“Povera?” Disse Babette. Sorrise come a se stessa. “No. Non sarò mai povera. Ho detto che sono una grande artista. Un grande artista, mesdames, non è mai povero. Abbiamo qualcosa, mesdames, di cui gli altri non sanno nulla”.

Karen Blixen, *Il pranzo di Babette*,
Roma, Editoriale La Repubblica.

Appendix

(a) COMPLETION OF THE MEDICI CHAPELS, “Bollettino Ufficiale MPI”, vol. VIII, 1882

Compimento della Cappella Medicea di Firenze

UMBERTO I, ECC.

Considerando la convenienza che l'insigne Cappella Medicea di Firenze abbia il suo compimento;

Considerando che l'Opificio delle pietre dure di quella città, qual è al presente costituito e dotato, ha in sé elementi bastevoli a tanta opera senz'aggravio del pubblico erario, mentre gioverà all'incremento di esso se le sue forze più vive saranno volte a tal fine;

Sulla proposta, ecc.

Abbiamo decretato e decretiamo:

Art. 1. La Cappella Medicea avrà debito compimento per opera dell'Opificio delle pietre dure, nel tempo che a ciò si reputerà necessario e coi mezzi di cui esso dispone, sotto la suprema direzione del Comitato tecnico per le Gallerie e Musei di Firenze.

Art. 2. Sarà posto mano senza indugio alla esecuzione del pavimento della detta Cappella sul disegno approvato all'uopo dallo stesso Comitato Tecnico, salvo a provvedere a suo tempo all'eseguimento delle altre opere necessarie ad integrare in ogni sua parte il suddetto Monumento.

Ordiniamo, ecc.

Dato a Roma, addì 8 gennaio 1882

UMBERTO

Completion of the Medici Chapel of Florence

His Highness UMBERTO I

Considering the opportuneness of completing the renowned Medici Chapel;

Considering that the Opificio delle Pietre Dure of this city, which is at present established and functioning, has the qualities within it for such work without further cost to the public purse and that the direction of its resources to such purpose will benefit it;

As regards the proposal, etc.

We have decreed and decree:

Art. 1. The Medici Chapel shall undergo such completion by the Opificio delle Pietre Dure within such time as it deems necessary and using the means at its disposal, under the supreme direction of the Technical Committee for the Galleries and Museums of Florence.

Art. 2. Work shall commence without delay on the floors of the said Chapel to the design approved, in case of need, by the Technical Committee itself, save it providing for the carrying out of the other works required for the completion of all parts of the above-said Monument in due course.

We order etc.

Issued in Rome, 8 January 1882

(b) REGULATIONS OF THE R. OPIFICIO DELLE PIETRE DURE IN FLORENCE (1895)

Art. 1

Il R. Opificio delle pietre dure è riformato per modo che presti il proprio concorso nel restauro di monumenti è di opere d'arte ed eseguisca riproduzioni in gesso o galvanoplastica a scopo di studio, oltre a continuare le sue tradizioni col restaurare antiche opere di commesso e altre decorazioni congeneri, a compierne delle nuove.

Art. 2

All'Opificio è addetto un Direttore, un Segretario-Economo, due lavoranti capi-officina, due lavoranti sotto-capi officina, quattordici lavoranti, un portiere e due inservienti, retribuiti in conformità dell'organico annesso al presente regolamento.

I lavoranti sono ripartiti in categorie corrispondenti ai principali generi di lavoro prodotti dall'Opificio, vengono assunti in servizio ed impiegati a seconda dei bisogni dello stabilimento e delle loro rispettive attitudini.

La nomina dei nuovi lavoranti o la conferma degli straordinari che attualmente prestano servizio sarà fatta di anno in anno su proposta della Direzione dell'Opificio.

Art. 3

L'Opificio dipende direttamente dall'Ufficio regionale per la conservazione dei monumenti della Toscana, e corrisponde con le amministrazioni superiori per mezzo di lui.

Art. 4

I direttori degli Uffici regionali per i monumenti delle Gallerie e Musei e degli Istituti di belle arti del Regno, possono valersi dell'opera del R. Opificio delle pietre dure per tutti i lavori che loro occorrono ed ai quali esso possa supplire, dopo averne avuta autorizzazione dal R. Ministero e rimborsando volta per volta l'Opificio delle spese vive che dovesse sostenere per ogni singolo lavoro in più del suo bilancio ordinario.

Art. 5

L'Opificio eseguisce lavori su commesso o di mosaico anche per conto di privati e tiene esposti in vendita i suoi prodotti.

Nel caso che il lavoro ordinato da privati abbia un importo presunto di oltre 300 lire, o il costo di produzione dell'oggetto richiesto superi quella somma, la conclusione delle trattative è subordinata all'approvazione ministeriale.

Art. 6

I progetti delle opere di commesso che si avesse in animo di iniziare nell'Opificio dovranno essi pure riportare la preventiva approvazione del R. Ministero.

Art. 7

Il Direttore dell'Opificio ha la superiorità immediata su tutto il personale dello stabilimento, ne cura il buon andamento per la parte disciplinare, contabile e tecnica, in base alle leggi vigenti, ai regolamenti speciali del R. Opificio ed alle istruzioni superiori.

Assume, subordinato all'approvazione del R. Ministero ove occorra, a nome dello stabilimento, l'esecuzione dei lavori di cui all'art. 5, e si occupa dello smercio degli oggetti destinati al pubblico.

Art. 8

Il segretario economo ha la gestione della cassa e disimpegna tutte le funzioni amministrative, di contabilità e di segreteria.

È consegnatario del materiale grezzo, del materiale che ha subita riduzione e degli oggetti lavorati esposti nelle sale di ostensione, nonché del mobiliare, delle macchine e degli arnesi.

Tiene il registro del personale, la contabilità dei singoli lavori, e cura, sotto gli ordini del Direttore, la disciplina dei lavoranti.

Art. 9

Le sale delle collezioni dell'Opificio sono aperte con libero accesso tutti i giorni, salvo i festivi, dalle ore 10 alle 16.

Roma, 5 settembre 1895

Visto, d'ordine di S.M.
Il Ministero della Pubblica Istruzione
G. Baccelli

Art. 1

The R. Opificio delle pietre dure has been reformed that it may apply itself to the restoration of monuments and works of art and make plaster or galvanoplastic reproductions for academic purposes as well as continuing its traditions by restoring ancient mosaic works or other similar decorations and making new ones.

Art. 2

The Opificio shall be staffed by a Director, a Secretary-Treasurer, two workshop Chiefs, two workshop sub-chiefs, fourteen workers, a porter and two servants, paid in accordance with the attachment to these regulations.

The workers shall be divided into categories corresponding to the main types of product made by the Opificio, they shall be employed in service and assigned according to the needs of the plant and their respective skills.

The nomination of new workers or the confirmation of supplementary workers presently performing service will be made from one year to the next as recommended by the Director of the Opificio.

Art. 3

The Opificio shall be directly responsible to the regional office for the conservation of Tuscan monuments, and shall correspond with higher authorities through it.

Art. 4

The directors of the Regional Offices for the monuments of the Galleries, Museums and Fine Art Institutes of the Kingdom may avail of the services of the R. Opificio delle pietre dure for whatever jobs they might require done, which it may carry out after receiving authorisation from the Royal Ministry with the Opificio to be refunded each time for the active costs it incurs for each single commission extra to its normal budget.

Art. 5

The Opificio carries out commissions or mosaic works for private individuals too and displays its products for sale.

In the event that the work commissioned by a private individual should have an estimated cost of more than 300 lire, or the production costs of such an object should exceed such a sum, the negotiation of terms shall be subject to ministerial approval.

Art. 6

Projects for mosaic works which have been planned to be produced by the Opificio must also have the prior approval of the R. Ministry.

Art. 7

The Director of the Opificio is superior to all the personnel of the plant, is responsible for its proper functioning as regards discipline, accounting and technical procedures in accordance with current law, the special regulations of the R. Opificio and higher authorities.

He shall assume responsibility, prior to the approval of the R. Ministry where required and on behalf of the plant, for the carrying out of the works as in art. 5, and will deal with the sale of the objects destined to the public.

Art. 8

The secretary treasurer shall be responsible for the management of funds and all the administrative, accounting and secretarial duties.

He shall be the consignee of the raw materials, the materials which have been consumed and the objects produced on display in the sale di ostensione, as well as of capital stock, machinery and tools.

He shall keep the personnel register, the accounts of the single commissions and deal, under the Director's guidance, with the discipline of the workers.

Art. 9

The rooms containing the collections of the Opificio are open with free access every day, except feast days, from 10 a.m. till 4.00 p.m.

Rome, 5 September 1895

Seen, by the order of His Majesty.
The Minister of Education
G. Baccelli

9. The museum of the Opera of Santa Maria del Fiore: the history of the first twenty-five years of activity

*Fabio Ciaponi and Francesco Dainelli**

1. Premise

The subject of this essay is the Museum of the Opera del Duomo in Florence, which was inaugurated on May 3, 1891. We have conducted historical research into this subject that moves in two directions.

The first direction lies in the analysis of the motivations that led the Opera of Santa Maria del Fiore at the end of the 19th century to undertake the building of a museum. We conducted this part of the research by examining pertinent documents such as correspondence and resolutions by the Deputation of the Opera del Duomo. From a careful reading of these sources, we have sought to collect material that throws light on the problems encountered at that time, the proposed solutions, as well as the costs and financing involved in the realisation of the project.

The second direction offers an investigation into the accounting and managerial aspects of the Opera del Duomo in general and its museum in particular. By means of a reading of the account books and other related financial documents, we have attempted to reconstruct the economic and financial results achieved by the museum. This investigation covers a period of twenty-five years, from the constitution of the museum to the First World War. The choice of a time span that we consider both wide and significant was conditioned by the availability of documents from the archives. It is a fact that in the wake of the flood that inundated Florence in 1966, many documents regarding the periods following the one under consideration were either destroyed or are still in the process of being restored¹.

* Our research has been made possible thanks to the valuable collaboration of Dr Patrizio Osticresi (administrative secretary of the Opera di Santa Maria del Fiore) and Dr Lorenzo Fabbri (curator of the Archives of Opera di Santa Maria del Fiore) to whom we give our sincere thanks. Although this work is the fruit of a collaborative research effort, the first three sections are the work of Dr Fabio Ciaponi whereas the remainder of the essay is the work of Dr Francesco Dainelli.

¹ We will seek, by means of an interpretative-inductive procedure, to explain the managerial reality of the period in the awareness that «the reconstruction of a world that no longer exists from elements

2. The realisation of the museum: the mission, the costs and the financing

The Opera of Santa Maria del Fiore is an institution that was created at the end of the 13th century and it was responsible for the construction of the new Cathedral of Santa Maria del Fiore². The realisation of the cathedral encountered substantial obstacles of both an organisational and economic nature that could only be overcome through the close collaboration of the State, its departments and the citizenry. The Opera del Duomo was given the most sensitive decision-making responsibilities regarding the planning and construction of the monument. These included the choice of the architect and artists to whom the sculptural and pictorial decorations would be entrusted. The State, for its part, saw to financing the bulk of the building operations with the proceeds of taxation. In addition, it assigned to the Opera income from the exploitation of the forests of the Casentino region in perpetuity.

One might think that once the cupola of the cathedral was in place (Filippo Brunelleschi had resolved the problems posed by its construction), the already centuries-old institution would have accomplished its objectives. However, this was not the case. First, the question of the façade remained unresolved. Arnolfo di Cambio, the cathedral's first architect, had designed a façade, which had only been finished in its lower sections. By the time of the Renaissance, his project seemed irreparably *passé*. It was removed in 1587 and the façade remained unfinished until 1871 when the neo-gothically inspired project of Emilio De Fabris was approved and it obtained its definitive aspect. A second issue regarded the need for constant and thorough maintenance operations on the imposing basilica. Finally, the evolution of taste and the undying desire to enrich the interior with new works of art made the continuing existence of a governing body with powers of decision and control over cathedral works necessary.

For centuries, the headquarters of the Opera was also the place where sculptures were temporarily stored while they awaited placement inside the cathedral. The storerooms also contained old sculptures that were removed and destined to be sold. Notable examples include elements from the above-mentioned façade by Arnolfo and two celebrated choirs designed by Donatello and Luca della Robbia that had been dismantled in 1688.

The idea of a museum for the Opera's artworks took concrete form during the 19th century among circles that were re-evaluating the artistic and historical aspects of 15th century sculpture³. A precursor of this cultural attitude was Giovanni degli Alessandri, Deputy of the Opera del Duomo as well as Director of the Florentine Galleries. He sought to enhance the appreciation of the choirs and other sculptures

whose significance is often difficult to interpret is never an easy undertaking» (Giannessi, 1992, p. 6).

² For information on the activities of the Opera of Santa Maria del Fiore see, Ippolito (1997).

³ On this subject see Preti (1989).

found in the storerooms of the Opera by transferring them, in 1822, to the Uffizi. It was only many years later, when the choirs were moved from the Uffizi to the Bargello, that the need to create a museum of the Opera became more urgent. Thus, in 1885, the Deputation of the Opera of Santa Maria del Fiore verbally assigned the preparation of a project for the construction of a museum to its own architect, Luigi del Moro. The purpose of this museum was to accommodate the choirs by Donatello and Luca della Robbia as well as all the valuable artistic masterpieces that in the course of the centuries had been removed from the cathedral to create space for those new works of art that were more in line with the prevailing artistic styles and tastes.

Upon receiving the assignment, Del Moro immediately drew up plans and presented them to the Deputation of the Opera on September 10, 1885. In the letter that accompanied the project, in keeping with the requests of the Deputation, he illustrated the objectives to be realised by the new architectural proposal.

In fulfilment of the verbal charge received from this honourable Deputation, I am proud to send you the project for the new Museum, in which the Deputation intends to definitively accommodate the famous Choirs of Donatello and Luca della Robbia as well as all the art objects that are found scattered and badly conserved in the diocese, in the Baptistery and in various assigned spaces of the two Sacred Edifices that are at the disposition of the congregation and the use of the clergy.

In the preparation of the project I have put forward two main objectives; one is to create spaces that are suited to accommodate in a decorous fashion all those valuable works; the other is to designate, with the greatest possible economy, new and more appropriate offices for the Archives and the Office of Baptismal Records.

At the same time that the Deputation of the Opera of Santa Maria del Fiore was attending to the preparation of the project, it was fighting a bitter battle with the Ministry of Public Education. In fact, the Deputation asked for the recognition of its right to the property of the choirs and, contemporaneously, the approval of the project for the realisation of a new museum that, upon completion, would accommodate them.

Of the ample correspondence exchanged on this theme between the Opera and the Ministry of Public Education through the mediation of the Prefect of the Province of Florence, a letter dated January 26, 1886 proves to be of particular importance:

His Honour the Prefect of the Province of Florence

The Deputation of the Opera of Santa Maria del Fiore, having been informed that the Ministry of Public Education will soon present once again the matter of the famous Choirs of Donatello and Luca della Robbia for consideration by the illustrious permanent Commission of the Fine Arts, has, on the 25th day of this month, upheld the following resolution.

Considering that, whereas in the Resolution of April 18, 1885, and in the motion of the Illustrious and Meritorious Prefect of the following June 10th, the right to the property of the said choirs on the part of the Deputation was thoroughly demonstrated, at that time no mention was made of the appropriateness of their collocation.

Considering that if a critique of the collocation proposed by the Directorate of the Museums may have appeared inopportune and indiscreet when, as a result of the lack of space available for the placement of valuable objects, that Directorate was obliged to consider and propose the historic Hall of the Palace of the Prefect; it is today, by the same token, opportune, discreet, and appropriate to criticise that collocation because since then, acting on the orders of the High Ministry of Public Education, the Deputation has ordered its own architect, Professor Luigi Del Moro to draw up a Museum Project for the purpose of accommodating the Choirs and other valuable relics that belong to the Deputation. Moreover, this is so because this same project was presented to His Honour the Prefect of the Province as early as September 30, 1885.

Considering that the request of a second vote by the respected Permanent Commission at the present state of the dispute, which is certainly different from the state it found itself in on April 23, 1885, the date of the first vote; considering that such a request would surely serve the purpose of learning which, in the opinion of the Commission, would be the better collocation of the Choirs; that is, either in the Hall of the old Palace of the Prefect or in the museum that the Deputation proposes to create in its own building almost exclusively for the placement of the choirs.

Considering that the Deputation has an obligation to bring to the attention of the Permanent Commission the defects of the first project and the qualities of the second such that none can hold against the Commission a change of opinion when such a change is justified on the basis of a change that has taken place in the state of the controversy. It is thus proper to note that:

- (a) The Hall of the Palace of the Prefect itself, due to its graceful as well as majestic and severe form, is already a famous Monument that merits respect and should not be disturbed by the insertion of objects that are different in terms of character, date, and destination, simply assembled there as if it were a warehouse.
- (b) In spite of the spaciousness of the room, the only side that can be considered for the collocation of the Choir, paired in the manner favoured by the local Directorate, is the internal south-facing side, which is 15 meters wide and 50 meters outside the piers.
- (c) The two Choirs together have a front side that is approximately 12 meters wide such that only 3.50 meters of the wall upon which they are to be attached remains free and that interval is necessary to provide a space in the middle between the choirs as well as a space between the sides of the choirs and the lateral walls of the Hall. So that if the above mentioned space is divided into thirds, the result is an average space of 1.16 meters which is definitely insufficient for each of the three intervals as compared to the uniform projection of the Choirs which rises to 1.15 meters.

(d) As a result of this excessive narrowness, the historiated sides of the Choirs would remain practically invisible and the superb corbels that support them could only be seen with difficulty.

(e) The wall upon which the choirs are to be placed receives little light given the distance from the very large window in the opposite wall. Instead, the double order of windows and portholes found in the north wall of the hall will only provide a little light which is raking and unequal: this light is the least suited to permitting an appreciation of the sublime beauty of the choirs.

(f) Considerable damage to the strong walls would be caused by the need to custom fit the various parts of the two masterpieces particularly the eight corbels which would each occupy a space of approximately 0.65 meters.

(g) By being placed in the new museum proposed by the Deputation, each of the two choirs could be collocated along a wall ten meters in length and in this case a space of two meters would remain free on each of the sides, which would permit them to be enjoyed in their full extension both as a whole and in their most sublime details.

(h) Separated from each other, the choirs will not cause reciprocal disturbance as would occur if they were paired together and it will be possible to enjoy and admire the refinement of the execution in Luca's choir and the originality of the carving in Donatello's.

(i) As far as lighting is concerned, it will be possible to illuminate the museum with large side windows as well as ceiling lanterns and thus it will be lighted from wherever it is most comfortable for the viewer according to the various seasons and the time of day. The truth of this point emerges from the demonstrative and comparative drawings attached to the present document, thanks to which other details (which knowledgeable persons can see for themselves without need of representations) can be omitted.

(j) Considering it is of the highest importance for the decorum and for the finances of the Deputation that the present Project for the Museum be approved, barring modifications that can be suggested by an in depth study of the plan and the knowledge of the Ministry.

Bearing in mind the preceding considerations, the Secular Deputation of the Opera of Santa Maria del Fiore

Resolves

1st To renew the motion brought before the Illustrious Prefect of the Province of Florence on June 10th of this year so that it pleases him to promote with our Government, according to the terms of justice, the claims and demands of the Deputation regarding the famous Choirs.

2nd To charge the Resident Deputy with the communication of the present resolution to the Prefect of Florence with the request that he forward it to our Ministry of Public Education, and to each member of the Permanent Commission, as well as the directorate of the Royal Galleries and Museums.

3rd To charge the Resident Deputy with the responsibility of requesting from the worthy Ministry a communication regarding the deductions already made by the Directorate of the Galleries and those which will be made in the wake of this dispute.

4th To charge the Deputy with placing opportune pressure, by adding his own words to those of the present resolution, in order to obtain from our Government the approval of the Museum project.

5th To pledge itself to making sure that our Government holds fast, also on this occasion, to the principal of the distinction of the patrimonies among the public institutions and refrains from impoverishing the patrimony of the Opera of Santa Maria del Fiore, which is already rather meagre, in order to enrich the patrimony of the Galleries and Museums, which is very rich in masterpieces of incalculable value.

As can be observed in the above resolution, the Deputation of the Opera's strategy with regard to the Ministry of Public Education developed in two different directions. On the one hand, the unsuitable nature, due to its configuration, of the Palace of the Prefect as accommodation for the choirs was underlined. By virtue of this poor predisposition for receiving the two works of art, the Deputation made clear, by following through with this line of reasoning, that the only certain result would be the failure to render full merit to the beauty of the choirs. On the other hand, instead, the Deputation emphasised the opportunity provided for placing the Choirs in a purpose-built space that would make it possible to «admire the refinement of the execution of Luca's choir and the originality of the carving of Donatello's».

On the basis of this reasoning, the Deputation requested that the Ministry examine the petition put forward for the realisation of the museum and that, at the same time, it recognise the property rights over the two works of art that had been loaned to the Uffizi first, and then to the Bargello.

With a letter dated, May 22, 1886, the Prefect of the Province of Florence notified the Deputation of the Opera that the permanent Commission of the Fine Arts had approved the project for the realisation of the new museum, attaching the letter he received from the Ministry of Public Education:

Florence, May 22, 1886

In response to your request, I am pleased to share with Your Illustrious Lordship that the Ministry of Public Education approves in general terms the proposal relative to the project of a museum for the relics of the Opera of the Cathedral, fully associating itself with the vote expressed by the permanent Commission of the Fine Arts while nevertheless reserving the right to examine and approve definitively the project that will give concrete form to the same, as well as the regulations of the museum in order to be certain the intentions of the above-mentioned vote have been exactly fulfilled.

The letter received from the Ministry of Public Education

We communicate to Your Lordship that the Permanent Commission of the Fine Arts, in the session held on the 6th of this month, having been queried on the Project for a Museum for the Relics of the Cathedral of this City and on the question of the choirs of Donatello and Luca della Robbia, has expressed the following vote.

The commission resolves to propose, as the Ministry of Public Education proposes, the restitution to the Deputation of the Opera of Santa Maria del Fiore of the choirs of Donatello and Luca della Robbia, which had been deposited in the State Museum of Florence, recognising that said building lack adequate space for their suitable collocation.

It believes, secondly, that the project presented by the Deputation for the construction of several halls, intended to collect together the objects of art in the possession of the above mentioned Opera, is capable of presenting, at the same time, all the requirements for a successful collocation of the choirs, inasmuch as the clearances are suitable and the lighting is optimal, requirements that are most necessary for the correct appreciation and study of those great works.

It believes that this restitution must be made on the condition that the Opera of Santa Maria del Fiore must keep its new museum opened to the public in conformity with the hours exercised by the State Museums, thus it proposes the approval of the project that has been presented reserving the right to a new approval when modifications are made to it.

Having conveyed the announcement of this ministerial communication, I undersign it with all due consideration.

The Prefect, Pacini

Two aspects of the letter that the Ministry for Public Education sent to the Prefect of the Province of Florence deserve to be highlighted. The Ministry for Public Education recognised the Opera's property rights to the choirs, giving precedence to the need to find an opportune collocation for the same. However, there was more to it. In fact, the Ministry made the approval of the project conditional to the requirement that the new museum be opened to the public in the same way as all the other State Museums were opened to the public. The mission of museum institutions, then as today, was placed in the foreground with this *sine qua non* condition; the mission was to give all, scholars and mere visitors alike, the possibility of benefiting from the artistic wonders that had been passed down through the centuries.

With the approval of the project for the new museum on the part of the Ministry, the organisational machine was set in motion; this machine, in the course of a few years, would look after the material realisation of the institution. Already in October 1886, the Engineering Office of the Opera directed by Del Moro, the

architect, inserted the project for the realisation of the museum in the engineering budget for work to be executed in the operating year 1886-1887.

October 20, 1886

Engineering Office: Report concerning the works executed in the operating year 1885-1886. Estimate of works for the operating year 1886-1887, and the project of the new Museum of the *Opera*. [...]

The expected cost for the complete construction of the Museum amounts to the sum of 20,338.38 Lire (Exhibit A). However, since all the necessary work, due to its nature, cannot be executed simultaneously, it appears opportune to divide it into two categories, assigning to each one of these the relative amount as follows:

1 st Category = Organic Work	
	10,998.89 Lire
2 nd Category = Finishing and Decoration	
	9,339.49 Lire
Total	
	20,338.38 Lire

I am now obligated to point out that the expense assigned to each article of the estimate has been evaluated in terms of the cost of the materials and the labour, in conformity with current prices. Moreover, taking into consideration the condition of the building to be demolished for the museum, the quantity of the materials that will be extracted, and the special conditions under which the engineering personnel of this administration are employed, I am convinced that this expense, in practical application, will undergo a noticeable reduction.

As far as the necessary materials are concerned, I will point out that besides the use of those that will be recovered from the demolition, many others will be given gratis to the *Opera* by the Executive Committee of the Cathedral Façade, i.e., bricks, roof-tiles, poles, beams, trestles and various timbers, steel armatures and glass for the lanterns and other materials.

As far as the expense for labour is concerned, I will say that by beginning the work next year, one could obtain the benefit of utilising a certain number of labourers, who, in the absence of overtime work on the Canonry Houses, could be employed alternatively in the construction of the museum.

For these reasons, and taking into account only the cost of new materials and the expense for various skilled workers that are not to be found among the engineering personnel of this *Opera*, I believe that the cost to be entered into the estimated budget for the execution of the work foreseen in the first category can be reduced to 8,000 lire.

The construction of the museum began in 1887 and continued for four years. The first problems of a financial nature emerged as the work advanced. In fact, the total figure for the cost as foreseen in the architect Del Moro's estimate was exceeded by a significant amount.

A first measure adopted by the Opera to meet the rising financial needs was to arrange for the sale of a shop located in the Old Market Square (piazza del Vecchio Mercato). In a letter dated July 7, 1888, the Deputation of the Opera asked the Ministry for authorisation to set off the proceeds of the sale of the shop against the expenses incurred in the realisation of the museum.

On March 3, 1889, the Ministry for Public Education granted that the proceeds obtained from the sale of the Old Market Square shop (which was to amount to 6,000 Lire) be assigned as per request.

Here we are dealing with an important concession on the part of the Ministry. In fact, the very reason for existence of the Opera foresaw that all the proceeds derived from the various activities it engaged in must be assigned exclusively to the maintenance and repair of three monuments: the Cathedral of Santa Maria del Fiore, Giotto's bell tower and the Basilica of San Giovanni. However, in this case the Ministry understood the requests advanced by the Opera and accepted that the proceeds of that sale be diverted from the fulfilment of its institutional duties.

In spite of the concession of this utilisation of funds, many expenses arose that were not covered. In a letter dated March 9, 1891, the Deputation of the Opera expressed the delicate financial situation in which it found itself to the Ministry. In fact, the costs encountered in the realisation of the museum, as emerge from the letter, amounted to 44,510.70 Lire divided in the following manner: 34,052.45 Lire relative to the acquisition of materials and 10,458.25 relative to the expenses for the labour employed⁴. Against these costs, the funds collected amount to 24,536.61 Lire divided as follows: 4,873.16 withdrawn from the Cassa del Bigello (a bank); 11,810.00 obtained thanks to the sale of bonds that yielded 3%; 4,853.45 from the sale of the Old Market Square shop (as opposed to the 6,000 lire originally foreseen); and finally, 3,000.00 Lire withdrawn as available funds from the Cassa di Risparmio di Firenze (a savings bank).

The Deputation of the Opera drew attention to the fact that the difference between the costs sustained for the realisation of the museum and the funds collected, which amounted to 19,974.09 lire, weighed on its already precarious

⁴ This letter represents the only document that bears witness to the total amount of the costs encountered in the realisation of the museum. In fact, the Opera del Duomo's accounting system did not initially foresee the opening of accounts for specific expenses to which the burden of the costs that arose in the realisation of the museum could be ascribed. Thus, it came to pass that accounting books of a generic nature were utilised for all the expenses. These books were used to assemble all records of expenses of the entire Opera. This has made a precise reconstruction of the accounting relative to the costs encountered in the construction of the museum impossible. Nevertheless, the amount indicated in the epistolary document appears to be consistent with the amount entered for the museum as an asset in the Opera's financial statement. This amount was 50,000 Lire. It was only after the opening of the museum that the Opera's bookkeeping system acquired new accounts for the purpose of gathering specific values (both expenses and income) inherent to the specific activities of the museum.

financial situation and it invited the Ministry to adopt opportune measures, perhaps by setting aside special funds from which the necessary resources could be drawn.

Attached to the same letter, the Deputation of the Opera forwarded two sets of regulations, one internal and the other external. These regulations dictated, respectively, the rules of conduct for the guards and the rules of access to the museum for visitors. In particular, the external regulations indicated the opening hours of the museum, the price of tickets, closing-days, facilitation of access to scholars, as well as the various prohibitions to which visitors would be subject during their stay inside the building. Here, we are dealing with a document of fundamental importance in which a series of requests advanced originally by the Ministry are given concrete form. The authorisation for the realisation of the museum was subordinate to the fulfilment of these requests. It is sufficient to recall the obligation regarding the opening hours for the public and for scholars.

Another bitter debate developed between the Deputation and the Ministry concerning the drafting of these regulations. Specifically, the bone of contention regarded the destination of the proceeds resulting from the entrance fee to the museum. In a first draft of the external regulations, the Deputation of the Opera made no mention concerning the destination of the above-mentioned proceeds, convinced as it was of the possibility of being able to utilise them to cover the expenses incurred in the realisation of the museum.

The Ministry did not delay in responding. On March 28, 1891, by means of a message posted by the Commissioner for the Antiquities and Fine Arts of Tuscany, the Ministry suggested the corrections to be made to the external regulations.

Subject: The Museum of the *Opera* of Santa Maria del Fiore Regulations for access to the Museum

The Ministry for Public Education has passed on to me the regulations for entrance to the new Museum of the *Opera* of Santa Maria del Fiore. I have been requested to examine them and then return them to this honourable Deputation.

The mentioned Excellency has invited me to have you observe that in general it approves the regulations themselves and proposes only a few, slight additions and modifications which I transcribe here.

«In order that scholars are able to visit with greater ease the two famous works by Donatello and Luca della Robbia, the amount of the entrance fee should be reduced in modest limits, not exceeding the sum of fifty cents. [...]»

and in order that the entrance fee has a useful purpose and a precise destination, a seventh article should be added. It should be conceived in the following manner:

Article 7: The net proceeds of the fee must be exclusively employed for the work of maintenance and repair on the church of Santa Maria del Fiore.

The official of the Ministry then adds:

The mentioned Deputation has then turned to this Ministry asking for a special subsidy to make up for a part of the fairly large expense encountered in the institution of the new Museum. I am at this time sorry to say that budgetary necessities prevent me from being able to respond in a manner that will satisfy the desires of this honourable Deputation whose purpose is the advancement of art.

The need to economise in the present financial straits is so impelling that I have been forced, to my displeasure, to diminish the special allowances granted to the various Regions of Italy for the preservation of their respective monuments of national importance.

On the other hand, it should be observed that since this Ministry has consented to the transfer of the famous choirs of Donatello and Luca della Robbia from the National Museum of Florence to the new Museum of the *Opera* of Santa Maria del Fiore, the Ministry has given the latter a huge importance by means of which it will result much easier, without any doubt, to derive the greatest benefits possible from the admission fee.

This Commissioner, having examined the two sets of regulations, has nothing to add to the dispositions and modifications made by the Ministry.

In synthesis, with this document, the Ministry intended to impose on the Deputation of the Opera a very precise constraint on the proceeds obtained from the admission fee, while at the same time denying the availability of a special subsidy to be assigned to cover the expenses incurred.

On April 18, 1891, the Deputation of the Opera responded to the requests advanced by the Ministry in aggrieved tones. It definitively fixed the admission fee to the museum at fifty cents. In addition, a new wording of article 7 of the regulation was proposed. In essence, as witnessed by the resolution, the Deputation asked to be allowed ample discretion *vis-à-vis* the use of the proceeds for the first ten years from the date of the opening of the museum. They would only be tied up for the maintenance of the three famous monuments after that period.

Subject: Regulations for admission to the Museum of Santa Maria del Fiore

The Commissioner for the Antiquities and Fine Arts, with the official communication of last March 28th, made known to this Deputation the proposals of His Lordship regarding the two sets of Regulations, internal and external, for the opening to the public of the Museum erected by this very Deputation through its office, the *Opera*. [...]

And in reviewing the fundamental concepts, the modifications and additions desired by His Lordship, the Deputation says, first of all, that it agrees to fix the individual admission fee for admission to the Museum at the trifling amount of 0.50 Lire with the exception of granting free admission to those persons to whom it is due.

The Deputation apologises for being unable to accept the addition of an Article VII such as it has been proposed and wishes to formulate it in the following manner:

«the net proceeds of the Fee, at the conclusion of a period of ten years from the opening of the Museum to the public, must be exclusively utilised for maintenance and repair work of the three famous monuments, such as it has been up to now. These monuments are; the Cathedral of Santa Maria del Fiore, its bell tower also known as Giotto's Bell Tower, the Basilica of San Giovanni and to the maintenance and completion of the new Museum».

In the concluding part of the letter, the Deputation of the Opera openly accuses the Ministry of having done nothing to favour the realisation of the museum. In fact, it underlines the fact that the only contribution offered took the concrete form of the restitution of the Choirs, of which the Opera believed itself to be the rightful owner. For this reason, the Deputation is unable to come to terms with the motivations that induce the Ministry to refuse it the possibility of autonomously reimbursing the expenses incurred with the proceeds from the museum.

In the act of invoking the favourable help of the Ministry, the Deputation did not intend, by means of its letter of March 9th, to ask for an immediate pecuniary subsidy, but wished to insinuate and suggest openly the concession now being submitted, which will cost the Royal Ministry nothing and which will open the series of moral supports for the prosperity of the Museum that up to now have been denied. The Deputation cannot refrain from calling to mind that up to now the favourable actions of the Royal Ministry have been limited to consenting to an act of mere justice by ordering the restitution to the *Opera* of Santa Maria del Fiore of its own works of art which were deposited elsewhere for temporary reasons. And if it graciously approved the construction of the Museum, it was only after the decided agreement of the College of professors of Fine Arts, and the Permanent Commission demonstrated, in the light of day, that any other course of action would not only have offended the right to property, which is the basis of civilised society, but also would have failed to recognise the true interests of art.

The Deputation is confident that the Ministry will be benevolent in accepting the wording of Article VII that has been proposed above by this Deputation such that it be allowed to find in the results of its own labours some relief from the many sacrifices it has made in order to complete the Museum and to be able to restore its patrimony.

It is confident it will obtain what it is requesting relying, first of all, on His Lordship, the Minister's, renowned sense of justice, in his love of art and of all that is of importance to national honour. It is also confident that it will obtain its request as a reward for the financial prudence adopted by the Deputation in carrying out this matter in which, almost foreseeing the current difficulties of the financial situation, it never disturbed the Ministry to obtain subsidies. Even now it will not disturb the Ministry, as will be observed, but only desires to profit, at least for a congruous period of time, from its own labours.

It is with this confidence it submits itself with complete respect.

The determination with which the Deputation of the Opera advanced the arguments in its favour, urged the Ministry to re-evaluate its own position with regard to the destination of the museum proceeds. Thus, with a letter dated May 12,

1891, the Commissioner for the Antiquities and Fine Arts of Tuscany communicated to the Opera that, basically, the Ministry accepted all the modifications suggested by the Deputation itself. However, the Ministry suggested the removal of the time constraints that fixed the period during which the proceeds of the museum could be destined towards covering the expenses incurred, indicating that «before being devolved to the favour of the conservation and maintenance of the Opera's three monuments, they will serve to extinguish the expenses encountered in the construction of the Museum».

Encouraged by this communication, in which the all the requests that had been advanced were granted, on July 7, 1891, the Deputation of the Opera forwarded to the Ministry the definitive copy of the regulations for access to the museum.

On July 21, 1891, the Ministry for Public Education informed the Deputation of the Opera that the regulations of the Museum had been accepted in their entirety.

3. The Opera's bookkeeping system

As far as the Opera's accounting system is concerned, it should be noted that the documentation available from the archives did not permit an organic reconstruction of the precise modalities of the bookkeeping. Nevertheless, it did provide valid elements for a reconstruction, based on circumstantial evidence, of the accounting method adopted, which during the period under analysis, shows all the characteristic signs of a "single-entry" system⁵.

Although it is not exact to speak of "method" in those cases where the rules that discipline a double-entry form of bookkeeping are lacking, it is also true that such a system for keeping track of the administrative facts can be endowed with its own organic qualities. If this is the case, it begins to approximate a true accounting system like the double-entry practice⁶. In briefly summarising the distinguishing features of the single-entry method, we can observe, that in order to be applied, it is necessary to keep a day-book, a ledger and, possibly, one or more attached registers. When compared to the double-entry method, however, one distinctive element can be found in the day-book which, «limits itself in this case to noting the entries that refer to facts that implicate the movement of cash» (Amodeo, 1970, p. 703).

⁵ On the process of the cultural propagation of an accounting instrument see Catturi (1996). In addition, for an analysis of the doctrinal debate of the period see Pezzoli (1986).

⁶ «Traditionally, among these methods, the single-entry method, in a position of ordinal priority, is listed next to the double-entry. This traditional juxtaposition probably derives from the mere suggestion provided by the adjectives. This is because, when correctly seen, single-entries cannot be declared to conform to a *method*, unless they are accompanied by a keen discipline» (Amodeo, 1970, p. 702). For a treatise regarding the characteristics of the single-entry method in public agencies see Melis (1950, Chapter II, paragraph 4, p. 389).

Continuing in this direction, the bookkeeping system of the Opera is based on two principal documents represented by the *day-book of debits and credits* and the *ledger*. In addition, attached to these two documents, are the *register of creditors*, the *register of debtors* and the *balance-sheet*.

All of the operations that have produced a movement of cash are entered on daily basis in the day-book almost as if one was dealing with a book of original entry⁷. This bookkeeping document carries, in chronological order, the amount of every single operation accompanied by a synthetic description.

The Opera's ledger is divided into four series of accounts: the accounts opened to record credits, the accounts open for debits and to record net worth, accounts for income and accounts for expenses. In addition to these four types of accounts, the Opera's ledger contains two summary accounts, which refer, respectively, to the values of its assets and liabilities and the value of income and expenditures. These last accounts hold the closing balances of all the other books at the end of the accounting period, which runs from July 1 to June 31 of the following year.

The *register of creditors* and the *register of debtor*, attached to the ledger, contain the variations in the credit and debit positions of the Opera. The functioning of these two documents is simple. In fact, the two books are divided into various sections corresponding to the number of debtors and creditors of the Opera. In each section, in chronological order, are all the operations which have produced a variation in the position (either as a credit or a debit) of the interested parties.

To conclude, at the end of each administrative period a balance-sheet is drawn up. Here we are dealing with a document constructed according to the principles of standard bookkeeping. It is made up of four sheets; the profit/loss statement, the final balance of income and expenses with a comparison to the preceding period, the final balance of income and expenses in comparison to the estimated budget and the final balance of cash income and expenses of the period under consideration.

In analysing the Opera's balance-sheet, one cannot help but observe the precise intentions that animated the management in their carrying out of verification procedures. In fact, with regard to the income and expenses sheet, one can observe how importance is given to the comparison between the figure for the period that has just ended and the figures for both the preceding accounting period and the estimated budget for the next period. Both of these comparisons also report, for each item in the balance-sheet, the figure for the accounting variance. As a result, anyone reading the balance sheet can see at a glance the managerial progress of the Opera. However, this is not all; wherever the management had not managed, all things considered, to produce the desired results, it thus became very easy to discern the original cause.

⁷ In fact, «the form of these entries does not distance itself from that which is utilised for the annotations of a book of original entry» (Amodeo, 1970, p. 703).

In particular, we can also evince the fact that the Opera's books were kept with due diligence from a reading of the ledger. In fact, as regards the various accounts that were opened, one's attention is drawn to the number of these accounts which amounted to as many as were needed for each area of management worthy of separate accounting data. In other words, the items that are singled out in the accounts are significant, especially from a managerial point of view and are presented in order to measure homogeneous operational facts. Similarly the number of accounts opened for generic items are few. This reduces to a minimum those grey areas of bookkeeping that can arise in accounts which agglomerate figures that are dissimilar in nature and origin.

As an example, we can consider the data provided by the receipts deriving from the sale of entrance tickets to the museum, the bell tower and the cupola. It is obvious that we are dealing with three different activities. From a bookkeeping point of view, the choice of the number of accounts to open could well have been just one that provided information on the sale of tickets to all three of the different areas. However, the choice adopted by the Opera was to open three different accounts that referred to the three items in question, i.e. the museum, the bell tower and the cupola. In this manner, they avoided merging figures that were homogeneous in nature but dissimilar in derivation into a single account.

This procedure, of which one of the objectives was to implement an analysis of the progress made in the management of the museum, would not have been possible if the books of the Opera had not been kept with such attention to detail⁸. In fact, the number of accounts that were opened at the moment of the museum's inception was three: one account for the *Museum real estate value*, one for *Museum income and expenses*, and one for *Museum maintenance*.

The "Museum real estate value" account, opened as an asset, shows the value attributed to the building that housed it. This figure amounts to 50,000 Lire, a figure that the relative entry justifies in the following manner:

For the approximate value assigned to the premises that form and compose the Museum of the *Opera* of Santa Maria del Fiore, which today is placed among the assets of the same *Opera*, inasmuch as the sum of the expenses for the demolition and construction of said Museum was carried over in its entirety as an expense in the various balance-sheets pertaining to the period referred to⁹.

⁸ «In fact, the history of bookkeeping is not only comprised of the study of texts written by those who have made a significant contribution to the development of our field. It also takes into account the work of professionals who put their capabilities to the test in actual practice; the ones who found themselves with the duty of facing concrete problems that were not always considered worthy of scientific recognition» (Terzani, 2001, p. 323).

⁹ The book value, as we read in the entry, is approximate. In fact, from the documentation available it emerges that the sum of the expenses incurred in realising the premises of the museum were equal to 44,510.70 Lire.

This entry shows all the characteristic features of a capitalisation. In fact, the specified value refers to the sum of the expenses incurred during the years required for the realisation of the premises designed to house the museum; expenses that were carried over in various balance-sheets from past accounting periods.

The account called “museum income and expenses” is the result of a two-part operation. The expenses relative to personnel are entered as debits, whereas the receipts of the museum’s activities are entered as credits.

The account called “museum maintenance” is different from the preceding account. It is the result of a one-part operation. In fact, entered here, in the debit column, one finds all the expenses incurred in the course of other activities apart from those regarding personnel.

All things considered, if on the one hand it is true that it is not possible to consider the museum as institution in and of itself; on the other, it is also true that the management of the museum takes a separate and autonomous form as seen from the point of view of its bookkeeping system. This can be observed with respect to the other administrations that revolved around the Opera. From here, with reasonable certainty that the bookkeeping data is representative of the museum’s operation, we can proceed to analyse the operational trends covering a period of twenty-five years¹¹.

4. The characteristics of the cultural service on offer and its development over time

The analysis of the receipts generated by the cultural service offered by the museum of the Opera del Duomo draws upon the ledgers kept during the period under analysis. To be more precise, our attention is concentrated on the account entitled “Receipts and expenditures of the Museum”. In the credit section, the account carries the total of the receipts for each month. The description given to each entry is so well constructed as to indicate the source for the receipts.

Two activities that contribute to generating receipts emerge. The first, obviously, can be none other than the activity of exhibition, the museum’s “core business”. The second, instead, is a supplementary activity, i.e., the sale of museum guidebooks and the like.

Let us begin by examining the economic substance of the exhibition activity. First of all, the monthly records of the influx of visitors are available to us. We will begin with this information in order to study the characteristics and the evolution of

¹¹ «It is only thanks to interpretation that various relations or correlations and the trends extracted from the statistical analysis of businesses acquire an economic sense; that they take on a semiological or etiological significance and can be ultimately understood for the aim of economic/financial management forecasts or evaluation of past business trends» (Onida, 1951, p. 281).

the demand for the service offered by the museum. The curve for the average monthly influx of tourists, during the period in question, is presented in Fig. 9.1.

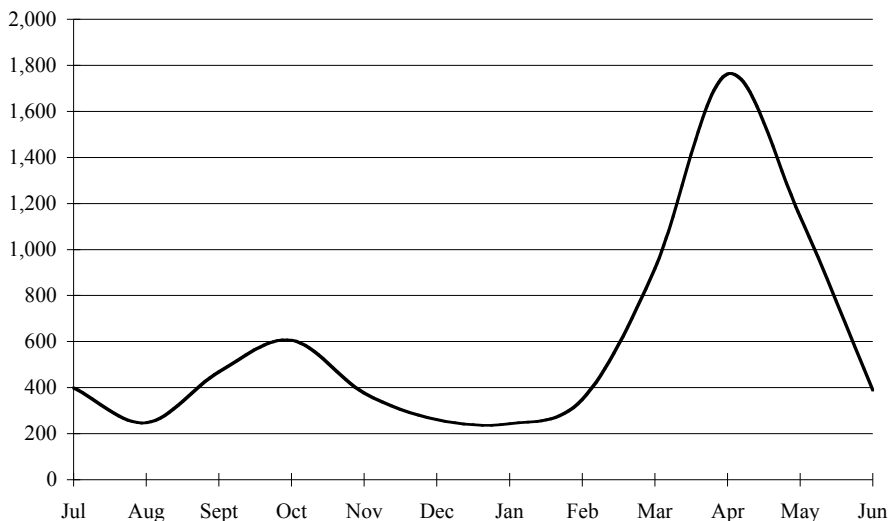


Fig. 9.1 – Average monthly number of visitors

From a reading of the graph, it clearly emerges that during the first eight months of the fiscal year, thus up to February, the number of visitors is somewhere between 300 and 400, except for the month of October that presents figures just above the 600 mark. However, the influx of tourists intensifies with a certain rapidity in the month of March and increases to reach the figure of 1,761 in the month of April. This flow, then decreases during the month of May back to the values of the two preceding months and it undergoes a final reduction in the month of June. In that month, the figure for the influx of tourists returns to the same average value reported in the first eight months. Thus, the touristic demand for the Museum of the Opera was concentrated in the three months between March and May.

Having analysed the average monthly trend for the demand for culture, let us proceed to examine the developments in the level of intensity of this demand during the first twenty-five years of the museum's activity (cf. Fig. 9.2). A reading of the graph shows a constant growth in the number of visitors during the first fifteen years with an average rate of increase of 8.45%. From 1906 to 1914, the flow of visitors becomes consistent, settling on figures that are slightly above 10,000. Naturally, in 1915 and 1916, following the outbreak of the First World War, the number of visitors fell dramatically.

In conclusion, if we wish to isolate the contribution to income made by the exhibition space, all that need be done is multiply the number of monthly visitors by the price of admission. As mentioned, the Museum of the Opera opened its

doors to the public on May 3, 1891 and, in accordance with its charter, the price applied to admission tickets was 50 cents. This price remained constant during the entire period under examination. As a result, the average curve of sales (bearing in mind the unvarying price of tickets) will exhibit a trend identical to the influx of visitors with its values on the ordinate axis halved, given that the price of tickets is 50 cents.

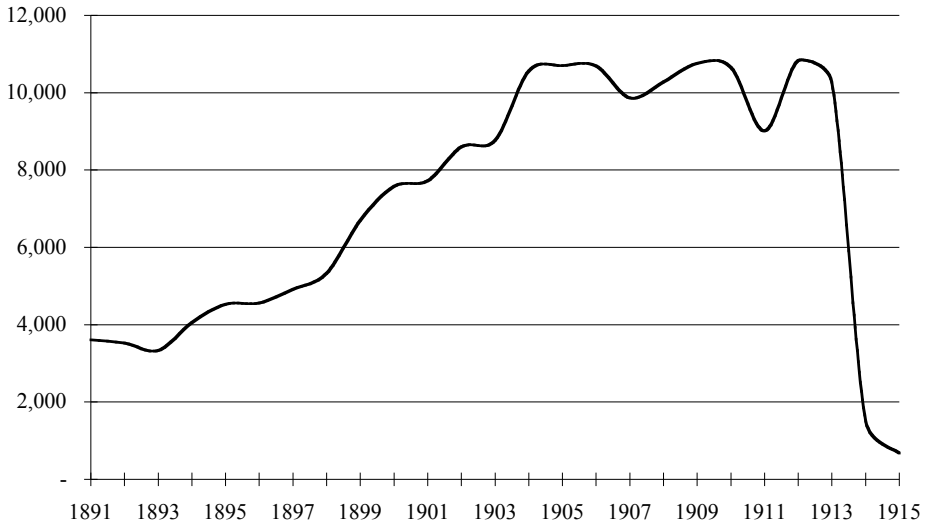


Fig. 9.2 – Annual number of visitors

Next to this main activity of exhibition, we observe the supplementary activity represented by the sale of catalogues. The price of a catalogue is equal to the price of admission, and in the same fashion, it remains unvaried during the period in question¹². The trend for the sale of catalogues is strictly correlated to the monthly flow of tourists and the pertinent curve is shown in Fig. 9.3.

In addition, the presence of an enterprise other than the exhibition activity was fundamental to the assessment of economic viability required of the museum's activity. In fact, the administration did not limit itself to making available an artistic patrimony of cultural interest, but sought to adopt entrepreneurial criteria from its very inception. This demonstrates that already as long ago as 1891, the

¹² In order to deduce the level of the two prices through the years, we inserted the two functions that express the catalogue/ticket combination from any two months out of the chosen year. Thus, if we take August and September 1903 as an example we get the following figures: 272 tickets + 1 catalogue = 136.5; 511 tickets + 4 catalogues = 257.5. This works out to a value of 0.50 for the ticket price and 0.50 for the catalogues.

importance of offering “supplementary services” was understood. It was only in 1993 that this type of activity was codified in order to be instituted on a national level in public museums¹³.

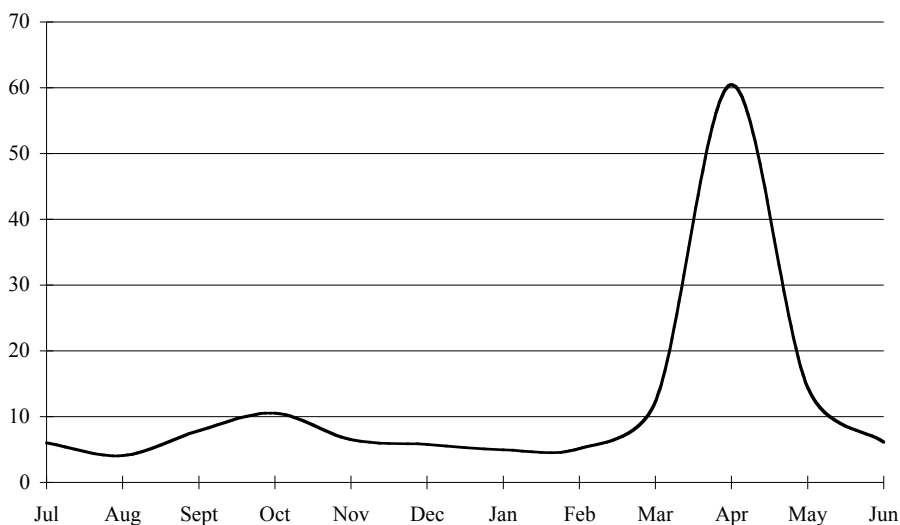


Fig. 9.3 – Monthly average number of catalogues sold

The final composition of the average flow of income during a fiscal year obviously shows the predominance of proceeds generated by the sale of admission tickets over catalogue sales. In fact, on average, only two visitors out of every one hundred purchased a catalogue.

5. The characteristics of the expenditure and how these developed over time

In the course of the period under analysis, the museum’s activity was not reflected in an autonomous bookkeeping system and its inherent expenses flowed into two separate accounts. The first was the same one that collected data regarding the proceeds, that is, “museum income and expenses”; whereas the second was created specifically to receive entries of the expenses relative to “museum maintenance”.

In addition, it is a good idea to repeat that a whole series of expenses (above all the petty ones) also incurred in the interest of the museum were most likely not attributed directly to the museum sector (of the Opera). Thus, one should be aware of the possibility of a slight underassessment of the expenditure attributed to the museum.

¹³ The reference is to the so-called “Ronchey” law, L. no. 4 of January 14, 1993.

If we enter into detail, the main types of expenditure were as follows:

1. *Museum keepers*: from the «notes regarding workers and their due recompense» included in the book of “bookkeeping vouchers” one may observe the designation of the two employees that are called “guards” in the account open for museum costs. We are dealing, in fact, with a “watchman” and a “labourer”. It is not absolutely certain what their specific duties were; however, we may presume that the watchman was assigned to monitor and control the works of art on display and that the labourer, probably, manned the ticket office and was responsible for cleaning. In addition, as regards wages, the watchman enjoyed a higher weekly remuneration (this was the pay period) compared to the labourer.
2. *Clothing for the keepers*: this entry appears each year and refers to the acquisition of uniforms for the museum keepers.
3. *Commission of 5% to the keepers*: this is, probably, the most interesting cost entry. In fact, in the years from 1912 to 1914, a real rate of commission was granted to the keepers and based on the sale of catalogues. Once again, the advanced managerial capabilities applied to the running of the museum are thus confirmed and, in this specific case, translate into a strategy implemented to support the sale of catalogues.
4. *Maintenance and restoration*: these two cost categories take into account all the expenses incurred in relation to both the conservation of the works of art and the maintenance of the building that housed the museum.
5. *Taxes*: two annual instalments of 37.50 were due on the museum’s activities during the entire period in question.
6. *Various expenses*: an entire series of petty expenditures of unknown nature were entered under this description.

As mentioned in Section 3, a balance-sheet was drawn up based on the principles of standard bookkeeping. Thus, in the document that summarised museum income and expenses, a series of costs of a yearly, recurring nature were also entered. For example, in the account called, “museum maintenance” there are expenses such as the purchase of a new door for the main entrance, the restoration of paintings, the restoration of the façade, the whitewashing of the galleries, carpentry, etc.

6. An attempt at synthesis: the construction of a financial balance-sheet of the museum’s activity

In concluding this analysis, it is undoubtedly very interesting to see whether the museum met the conditions of economic viability in its first twenty-five years of

existence¹⁴. The fiscal balance-sheet drawn up at the end of each administrative period provides an overall picture of the management of the Opera. Consequently, the individual contribution provided by the museum sector is not revealed. However, our objective is to reconstruct a profit/loss accounting statement, based on the principles of standard bookkeeping, that refers exclusively to the operation of the museum¹⁵. Continuing in this direction, the proceeds attributed to the museum from each fiscal year have been set against the relative expenditures. Fig. 9.4, illustrates the financial outcome achieved in the course of each fiscal year.

From a reading of the data, it clearly emerges that the first four years of activity produced negative results. From 1896 on, this tendency was inverted and the most conspicuous results can be seen in the years between 1906 and 1908, with peaks of approximately 3,500 Lire. In fact, it was in these years that the number of visitors was at its apex and in the years that follow this figure suffered a slight contraction so that the positive results of operations always settled at around 2,500 Lire. The last two years taken into consideration are not representative inasmuch as they coincided with the outbreak of the First World War.

On closer inspection, the sole juxtaposition of income and expenses is not capable of expressing the real fluctuations experienced by the capital as a result of the management activities. This is because this juxtaposition is a construct that does not take into account the principles of standard bookkeeping. However, it is also true that teaching has it that in the long term monetary and economic cycles exhaust themselves and that financial outcomes tend to approach the profit/loss outcome accumulated overall (see Giunta, 1996, p. 307). Thus, the summation of the financial results exhibited over the period of twenty-five years, should also acquire significance in terms of return on investment. In fact, in the period under examination, it is plausible to affirm that long-term assets of slow deterioration, (in our case, the museum building) took part in the formation of income through maintenance expenditures that continuously get the original usage value. For various long-term expenses, e.g., furnishings, it is reasonable to hypothesise continuous renovations in the course of the twenty-five year period.

All things considered, if we believe that this summation also bears significance in terms of return, the overall profit/loss outcome achieved in the course of the first twenty-five years of existence of the Museum of the Opera of Santa Maria del Fiore amounts to 31,746 Lire. However, we can go further; while remaining aware of the “indicative” significance attributed to our analysis, it is possible to also

¹⁴ The term economic viability is a complex one with many meanings. In this context, it is used in its most classical sense; the sense upon which any definition of an enterprise rests. Thus: «the attainment of a specific economic equilibrium, that continues in time, capable of offering adequate remuneration with respect to the resources employed» (Giannessi, 1960, p. 46).

¹⁵ For a more complete treatment regarding the instruments used for the examination of “cultural” enterprises see Sibilio (2001).

calculate a rate of return of the capital invested. The total of the expenses incurred for the realisation of the museum is precisely equal to 44,510.70 Lire. In the knowledge that the “profits” were never distributed, since according to the charter they were destined to refund the expenses incurred for the establishment of the museum, it is opportune to resort to the application of a “compound capitalisation” formula. The resulting return rate for the capital invested is thus equal to 2.2%.

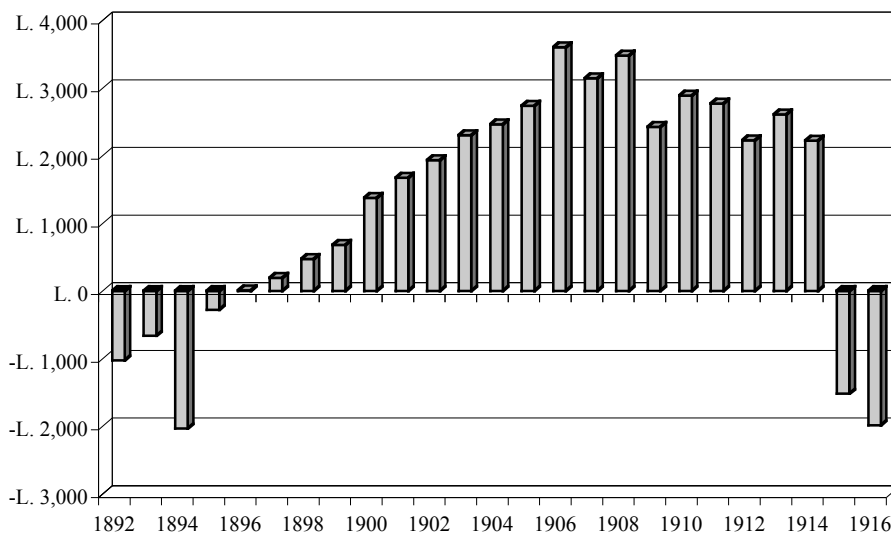


Fig. 9.4 – Annual financial outcome

It is interesting to note that in the course of the twenty-five years the management of the museum was not capable of producing a flow of wealth sufficient to permit the Opera to recover the initial investment of capital. It will be remembered that the Deputation itself, in a first draft of the regulations, proposed to the Ministry that only the proceeds of the first ten years of activity should be earmarked for coverage of the capital invested. It is evident, that ten years would not have been sufficient and, fortunately, the Ministry, answered advising the Deputation to remove any time constraints.

10. The network of resources in museum management: the “New Palazzo Vecchio” in Florence

Elena Livi *

1. Introduction

The “New Palazzo Vecchio” in Florence is a remarkable example of cultural management, as it is a project carried out with a market-oriented perspective according to business logic.

It is widely thought nowadays that only the merging of historical, artistic and architectonic skills on the one hand and economic, juridical and managerial knowledge on the other can produce economic and cultural benefits in museum management.

However, an analysis of the real situation in the majority of museums shows all the difficulties connected with the merging of such different skills.

In this regard, problems may derive from a lack of autonomy of museum management, but are also caused by a lack of flexibility on the part of economists and by the diffidence with which curators still view the idea of the museum as being more than a place for preserving works of art¹, despite having to tackle daily problems, such as managing human and financial resources.

Adopting a global approach to study this matter appears overly superficial as well as being practically impossible to implement given the many differences as regards the geographical localisation, dimension, kind of collection, ownership and management of each single museum.

It is obvious, for example, that problems related to the exhibitions of collections in a contemporary art museum and in an archaeological or scientific one cannot be compared, and that brilliant innovations which may lead to success in one cannot necessarily be applied to another.

* We would like to thank the Direction of Culture of Florence Town Hall, in particular Dr Chiara Silla and Dr Gabriella Margheri for their collaboration and for the informative material they provided.

¹ The statement made by Paolucci «The warehouse is the museum» (Paolucci, 1996) and the ideas of museum provided by Cannon-Brooks (1998) are really significant in this regard.

Besides, in Italy, the problems facing different museums may even be the opposite. Some great and famous museums, such as the Uffizi gallery or the Galleria dell'Accademia in Florence, for instance, have problems managing the huge numbers of visitors and tourists, while, on the contrary, there are many smaller museums, spread throughout the country or located in the suburbs, with wonderful collections of great artistic value, which are little known of and which have problems increasing the number of visitors.

In order to deal with the management of institutions that differ so much from businesses, a case-study analysis can be adopted. This may highlight the specific features of a single museum, but, at the same time, may help to create an initial outline of some general strategies for cultural heritage management.

The "New Palazzo Vecchio" can be analysed from both a resource-based and a competence-based point of view, aimed at identifying a range of input and capabilities characteristic of the museum's activity. Although these elements/variables merit further investigation, they underline a combination of different skills and resources, which on the one hand strengthen the identity and the innovative and unique character of the project, but which on the other can be shared and applied in different ways to other cultural institutions.

The effective possibility of repeating not the contents but some aspects of the process, leads one to reflect on the opportuneness of exploiting potential co-ordination, relations and synergies between different museums, to create a real valorisation of the museum network.

2. The museum as a "knowledge-creating system"

A consideration of the meaning and the role that a museum plays in the community nowadays is needed if one is to apply and adapt managerial methods to the strategic management of cultural assets.

This does not mean that the museum should be considered as a real business, or that problems should be posed regarding its profitability, an objective that is too hard to achieve, but while considering the importance of concepts such as the productivity of resources and economic responsibility (Zan, 1999a), that space should be given to a visitor oriented perspective and to creating conditions for a better public enjoyment of the cultural and artistic heritage, both in quantitative and qualitative terms.

Museums are nowadays part of a wide cultural heritage, which is open to everybody for public enjoyment; however, in the past, museums started off as private collections, the result of a single person's interest in collecting objects from a shared cultural base in order to preserve them from the risk of being destroyed.

But this is certainly not the place to run through the history of museums throughout the centuries, the evolution of which increasingly marked a move over from being a museum for the selected few to a museum addressed to a wider public.

The opening of museums to the masses, together with the growth of cultural tourism and cultural consumption, demanded social more than economic responsibilities from the museum towards its public.

The increase in number of visitors is mostly due to the growth of cultural tourism in the main art cities, often along fixed itineraries and where visitors are only superficially interested in the museum, almost as if they were more interested in saying that they had been there than actually satisfying a real cultural interest.

While taking into account the significant economic effects this produces, this situation is caused by the strong link between the demand for cultural heritage with the demand for tourism, since the number of museum visitors depends on the increase in the number of tourists, usually foreigners travelling in groups, and on their characteristics.

Thus a situation of two opposite poles is created: on the one hand the overcrowding of the most attractive cultural assets keeps potential segments of public with a strong “hunger of culture” away from the museums, such as the resident population in the first place; on the other hand the lesser known networks of little museums, which are spread out geographically and usually located far away from the main art cities or off of the main itineraries followed by tourists, which have to tackle the problem of their poor crowd pulling abilities.

For years museums have been, and are still nowadays, “passive museums”, because they have adapted to public demand. Today’s demands for both a better fruition of the main museums as well as for an increase in the number of visitors to the smaller museums, pose new questions of how to improve quality and revitalise the supply of culture.

The role played by an “active” museum does not consist only of preserving and safeguarding cultural assets and of showing its collection (Bagdadli, 1997), but also on communicating and spreading culture, encouraging the public to visit museums and gain a better understanding of works of art so as to have meaningful experiences.

The artistic, historical and archaeological assets preserved by a museum are not just a driving force for economic enhancement, but resources that can be used in the “knowledge-creating system” and in the process of cultural development of the community². Cultural assets have a rich cognitive value which, due to its considerable complexity, only people with particular skills can actually understand and explain further to limited groups of the population.

In this way a museum can be seen as a “knowledge resource system” able to activate a process for creating and spreading culture, so as to reach the objectives of educating people about art and of attracting new segments of the public.

² The conception of art as a knowledge resource and the connected idea of the museum as an organisation, the aim of which is to create knowledge, is increasingly accepted by literature. With regard to this see Pilotti (1998) and Solima (1998).

Two elements seem to follow from this: the attempt to contextualise cultural assets³ and the pursuit of a logic of sustainable economic development.

Works of art and objects are often shown inside museums after being removed from their place of origin, thus losing the significance of the role they played and all connections with the context and the life and history of that place so that a visitor cannot see them in their entirety. The educational role of the museum implies a need to recover a more historical dimension, so that the museum becomes a place which can communicate a view of the past and also where different knowledge and know-how can be “reassembled”⁴, to develop projects recreating the cultural atmosphere of different epochs of the past.

This implies a new interpretation of the concept of preservation aimed at benefiting future generations. If the mission of a museum can be identified in its capability to produce and spread culture, it’s duty is not only to preserve the work of art, but to facilitate its public enjoyment and a better understanding of it by future generations.

Following a logic of sustainable development as regards cultural heritage, means creating conditions which at least maintain the current value of cultural assets for future generations. These objectives can be achieved primarily through activating mechanisms and developing projects aimed at attracting a younger public to museums (and through them to attract the segment of resident families, which has often been neglected) and to create the framework for a deeper appreciation and understanding of the work of art.

To achieve such important objectives operations need to be predisposed and arranged around an “exchange process” with the visitor (principles and methods of showing a collection, stands, arrangement of the objects of a collection, informative supports, educational instruments) and above all around a “development process” (Fazzi, 1982), through the implementation of innovative projects, characterised by a coherence among segments of demand, supply and distribution.

3. The project of the “New Palazzo Vecchio” and the “Museo dei Ragazzi” in Florence

One example of a business type project for the creation of culture can be found in the “New Palazzo Vecchio” in Florence, and specifically in the “Museo dei

³ Pilotti (1998) tackles the problem of the two opposing needs of the contextualisation and de-localisation of processes of knowledge creation, resolving them through the logics of a process of “dynamic trivialisation”.

⁴ Municipality of Florence, “The interactive historical museum for children”, Preliminary project, (see Comune di Firenze 1998).

Ragazzi” (Youth Museum), a really innovative institution taking from other similar international experiences, rearranged and applied to the specific Italian situation.

Palazzo Vecchio is the fifth biggest museum in Florence for the number of visitors. It is the most important of the eight civic museums in Florence, which include very different institutions both as regards their artistic content and size: from the *quartieri* inside Palazzo Vecchio, to the museum and cloisters of Santa Maria Novella, from the topographical-museum “Firenze com’era” to artistic collections of great value.

Taking into consideration its level of attraction of the public, Palazzo Vecchio is the only civic museum whose number of visitors can be compared to any of the main state museums of Florence and, according to the statistics on the number of visitors over recent years, it is the only one to show a considerable increase, despite the general decrease registered during the Jubilee year 2000 (of the tickets sold at the Brancacci Chapel in 1999, 74,567 were for the temporary exposition “Caravaggio al Carmine”).

Tab. 10.1 – Visitors to civic museums

CIVIC MUSEUMS	1998	1999	2000
Palazzo Vecchio	331,733	382,337	347,866
Brancacci Chapel	107,782	170,689	120,473
Santa Maria Novella	64,308	53,752	61,477
Stefano Bardini	5,948	674	(closed from March 1, 1999)
Santo Spirito	4,725	4,980	1,968
Firenze com’era	7,479	7,690	5,321
Raccolta della ragione	4,875	3,811	2,943
Carnielo	250	42	(closed from April 1, 1999)

Source: Data processed from informative material provided by the Municipality of Florence.

Tab. 10.2 – Visitors to public museums

MAIN PUBLIC MUSEUMS	1998	1999	2000
Uffizi Gallery	1,495,498	1,433,085	1,413,536
Accademia Gallery	1,010,713	1,080,068	1,193,249
Palatina Gallery	476,098	549,684	475,122
Medici Chapels	416,289	397,713	439,739

Source: Data processed from informative material provided by the Superintendence for the artistic and historical heritage of Florence.

The image and the central location of Palazzo Vecchio, as well as its capacity to attract partners and media attention to the project, have played a determinant role in choosing it as the site for the “Museo dei Ragazzi”.

4. The transversal nature of the museum product

The project started off with the clear objective of creating a completely new product: to recreate the cultural atmosphere of an epoch and the meaning of a society, in this case the Medici Era of Cosimo I in Florence.

Introducing substantial innovations to the methods of communicating the contents of the museum, the aim has been one of reaching a specific target of demand, represented by children and schools, and through them the adult public, in particular the resident population of the city of Florence.

The innovative aspect of the project can be found both in the product and in the way it is proposed.

As regards the product offered, the traditional specialisation of culture has been put to one side in favour of an interdisciplinary approach, merging art, science, technology and tradition.

This is the reason why the project has its main centre in the historic and symbolic seat of Palazzo Vecchio, even though it involves two other Florentine museums which are not civic museums, the Museum of the History of Science and the Stibbert Museum, two institutions containing collections of great value, even though omitted from standard itineraries of mass tourism.

The contribution of the Museum of the History of Science with its collections of scientific instruments belonging to the Medici and Lorena families, among which are the original instruments used by Galileo, and of the Stibbert Museum with its collections of weapons and armour left by the collector of the same name, have made it possible to merge the artistic, architectonic and Medici components contained in Palazzo Vecchio with aspects of science and custom. A synchronic approach has thus been adopted to reconstructing society which has led to the creation of a “transversal historical museum” (Galluzzi and Valentino, 1997), meaning a museum of civilisation, which leaves the specific localisation of the collections to one side in order to focus on the complex interconnections between the objects.

The innovative aspect regarding the supply of such services consists of using a method of interactive communication, already tried out in other international spheres and a “maieutic” method, based on games, and applying them both to historical contents.

Starting with the international experiences of children’s museums, science centres and the discovery rooms, as well as other more limited Italian experiences, like the workshop created by Munori at the Pecci Centre in Prato, some specific products have been created using an approach based on active participation and on “hands on” methods, which means “learning through the senses” (to touch, to try and to think over the experiences).

Children’s museums, the most famous of which is located in Boston and presents the typical characteristics of a museum for children, tend however to have a prevalently social connotation, recreating places belonging to the everyday world

of adults; the science centres, like the Exploratorium in San Francisco, and the discovery rooms (the first was in Washington, inside the American Museum of Natural History) regard, in particular, knowledge specifically related to science and, less to contemporary art.

Tab. 10.3 – Product differentiation

PRODUCTS	TARGET OF DEMAND
Multimedia Museum	
• 12 multimedia stations distributed inside the <i>Quartieri monumentali</i>	12-15 years old/adults singles
• 1 multimedia room with big screen	School groups or other organised groups
Workshops	Schools
Atelier	Families
• La stanza dei giochi di Bia e Garcia (construction of masks, disguises, musical instruments, little theatre of body shadows)	5-7 years old
• La magia delle lenti (experimentation of how the lenses and the telescope of Galileo worked)	8-11 years old
• Architetture di Palazzo (reconstruction of arches and trusses, division of the palace into its architectonic stratifications)	8-11 years old
• Horror vacui (representation of the experiences of Torricelli and examples of the emptiness of everyday life)	8-11 years old
• L'abito e il corpo (Stage where the characters come to life again through the use of clothes, hats, head-dresses, jewels, toys)	8-11 years old
Secret itineraries	Teen-agers and adults
• Le scale del Duca di Atene	
• I luoghi privati	
• Le capriate del soffitto del Salone dei Cinquecento	

The ambition and the distinctive character of the Florentine project are that it attempts to recreate the setting, the culture, the atmosphere of a whole epoch of the past, through the use of interactive methods.

During the first year that the project ran, and after an initial period of experimentation, of the project, a complex product was created, made up of more specific products, which were carefully differentiated through a marketing strategy and addressed to specific targets of demand (see Tab. 10.3 above).

Taking up again the idea of the museum as a system for supplying services (Normann, 1985; Bagdadli, 1997), it can be seen that the strategy of differentiating the product offered and using technology and interactive methods, are what have made it possible to set up a new synthesis between the product, the target of demand and the supply system, while respecting and enhancing the image of the museum through a deeper comprehension of its contents.

5. The transversal nature of the use of resources

Creating such a complex and differentiated product has only been possible by sharing the specific resources and skills⁵ owned by each museum taking part in the project.

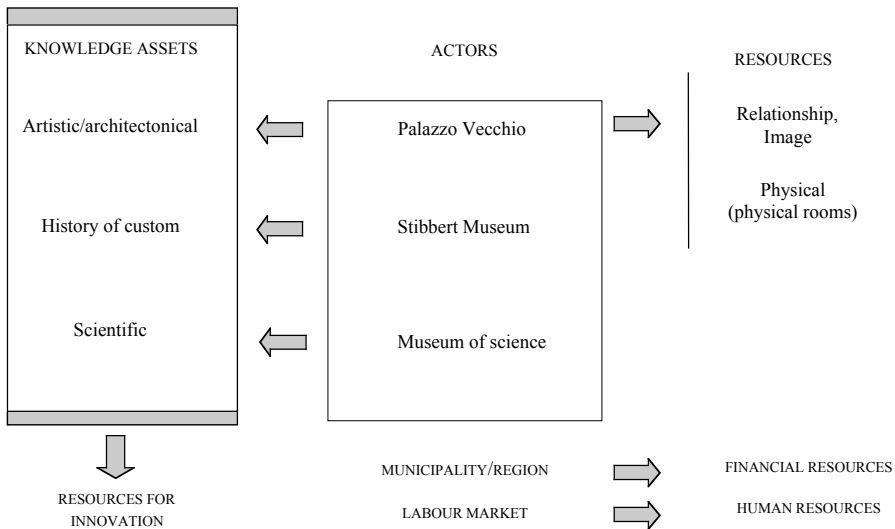


Fig. 10.1 – Assets, actors and resources

Specialised knowledge and skills, even belonging to different people, organisations and seats, have been the intangible inputs needed (Itami, 1988) to accomplish the objectives of the project. The specific know-how of each museum has been used in an integrated way as part of a centralised and co-ordinated activity.

⁵ In literature there is no univocity regarding the meaning of these terms. Referring to Amit and Shoemaker (1993) resources are composed of the stocks of productive factors owned or controlled while skills refer to the ability of a firm to make use of the resources, matching them, using organisational processes and cultural managerial mechanisms.

Using one of the many possible schemes of resource analysis elaborated in business literature⁶, a combination of different kinds of resources, provided by museums and other agents, can be seen in the realisation of the project.

Physical resources: the location, the physical space available, which during the first year only involved the premises of Palazzo Vecchio. The other two museum premises will become more involved from the beginning of the year 2001, due a temporary lack of space inside the museums and in order to focus the resources and the communication efforts on the institution with a stronger image. However between the workshops and the atelier, the Museum of the History of Science and the Stibbert Museum have fitted out their own laboratories, in order to show the conceptual links with the partners and how the project has been divided.

Financial resources: the initial endowment, obtained thanks to the contribution of the Municipality and to the availability of Jubilee Funds, has been added to by the further contributions of various private sponsors. The innovative aspects of the project, the possibility of involving children and through them families, the location of the museum in the historical centre of a main art city like Florence, have, in fact, made it possible to attract the interest of a high number of firms.

Human resources: training, experience, adaptability, the commitment of the personnel, taken from the labour market. especially the animation team, have played an essential role in creating a high quality product and making the cultural and educational project operative.

Relationship and image resources: linked mainly to the historical image of Palazzo Vecchio, communication efforts have been centred around them to enable attentive management of the relations with national and local institutions and with sponsors.

Technological resources: to be identified with the specific know-how and knowledge provided by each museum. Palazzo Vecchio, the Stibbert Museum and the Museum of the History of Science have taken part in the project offering their specific skills, respectively of an artistic-architectonic nature, of the history of costume and of a scientific nature, which have been shared in order to obtain a cultural product with transversal contents. Each museum has acted as a "centre of specific skills", while avoiding any reiteration or copying of its "specific assets", thus maintaining its individuality and its identity.

Resources for innovation: the co-ordination of the specific "knowledge assets" belonging to each museum has made it possible to develop "dynamic capabilities" (Teece, Pisano and Shuen, 1997), such as learning skills, the ability to satisfy the needs of the public, to change and update, activating a constant process of innovation. Following the idea of a "dynamic museum", during the first months of

⁶ Grant (1994). Besides this classification we can recall the ones proposed by Barney (1991), Hall (1992), Verdin and Williamson (1994).

the year 2001 some new initiatives were activated, such as the meetings organised between the public and the three historical characters who represent the core of the project: Vasari, Galileo, Solimano.

6. The carrying out of the project

The project has been carried out with a view to strategic development and a three-year plan.

The beginning of the initiative was characterised by marketing orientation and attention to product quality involving choices regarding both the arrangement and management of the activity and the management of the museum's reputation and relationships with its "patron".

The organisation and opening of the exhibition halls required a preliminary structural modification of the physical spaces of the museum. So an appropriate place to receive classes and organised groups, closed to the ticket-office and the cloakroom, has been arranged together with suitable rooms for workshops and atelier. This reorganisation has provided the opportunity for the creation of a new entrance, in order to tackle the problem related to the use of the premises, due to the presence inside Palazzo Vecchio of both museums and municipal offices.

Dealing with the management of a "transversal" museum, the product of which is characterised by shared contents, has required the establishment of a group of experts, co-ordinated by the project director to merge the skills belonging to the various areas of art, history, architecture, science and tradition.

The formation of this group was required to plan and think out multimedial products and interactive CD-ROMs as well as the materials and equipment to be used inside the workshops and atelier.

Interactive methods are, in fact, based on the use of specific instruments and conceptual devices (exhibits), as well as on activities such as theatre, scene-setting and simulations.

The running and the quality level of the projects have been assured by placing particular attention on the recruitment of a skilled animation team. The consequence of this choice, from a quantitative point of view, has been the inability to limit the costs of human resources, which during the first year of activity, amounted to almost 50% of the total operating costs (420 million lira, as against the 194 million lira estimated during the formulation of the project).

The attention to product quality can be found not only in the fitting out of the exhibition halls and in the selection of the animation team (in the laboratories at least two operators are required for each event), but also in resolutions made regarding the management of the public.

It was decided, in fact, to only make visits after prior reservation and to take just two or three daily appointments, with schools during the week and families on

Saturdays and Sundays, also providing ateliers performed in English during spring and summer, when the public of foreigner visitors grows.

The management of the activity has been supported by intense marketing and promotion activities, as well as management of the relations with public institutions and firms. This has made it possible to harmonise the interests of the stakeholders, who were potentially interested in the project and to manage the museum's reputation image in a more aware manner.

The museum image has been strengthened, first of all, by the creation of a "mascot" character, whose graphics and design could help to focus the attention of the public. Moreover management of the museum's reputation has also been carefully managed through the use of signs inside and outside Palazzo Vecchio, through specific publications in keeping with the initiative and particular attention paid to relations with the media.

The project was carried out without any availability of information regarding a public made up of children, as neither Palazzo Vecchio, nor other Florentine museums have this kind of statistics. For this reason, as well as because of the peculiar characteristics of the "Museo dei Ragazzi", careful communication activity and analysis of the demand and of its level of satisfaction have been necessary.

With the joint aim of checking the degree of success of this initiative and its level of understanding and appreciation by the public, some activities, such visitor registration and the gathering of visitors' verdicts, opinions and impressions as regards the quality of their experience, have been introduced in order to collect some useful information for the management of the museum in a future time.

7. The achievement of the objectives

The success of the project can be seen from the statistics on public attendance, made up of both schools and private citizens. During the year 2000, 44,555 visitors were registered, that means an average of 128 participants for each day open. This is generalised information, as it does not take into account the higher level of public attendance to the museum during the school year, given that the preferred target of demand is represented by schools.

It is however valuable information, taking into account the physical space available for the workshop activities as well as the need to organise these activities into a limited number of groups after booking.

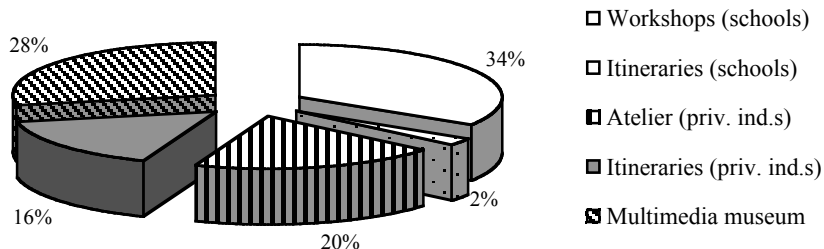


Fig. 10.2 – Visitors to the “Museo dei Ragazzi”, year 2000*

* We did not consider a small percentage of people visiting the museum for meetings only.

Source: Data processed from “Museo dei Ragazzi”, *Annual Report, Year 2000*.

The annual information seems to be distorted, as a consequence of the fact that the “Museo dei Ragazzi” opened for a period of experimentation with the schools on January 17, 2000, while the real opening to the public was not until April 1, 2000.

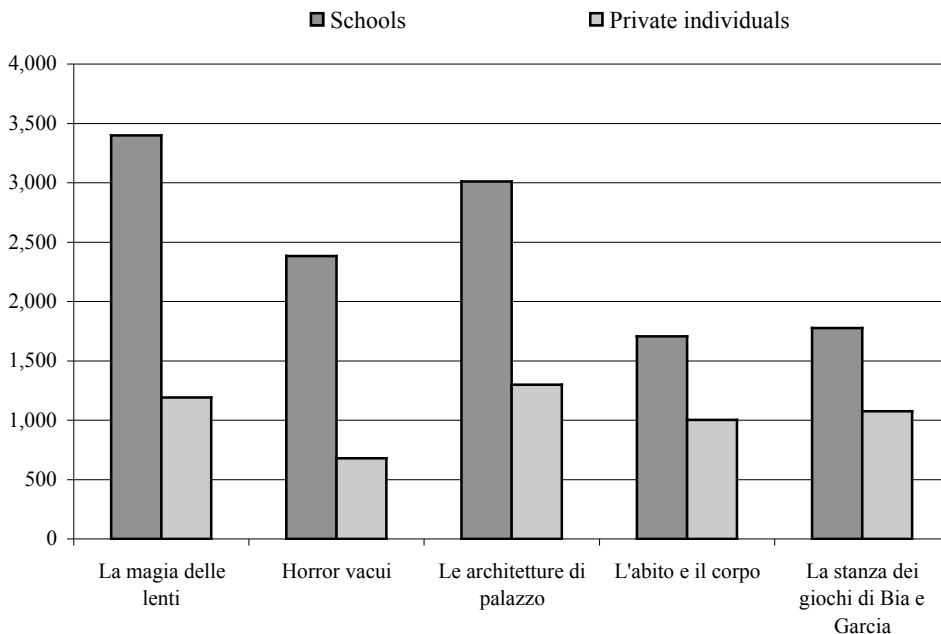


Fig. 10.3 – Distribution of the public among the workshops

Source: Data processed from the “Museo dei Ragazzi”, *Statistics on Visitors, 2000*.

It may however be clearly deduced how this initiative has succeeded in drawing not only the target of children to the museum but also adults, attracted by a specific product (the Multimedia Museum), as well as by the exhibition itineraries and by the atelier.

Observing the distribution of the public among the different workshops/atelier (Fig. 10.3 above), it can be seen that each of them succeeded in attracting a substantial proportion of the public. The prevailing presence of primary schools among the public (Fig. 10.4) explains the greater interest shown in the parts of the exhibition related to science and architecture.

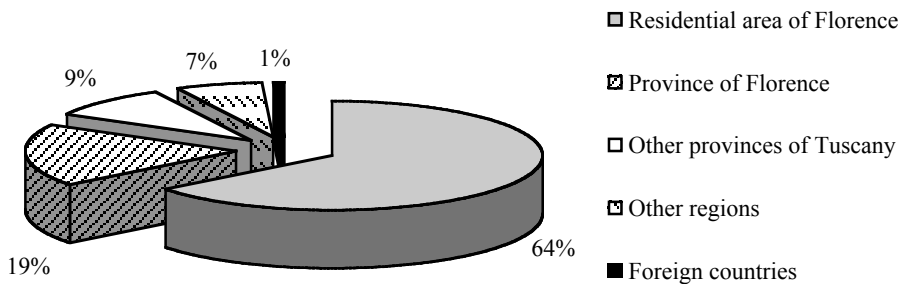


Fig. 10.4 – Provenance of the schools visiting the museum

Source: Data processed from “Museo dei Ragazzi”, *Annual Report*, year 2000.

The analysis of the demand also shows a considerable degree of achievement of the aim to attract that part of the public made up of citizens and the resident population to the Museum (Fig. 10.5). In both the case of schools and of private individuals visiting the museum, only a small percentage of visits were made by foreign tourists, while the majority were people living in Florence.

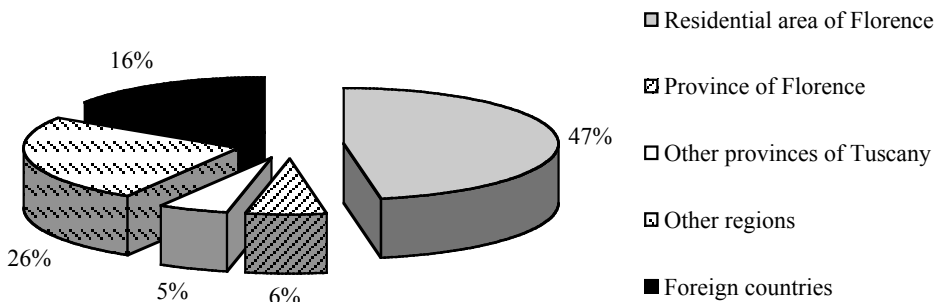


Fig. 10.5 – Provenance of private individuals visiting the museum

Source: Data processed from “Museo dei Ragazzi”, *Annual Report*, year 2000.

8. Conclusive remarks

The statistics witness how the “Museo dei Ragazzi” represents a successful initiative. The project, however, is still an isolated experience within the cultural services offered in Florence. The “Museo dei Ragazzi” has a separate life and is run independently of the normal management of the other museum institutions of the city, the Municipality and Palazzo Vecchio itself.

The institutional framework and, in particular the difficulties of finding and having the complete disposal of financial resources, has turned this substantial independence into a “formal” independence. The initial agreement between the three museums taking part in the project, has, in fact, found its natural outlet in the creation of an association for the management of the “Museo dei Ragazzi”, which is separate from the municipal administration and so able to assure autonomy and decisional freedom.

Within the sphere of cultural services offered, initiatives involving various museums at the same time are increasing: from the sale of combined tickets to the creation of itineraries regarding several museum sites⁷.

The specific nature and the significance of this project, as compared to these initiatives, lies in the realisation of an instrument able to create and spread culture.

The creation of a “transversal historical museum”, where the overall cultural atmosphere of an epoch is recreated in all its different and complementary aspects related to history, science and tradition, reflects, in fact, a logic of linking the museum assets to their context, which is the essential basis for enabling visitors to understand art and get more emotionally involved with it. The use of interactive methods of communication find its justification in the wish to attract new targets among the public, while also reducing their traditionally detached manner of observing a work of art.

However the most innovative characteristics of the project can be seen above all in the sharing and integration of specific resources and know-how required to carry out such a complex product. From this point of view an idea of a “museum network” is set up, based on the sharing of the same history and on a close relation with the territory and identity of the city (see *infra*, Chapter 1).

The question is therefore, if the use of a network of resources and the integration of specialised skills could also be created for the ordinary running of museum activities, through the creation of synergies between the different museums, the centralisation of some general functions, the application in the meantime of know-how and specific knowledge, independently of the “centres of competence”, to different realities and different cultural projects, so that each museum could be seen as a “business unit” of a single organisation.

⁷ Let's take, for example, the “Percorso dei Principi”, a highly attractive initiative among the cultural services offered in Florence.

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