FINANCING ITALY’S CULTURAL HERITAGE

Snapshot of Italy’s Cultural Heritage

<table>
<thead>
<tr>
<th>World Heritage Sites</th>
<th>50</th>
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<tbody>
<tr>
<td>Documented Architectural Assets</td>
<td>50,000</td>
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<tr>
<td>Of Italy’s Budget Dedicated to Culture</td>
<td>1.1%</td>
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<td>Ministry of Cultural Heritage, Activities &amp; Tourism</td>
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Italy is fiscally responsible for more World Heritage sites than any other country in the world. It has seen many years of economic uncertainty and endured high levels of public debt throughout its history, yet the need for heritage site maintenance continues.

The Ministry of Cultural Heritage and Activities and Tourism (MiBACT) oversees heritage protection throughout the state. By law, it has exclusive responsibility for heritage protection. It has initiated several unique funding strategies such as fee structures, tax incentives based on visitor behavior studies, and public-private partnerships to counteract the deteriorating culture budget and support its treasured cultural assets.

Public-Private Partnerships

The most successful strategy has been public-private partnerships, especially since the Art Bonus passed through legislation in 2014 that created tax credits for up to 65% of funds given to cultural heritage in 2014 and 2015 and 50% of contributions in 2016. A surge of luxury brands have stepped up to restore Italy’s significant sites.

Private Individual Giving

| Willing to donate to cultural heritage sites | 32.7% |
| More likely to donate if site is transparent with funds | 60.73% |
| More likely to donate if tax rebates an option | 56.25% |

A 2009 study evaluated the motivations for Italians to donate to local sites of cultural significance. They first asked the individuals to state their willingness to donate to a cultural heritage institution in a neutral scenario. In the second set of questions, they asked if respondents would modify their first answer based on three new independent scenarios—tax rebates, reputational incentives, and transparency of the destination and the use of the funds given.

Advertisements

- Advertising space has been sold on scaffolding since 1997
- Regulated within Rome that no more than 15% of the overall wrapped area of scaffolding can be the advertisement
- New problem is that more of the building is being wrapped than necessary to acquire more advertising funds and scaffolding is being left up beyond the project period

Visitor Fees

Revenue generated by ticket sales and additional services such as bookstores and gift shops only cover 12-15% of the overall operating costs of an Italian state-run museum or site.

MiBACT collects ticket proceeds and distributes them amongst all the heritage sites it oversees, therefore one site does not receive its ticket revenue in proportion to its visitors.

As of July 2014, EU citizens ages 65 and over no longer receive free admission to state-owned heritage sites. 65 and over EU citizens accounted for 26% of the visitors in 2013.

Italy & UNESCO

The World Heritage Fund (WHF) managed by UNESCO consists of roughly $4 million annually available for State Parties to use towards identifying new World Heritage sites, preserving existing World Heritage sites, and promoting them. These funds are also available for emergency assistance as needed to all 190 state parties that have ratified the World Heritage Convention. However, the status of Italy being considered a ‘developed’ country hinders its ability to secure funding when one considers competing countries’ needs. With the increased interest of other country in the world, it has seen many years of economic uncertainty and endured high levels of public debt throughout its history, yet the need for heritage site maintenance continues.

With the increased interest of private companies stepping in to support Italian World Heritage sites, it can be argued that the globally recognized World Heritage status of these sites has helped attract financial assistance in other ways.

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