

**Public-private Partnership for Cultural Enterprises.  
A Case study: the "Teatro Machiavelli" in Catania**

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#### **Abstract**

Due to the 2008 global financial crisis, public funding for cultural enterprises decreased dramatically. Many cultural producers showed stagnation, others tried to react in different ways. My paper will focus on the experience of the "Teatro Machiavelli" in Catania (Italy), which – in contrast to the general trend – reopened in 2010. It represents a different hypothesis of public- private partnership, since the theatre is managed by the non-profit association *Ingresso Libero* while the historical building is owned by the University of Catania. First I will explain to what extent the University contributes to the partnership as a public subject: it decided to entrust the space to the non-profit association after bringing the building back to its original public function. During the first half of the 20th century the theatre was closed but since 2010, thanks to an official agreement between the University and *Ingresso Libero*, the building returned to be a theatre. I will show then how the association organizes concerts, performances, master classes and values cultural heritage through visual and performing arts without receiving public funding. Sources of financing are mainly private donations and membership fees. Thanks to these contributions *Ingresso Libero* can on the one hand offer different cultural products, on the other hand favour education by offering free services for students and people who cannot afford a charge. In order to reach this goal the association aims to reduce production costs, which are often unsustainable and paralyzing other Italian theatres. This case study represents a contribution to cultural economics as it shows that different forms of collaboration are possible in order to build up networks, in which public intervention does not have to be founded on monetary subsidies and can be integrated by private patronage also in areas where private subjects do not usually invest in the cultural sector.

Keywords: art production, public intervention, partnership, sustainability, education

Jel codes: L31, L32, Z1

#### **1. Introduction**

The global financial crisis of 2007-2008, also known as Great Recession, has been compared to the Great Depression of 1930, because of both the import of the crisis and casual factors (Eigner & Umlauf, 2015). As far as the European Union is concerned, the effects have

been very evident in public investments, there was indeed a cut-back of public funding in different fields. Also the cultural sector has been affected by this attitude change, because the main financer of culture was the public government.

On the one hand, the cut-back in public fundings directed to the cultural sector had serious consequences on cultural institutions that lost their main source of financing; on the other hand, the crisis damaged customers because of its impact on the real economy. As a result, it provoked a decrease in the offer as well as in the demand of cultural products. There was, as a consequence, a general stagnation of cultural institutions. Theatres, cinemas, museums suffered a remarkable fall in visitors' number. In order to face this fall and to overcome the lack of public funds, cultural enterprises had to raise the ticket's price: this measure provoked a further decrease in audience. Some countries have suffered more than others, especially the ones with sovereign debt crisis (Cuccia & Rizzo, 2015). In the United States performing arts suffered a great shock because sponsorship and donations decreased dramatically. In Europe the shock was milder because performing arts are less exposed to sponsorships and donations (Inkei, 2010). Private funding in Europe covers indeed a low percentage of the budget for theatres and cultural institutions, while the main source of financing comes from the public sector. For this reason European cultural institutions were not affected by the crisis immediately. In most countries cutbacks in public financing did not appear in 2008 but starting from 2010.

I will provide some figures about Italy in order to give an overview of the situation: between 2001 and 2013 the expense of the Italian Ministry of Cultural Heritage and Activities decreased from 0,37 per cent of the public balance sheet to 0,2 per cent; from 2008 to 2013 the cultural sector in Italy lost 1,3 millions (Federculture, 2013). Today in Italy just the 1,1 per cent of the public annual budget is destined to culture. Also Bank Foundations, that have often provided funds for cultural activities, reduced their investment in this sector (ACRI 2013). A positive fact is that in 2013 there was a 6,3 percent raise in private sponsorships directed to cultural sector (Symbola, 2014); moreover, the Italian Minister Dario Franceschini issued the 'Art Bonus', a legislative decree which encourages cultural patronage by offering fiscal advantages. This should strenghten the positive trend in private donations. However, the need for alternative strategies to support the cultural sector is clear. It is necessary to increase the demand for cultural products in order to widen the audience. Some cultural producers found a way to overcome difficulties provoked by the crisis; two example are the multi-product strategy, adopted also by some sicilian cultural producers, (Cellini, Martorana & Platania, 2014) and the creation of a network based on coepetition (Cuccia & Rizzo, 2015).

The case study I am analysing is the "Teatro Machiavelli" in Catania (Sicily, Italy), that is a significant model of cultural enterprise on the one hand, because it represents an example of different public-private partnership; on the other hand, because its activity started in 2010 in the middle of the Great Recession. In this paper, I will first give some information about the theatre and its history in order to explain the relevance that it has in the city of Catania and to highlight the process of valorisation made by the managing association, then I will outline the strategy adopted in the management of the "Teatro Machiavelli" and finally provide some figures about the activities.

## **2. Teatro Machiavelli**

### *2.1 History and chronological references*

The "Teatro Machiavelli" is located in the basement of an eighteenth century building, Palazzo San Giuliano. It is an important building of Catania for different reasons. First, it is located in one of the most important squares of the city, Piazza Università; secondly, it presents a lot of archaeological and architectonical stratifications that can be fundamental for the reconstruction of the topography of Catania, as it is demonstrated by the presence of Greek ruins, the remains of a Roman *domus* and the presence of ceramic fragments belonging to different ages (Midolo & Spigo, 2015). The Palace was built after the terrible earthquake of 1693 that razed the whole city to the ground – except the Castello Ursino, the apsis of the norman cathedral and parts of the ancient walls – and the site management was entrusted to a famous architect, Giovan Battista Vaccarini, author of many buildings in Catania (Magnano San Lio, 2008). Palazzo San Giuliano is, in addition, the old residence of the noble family Paternò Castello, whose members fulfilled the most eminent politic positions in Catania and in Italy: Antonino Paternò Castello, sixth Marquise of San Giuliano, became Mayor of the sicilian city at the age of 26 and later Foreign Minister of the Kingdom of Italy (Giarrizzo, 1984.). These elements underline the importance of this building for the history of Catania.

The basement of Palazzo San Giuliano was in origin the wine cellar of the family. It became a theatre in 1864, when the locale was rent by Angelo Grasso, who was a famous "puparo" (marionettist). The theatre became very well-known in Catania and was frequented by writers, such as Luigi Pirandello, Nino Martoglio and Luigi Capuana. After Angelo Grasso's premature death, his son Giovanni continued the family tradition by dedicating himself to Sicilian puppets, but soon he decided to shift his attention to the drama production (Majorana, 2008). He became a famous actor in Italy and travelled all over the world with Angelo Musco to play in many international theatres (Pandolfi, 1954). In the first years of the

twentieth century Giovanni Grasso retired and the theatre closed. After the closure the locale was destined to different uses, such as store and textile shop among others. The whole building went through many modifications. Due to the debt of the family, the south side of the building was rent and became a hotel, "Grand Hotel Bristol et du Globe" (Calogero, 2009). In 1918 the whole building was rent by an Italian bank that changed completely the inside structure of the palace, thus transforming the decorated halls in offices (Calogero, 2009). In 1967 the building was rent by the University of Catania and the basement was occupied by the library and the administrative office of the Department of Humanities. When the library was transferred to the new seat of the department, the basement of Palazzo San Giuliano was closed again. In the meantime (1981) the whole Palace was bought by the University, just the basement of the south-est part remained property of the bank.

In 2009 the locale of the ancient theatre was individuated by Lamberto Puggelli, a famous Italian theatre director and founder of the association *Ingresso Libero*, who aimed to bring the space to its old function. At that moment the locale was owned by University, for this reason Lamberto Puggelli wanted to make an agreement with this institution. In 2010 the association *Ingresso Libero* began its activity in the "Teatro Machiavelli" but just occasionally. In October 2014 activities started regularly and today there is an annual planning of events; moreover, after Puggelli's death, the Lamberto Puggelli Foundation was established and today it is hosted in the rooms of the theatre overlooking Piazza Università, also used as foyer. The Foundation brings to life Puggelli's mission through the creation of a research centre with his documentary archives, a rich theatrical library, an art gallery and an educational centre created in collaboration with the University of Catania. It also promotes excellence in education, in the fields of theatre, music and arts. Particular attention is devoted to young generations and people coming from disadvantaged backgrounds, who can not easily access culture and arts because of physical, economical, cultural and social difficulties. Therefore the "Teatro Machiavelli" includes two not for profit institutions, which collaborate so as to offer cultural activities.

## *2.2 Public-private partnership*

A public-private partnership is an agreement between the public sector and a private organisation, in which the public party delivers to the private one a service usually provided by the public sector. In recent years the relation between public and private sector changed, consequently to the decline of public subsidies: private cultural operators began to perceive public institutions as bureaucratic obstacles or consider them to be careless of cultural

activities (Cuccia, Monaco & Rizzo, 2015).

In the case study I am analysing the situation is quite different. The public sector is represented by the University of Catania, the private party is the not for profit association *Ingresso Libero*. The contribution of the public party was obviously fundamental but it did not consist in a monetary subsidy. University should have transformed the space in a teaching room or an office, but through the dialogue with the association they decided to avoid this ending. So, the first way of contribution is the decision to bring the building back to the function of theatre, that is an ideological contribution. There was indeed a common aim between the parties. Reopening a space means to give it back to citizens, the reopening of the theatre implied indeed a noticeable growth in the users of that space and the necessity to make people aware of the place they attend, for places are fundamental to build the identity of citizens. Since a place is subjected to transformations that are sometimes invisible, it is necessary to make them readable in order to allow people to recognise them. It is relevant in this regard that the University decided to support this action, for education is also linked to preservation: if people were aware of what monuments and buildings represent for the history of their city or their country, they would be able to give them the right value and, as a consequence, they will preserve them.

The second way of public contribution is the decision to entrust the space to the not for profit association *Ingresso Libero*. On the one hand, this choice allows the association to manage a theatre without paying a rent that would be a paralyzing cost; on the other hand, it permits the virtuous use of a space that is part of an important heritage. The "Teatro Machiavelli" is not situated in a problematic area of the city, yet the change of use produced a great interest to citizens and a change in the target of visitors, as a consequence, it requires a different interaction with the local community. The reopening implied indeed the regeneration of ancient locales and the duty to promote their valorisation. In the next paragraph I shall explain how *Ingresso Libero*, and to some extent the Lamberto Puggelli Foundation, manage the theatre and how they favours education without receiving public subsidies.

### **3. Activities at the Teatro Machiavelli**

#### *3.1. Events and management*

In order to start with the presentation of this case study, I would like to underline the fact that the not for profit association *Ingresso Libero* was founded in 2009 and the "Teatro Machiavelli" was reopened to the public in 2010. This is a first element to consider, because it is a countertrend with regard to other Italian institutions: while many cultural producers were

compelled to stop their activity or to change their attitude in order to overcome the crisis, *Ingresso Libero* started its activities in the middle of the Recession; therefore, it conceived a different way to produce and spread culture since its constitution.

The "Teatro Machiavelli" (association *Ingresso Libero* and Lamberto Puggelli Foundation) offers a variety of activities directed to different targets. There are five main areas of action, that are: art exhibitions, workshops, music, theatre and research. All activities are organized without public funding, yet there are some forms of income: the most conspicuous ones are sponsorships, there are indeed two private firms which support the cultural activity of the association by giving an annual amount of money. Other small sources of income derive by private donations, membership fees and the donations for hosted events. Fees are sums that people pay to take part in workshops. The association counts on this kind of activities because they contribute to educate people and give them the possibility to approach theatre, music and other arts directly. *Ingresso Libero* organizes basic courses, that usually start in October and end in June, while the Lamberto Puggelli Foundation organizes high-level courses for people who aim to specialize in a particular discipline. These master classes are usually intensive and end in a few days or in a week. The "Teatro Machiavelli" offers not only workshops relating to performing arts, but also activities regarding other fields, such as web communication, painting, 3D animation. Organising different kind of activities permit to address various targets and, as a result, to involve more people who could become the future audience of the theatre. Incomes from workshop fees are destined in part to instructors and in part to the association and the Foundation, in order to constitute a budget for next planning. Hosted events are book presentations and conferences. When *Ingresso Libero* decides to host this kind of activities, a donation is made by the organizer. This is not a rent cost but a small amount of money that make the activity sustainable. It can be affirmed that these sums are necessary to cover management and ordinary costs but they are not useful for planning activities.

Another important activity is the set up of art exhibitions in the rooms overlooking the square, where the Lamberto Puggelli Foundation is hosted. Even though the entry for visitors is free and there is no monetary income, exhibitions are important resources for the theatre. First of all, they attract many people who often do not know the theatre and its activities, so it can be stated that exhibitions act as a catalyst for growth in audience. Secondly, they represent an opportunity to implement the material heritage of the theatre. Nevertheless, each artist who exhibits in "Teatro Machiavelli" donates one of his artworks to the Foundation. It would be very difficult to buy precious paintings or sculptures, hence the donated artworks constitute a

heritage for future exhibitions.

As far as theatre and music is concerned, it is necessary to deal with the economic sustainability of each activity and to plan according to this principle, considering the restricted budget. There are two ways to face this situation. The first one consists in producing mainly monologues or play with two actors and try to encourage young acting company or musicians. This kind of shows allows on the one hand, to spend a low budget; on the other hand, to give young actors the opportunity to perform in a public space situated in the city centre with the presence of an heterogeneous audience. The second solution is closely linked to the policy of the association *Ingresso Libero*. The association invites indeed artists without offering them a fee, because it would be impossible for such an association to support these costs. Many Italian and international artists share the project of *Ingresso Libero*, i.e. allow people to attend performances without paying a ticket, and perform in "Teatro Machiavelli" in exchange of travel and accommodation costs, for they commit to the policy and support the idea to spread culture among different population groups. This is the case of Maestro Sergey Girshenko, who played for the opening ceremony of the season in 2014; the Italian actress Silvia Calderoni member of the acting company MOTUS; the pianist Stefania Cafaro; the double bass player of the Berliner Philharmoniker Edicson Ruiz, who came in 2015 and performed a concert whose proceeds have been destined to the purchase of a double bass for a children orchestra. Thanks to this solutions it is possible to offer high-level cultural activities with well-known actors and musicians with affordable ticket price. Even though the budget is restricted and, above all, funding cannot cover all production costs, these costs do not burden on tickets. One of the goals of the not for profit association *Ingresso Libero* is in fact to make culture available to as much people as possible, for this reason tickets, when required by hosted performers, never exceed 10 Euros. Moreover, there are reduction for students, who have the opportunity to enter with a 5 or 7 Euros ticket. Offering activities at a low price allows people to reach culture and education even if they are unprivileged. In this regard culture can be a means of integration, for it permits everyone to have the same opportunities despite different economic conditions and to improve social quality. Furthermore, several seminars, conference, book presentations, meetings among artists and with artists are organised at the "Teatro Machiavelli" and the entry is always free. Everyone can attend them and have the possibility to listen to important scholars, who hold lectures or give talks. For example, in 2015 a project dedicated to the composer Olivier Messiaen was organised. The project consisted of a series of lectures and a conclusive concert. The lectures concerned different aspects regarding Messiaen, his time and his music; therefore, they had the task of preparing

the audience to the final concert. Hence, this constitutes a process of education of the audience.

The last area of action is research. The reopening of the "Teatro Machiavelli" is relevant not only because of the recovery of performing activities, but also because the theatre is part of a conspicuous heritage that has to be preserved and spread among people. As information has to be well-documented, it can be stated that preservation and valorisation are closely linked to research. For this reason there is a group of young researchers, who is studying the theatre from an architectural, archaeological and historical perspective in order to offer people a complete framework of the transformation of the building. Since information should be available to most people, *Ingresso Libero* is planning a series of theatre plays concerning the history of the "Teatro Machiavelli" and the characters who are linked to it. Through this project the association accomplishes two goals: first, it encourages young researchers; secondly, it uses archive documents and bibliographic sources in a different way that is comprehensible to most people, including kids. This represents a means of education through performing arts, that is a remarkable achievement for the association.

As far as education is concerned, *Ingresso Libero* has also stipulated an agreement with the University of Catania in order to involve students, as apprentices, in the organization of the activities. This contributes to give students cross competences they can invest in their future and to create a link to the work environment.

### 3.2 Collaborations

The association *Ingresso Libero* and the Lamberto Puggelli Foundation boast a series of collaborations with several local institutions, such as *Isola Quassùd*, *Culture Possibili*, *Camerata Polifonica Siciliana*, *Associazione Musicale Etna* and *Musicainsieme a Librino*, among others, and with national institution as the Teatro Regio in Parma. Collaborating is a good solution to share ideas, projects and competences with associations that pursue similar aims. Furthermore, since there is the necessity to produce artistic activities without relying on public subsidies, local networks allow private subjects to work together and reduce costs. Different subjects can indeed provide different services and opportunity in the achievement of goals and foster the so-called cooptation. *Ingresso Libero* often organises activities in collaboration with institutions that provide additional services or help in fundraising; on the other hand, *Ingresso Libero* is often asked to collaborate in other projects by offering the space of the theatre, artistic consultations and support in the organisation and promotion of the events. Collaborations are a form of best practice, in addition, the creation of networks can be

important to promote the development of the local community and to apply to European Union programmes in order to afford funds and develop new projects.

#### 4. Some figures

Even though the "Teatro Machiavelli" was reopened in 2010, a complete season of events has been organised just last year (October 2014 – July 2015). Some figures about the activities and the visitors will be provided. During the year *Ingresso Libero*, in collaboration with the Lamberto Puggelli Foundation, organised and hosted:

- 7 concerts
- 4 theatre shows
- 19 seminars
- 8 art exhibitions
- 12 workshops and master classes

There was a good result as far as audience is concerned. Before providing figures about the number of spectators, two points have to be taken into consideration: first, in the theatre there are only hundred seats, secondly the theatre was reopened and brought back to its function after years of closure; therefore, it was necessary to inform and gather the audience.

Number of attendees:

- concerts: 1.200
- theatre shows: 300
- seminars: 1000
- art exhibitions: more than 4000
- workshops and master classes: 180

As it can be deduced from the examination of data, the result of the first year of activity is positive. Despite the difficulties found in intercepting the audience, many people attended the various events. This depends on three factors: first, since 2010 *Ingresso Libero* organised cultural activities even if occasionally, so there was a previous group of people who already knew the association; secondly, the "Teatro Machiavelli is situated in a central position of Catania and it has great visibility; besides, activities are addressed to different targets, so it

has been possible to involve diverse demographic groups: while the audience of workshops consist mainly of young people (aged between 18 and 30), thanks also to the advantages for students who can attend some workshops and get university credits (ECTS) for their courses, people who attend classical music concerts are usually older. The association *Ingresso Libero* aims obviously to increase the number of attendees; therefore, a precise analysis of the audience will be conducted, in order to adapt and improve advertising and cultural offer.

## 5. Conclusions

As it has been described in this paper, it is possible to find a way to overcome the crisis and produce culture without public funding. There is no question that public intervention is important, but it has been proved that the contribution has not to be necessarily a monetary subsidy. A public subject can indeed give its contribution to a private one in different ways. In the case study that has been analysed, the decision to entrust a public space to a private association affected positively its financial plan. Moreover, the absence of public funds can become an incentive to find creative solutions and to develop managerial skills in the cultural sector. Since there is the necessity to produce artistic activities without relying on public subsidies, many private cultural operators created local networks so as to work together and promote the development of the local community. In the end, it can be stated that it is necessary to build up networks with both public subjects and private institutions in order to offer high level cultural activities focusing on collaboration, and to organise cultural and artistic events even in difficult territories where private subject do not usually invest.

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