

Foundations in Europe

Published by
The Directory of Social Change
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London NW1 2DP
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e-mail: info@dsc.org.uk
from whom further copies and a full publications list are available.

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ISBN 1 900360 86 1

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Cover design by Russell Stretten

Edited by Myra Bennett and Rosie Clay

Text designed and typeset by GreenGate Publishing Services, Tonbridge

Printed and bound by Biddles, Guildford

Other Directory of Social Change departments in London:

Courses and Conferences tel.: 020 7209 4949

Charity Centre tel.: 020 7209 1015

Research tel.: 020 7209 4422

Finance and Administration tel.: 020 7209 0902

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Italy

1 Introduction

In terms of foundation endowment, Italy may well appear among the five top-ranking countries. This is a decidedly surprising accomplishment for a country whose foundations, while boasting a robust ancient tradition, have suffered a complex variety of adversities for much of the 20th century.

Since the 1980s different types of foundation have appeared on the Italian scene, all akin in name yet rather heterogeneous in history, governance, culture, number and resources. Although a strong foundation culture embedded in a modern civil society is still in the making, the current situation is promising in several respects and a new age for foundations in Italian society may be in sight. The evolving legal and fiscal framework in Italy will of course affect the prospects for foundations in the future.

2 Historical background

A comprehensive history of Italian foundations remains to be written. It would be a history of continuity and fractures, of relevance and disregard, of similarity and anomaly and no distinctive interpretation of this history exists. It is possible, however, to describe something of the changes experienced by foundations, their legal status, social impact and reputation over the centuries.

The role of the Catholic Church in developing Italian philanthropic traditions cannot be underestimated. Canon law formulated the concept of 'body corporate', and a variety of church-related entities devoted to religious and/or humanitarian goals has existed on the Peninsula from medieval times to the present day. However, many examples of secular institutions provided with an endowment can also be traced. From the beginning these primordial foundations, often linked to local communities, were characterized by a decided

disposition to run service activities which, *mutatis mutandis*, became a permanent feature of Italian foundations.¹ Centuries of *piae causae*, *opere pie*, *misericordie*, *Monti di Pietà*, *confraternite* were to follow.

The role of charitable institutions was first politically challenged by the absolutist state and the Enlightenment movement, following the French example. In the second half of the 19th century foundations were among the losers in the creation of a united Italian state (1861). This period saw the centralist and anti-clerical Napoleonic model adopted to organize the emerging modern state. Enlightenment-derived mistrust toward mortmain risks, and liberal political suspicion toward social bodies interposing themselves between the individual and the state, were trends that brought about the irrevocable decline, if not outright disappearance, of foundations in Italy.² Long-established charitable institutions were nationalized by law in several bursts of activity, while very few new foundations were created.

Socialist, liberal and later fascist political currents were similarly uninterested or blatantly hostile to foundations. Traces of such attitudes were present after World War II, and are still present in today's Italy. Although the Republican Constitution (1948) – a compromise between Catholic, socialist and liberal principles – guaranteed 'social bodies' as a vital component of the social fabric, foundations continued to play a marginal role in Italy until very recently. But the historical weakness of foundations is a prominent trait in Italy's charitable sector; scholars tend to agree that associations (mutual aid societies, voluntary organizations and later also cooperatives) rather than foundations are the expression of Italian charitable and civic-minded action.³

Although Italy was exposed to American culture after World War II, not much room was created for modern foundations. From the 1950s to the 1970s no more than a handful of significant foundations were created. These worked mainly in the welfare and health fields and were often religiously inspired, or in social sciences research, looking very much like an Italian version of American think-tanks. Not surprisingly, both types of foundation were definitely 'operating' in kind. Reflecting the sector's legacy of weakness, however, its activities did not emerge onto the public scene although many small foundations were established and older ones continued to exist.

¹ See Zaninelli.

² See Ristuccia.

³ See Donati.

A turn-around occurred in the 1980s and especially the 1990s. Like many countries Italy experienced the grass-root social dynamism and the fiscal and legitimacy crisis of the welfare state at the same time. The newly rediscovered principle of self-organization created new opportunities for the third sector, including foundations. This occurred in view of the conspicuous growth rate of new private foundations, and also because the very concept of foundation was taken up by public authorities as a tool for implementing specific privatization policies or establishing new partnerships with private (profit and nonprofit) entities. One use of foundations was in restructuring and privatizing the public banking system.

The role of banks

In Italy a few public banks were originally established as joint stock companies while most enjoyed the legal status of 'savings banks' (*cassa di risparmio*) or 'public law banks' (*istituto di credito di diritto pubblico*). Most Italian savings banks were set up in the first half of the 19th century with start-up capital provided by rich and enlightened personalities, sometimes (especially in Northern Italy) supported by far-sighted government authorities. The savings banks were used to stimulate savings of the middle and working classes. Savings were not a requisite for the accumulation of capital or acted as a catalyst of industrialization, they were a 'provident' project.

To win support and reveal their reliability savings banks were established as nonprofit organizations subject to a nondistribution constraint. A large part of their profits was distributed in grants and the remainder accumulated in reserve funds. As these banks grew in number and influence, lending activities were extended from sound public or private nonprofit institutions to small corporations acting at the local level. The banks thus discovered a vocation for supporting local economic development initiatives.

Over the years, and especially during the fascist era, savings banks were submitted to public control and became part of the public sector. This 'nationalization' was enforced both because of the banks' public purpose and because banking itself was considered an activity of public interest. In 1990, all savings banks were controlled by government and still represented a strange hybrid of profit (banking) and nonprofit (charitable) activity, the latter rather underdeveloped and oriented toward 'marketing' purposes.

The nonprofit status of public banks seemed both anachronistic and restrictive when new capital was needed in order to comply with EU

directives on banking (89/199 and 89/647). The entrepreneurial nature of banking, and the idea that economic development can be better pursued through efficient banking than charitable activity, were both gaining ground. Moreover, it became necessary to regulate competition between private banks (that had to pay dividends to shareholders) and public ones.

Law 218/1990 allowed savings banks (incorporated as foundations or associations) to change their legal status. Thanks to substantial fiscal incentives, they could break up their banking activities and contribute to new joint stock companies. Consequently the old nonprofit banking institutions broke into two parts: a new for-profit bank (established as a joint stock company) able to compete on an equal footing with other private banks; and a nonprofit foundation (the majority shareholder of the new banks) concentrating on charitable, social and welfare activities. The shares of the new bank represent the endowment of the old foundations while the dividends received constitute the income used to pursue the philanthropic goals.

At first, the legal transformation and the more controversial privatization of the banks constituted quite distinct targets. The law did not allow the foundations to relinquish control of their banks, unless control remained within the public sector. Therefore, 'foundations of banking origin' were initially perceived as financial holding companies rather than charitable institutions, notwithstanding their grant-making activities. This decision was subsequently reversed. In 1993 the government declared it illegal for one person to work as an administrator both of a foundation and the bank it owned. In 1994 a new law freed the foundations from the burden of maintaining a majority share in the banks, while a law passed in June 1999⁴ forced the foundations to sell their shares of the banks, although only over a six-year period and with some loopholes. Consequently, banking foundations will become private sector institutions, forced to diversify their financial portfolios and to concentrate on charitable activities.

This recent change in law was driven more by the desire to put public banks in private hands than to create a strong sector of philanthropic foundations. Similarly, a large sector of private nonprofit institutions will be created as a result of public regulation rather than private benevolence. Foundations have already been used to transform the legal nature and the workings of a wide range of organizations, from opera theatres to local welfare institutions nationalized long ago. Some of these may prove useful models for other public bodies in the future.

⁴ d. lgs. 153/1999.

3 Legal issues

Provisions concerning foundations are rather numerous in the Italian legal and fiscal framework.⁵ Of greatest relevance is the First Book (*Libro Primo*) of the Civil Code (*Codice Civile*, 1942) which contains a section on nonprofit bodies and describes the essentials of a foundation as a legal body.

A foundation is defined as a private nonprofit organization, established as a contract between living founders or through a testament, and provided with an endowment. The endowment must be used to pursue the foundation's goals as specified in its charter and cannot by any means be re-appropriated by the founders. Common good purpose is not expressly referred to by the Code as a binding foundation feature, but is taken for granted and considered inherent in the very nature of foundations. Together, the endowment and the charter are the foundation's essentials. The endowment also differentiates the foundation from the other main form of nonprofit organization, the association.

The creation of a foundation is carried out through a notarial deed. However, to attain the legal status of a corporate body (*personalità giuridica privata*) giving foundation administrators limited liability and granting fiscal advantages, a discretionary and formal decision by the state administration is required. The state assesses the features of the foundation, particularly whether its endowment or prospective income will be sufficient to fulfil the aims stated in its charter. There is no minimum figure as far as the endowment is concerned, but the relevant offices (at the ministry or regional levels) may set different minimum amounts; the highest minimum amount generally required by the ministries is about €100,000.

The governing body of a foundation is called the board (*consiglio di amministrazione*), whose internal functioning rules are stated in the charter. But foundations are subject to state surveillance even after becoming legal persons. The government must evaluate and authorize any proposals to change a foundation charter, and may inspect and intervene in the foundation's life and activities in case of misconduct or ineffectiveness. One way is by requiring foundations to submit financial and activity reports annually. While this controlling power

⁵ This legal framework, together with minor provisions, applies to the most numerous 'common' or 'Civil Code' foundations. Special laws may apply to other types of foundations or quasi-foundations. As far as foundation of banking origin are concerned, e.g. the Civil Code provisions are integrated by special laws and regulations.

is rather wide and even invasive in theory, it is generally consigned to the status of a mere formality if not to outright neglect.⁶ Similarly, a foundation can also be terminated by the state if it fails to pursue its goals, but this rarely occurs. More commonly foundations are dissolved for reasons explicitly specified in the charter, or when the foundation's goal has been accomplished or has become impossible to attain. Foundation funds may then be transferred to other bodies or appropriated by the state and transferred to bodies with aims similar to those of the original foundation.

The relative looseness and flexibility of the Civil Code has permitted some degree of innovation, for example allowing the implementation of the first Italian community foundations and the recently conceived *fondazioni di partecipazione* (which combine characteristics of foundations and associations to facilitate private-public cooperation, particularly in cultural activities and heritage management). This has been important for a country afflicted by excessive law-making. However, over the years many proposals have been put forward to modernize the system and reform Civil Code provisions concerning foundations. Generally they have aimed to limit the discretionary power of the administration, cut bureaucratic delays and provide the legal concept of foundation with a new general set of rules enhancing transparency, effectiveness and accountability. Although few substantial steps forward have been taken so far, several measures were recently introduced to speed up incorporation and approval of charter changes, and in 1997 the state's right to hold authority over foundation real-estate purchases was abolished.⁷

As to their fiscal treatment, foundations do not enjoy a particularly beneficial position as nonprofit organizations. Italian fiscal law is known for its intricacy; provisions relevant to foundations do not escape this reputation. Moreover, in general, the Italian system neither appreciates nor substantially encourages philanthropy through its fiscal framework. It was only in 1997 that a set of measures was passed in order to favour and promote, from a fiscal and administrative point of view, nonprofit organizations concerned with the socially disadvantaged and the needy (*Organizzazioni non lucrative di utilità sociale, Onlus*).

⁶ This could change rather soon. Parliament is currently considering the establishment of an independent authority appointed by the government to inspect and apply sanctions to the nonprofit sector.

⁷ See Barbetta.

Italian fiscal law provides some advantages for non-commercial activities and non-commercial bodies; commercial activity is however allowed if it does not dominate an organization's work. Foundations active in deserving areas such as education and welfare enjoy income tax reductions. But grants made to foundations are not considered part of the foundation's taxable income and they must pay VAT on purchases. For donors there is no particularly favourable treatment; only a limited share of any donation is deductible from the donor's taxable income, with different rules for individuals or corporate bodies. Further steps toward a more generous and liberal fiscal setting are expected, but may be hindered by the currently difficult condition of the Italian state budget.

4 A profile of foundations in Italy

Information on Italian foundations is pitifully poor.⁸ Foundations are not included as such in general socio-economic statistics, no comprehensive public record of their assets and activities is available, and administrative sources are scarce. Most of what is known about foundations originates from field research.⁹

A reasonable estimate of the number of existing active foundations is in the region of 1200 to 1500. However the Italian foundation world is quite heterogeneous, and the figure becomes higher (a very tentative 2000 to 2500) when privatized IPABs (*istituzioni pubbliche di assistenze e benevolenza*) are included. Italy's foundation world is even larger if we include the recent transformation of public cultural institutions into private nonprofit foundations, as well as 'foundations of banking origin' which we know more about in terms of net assets and activities than numbers. These new types of foundations largely explain the lively pace of foundation creation which in the 1990s was almost half the total of foundations ever established in Italy.

The various types of foundations in Italy pursue their activities as either operating or grant-making organizations, both of which have various levels of financial independence (Table 1.27).

⁸ An ambitious survey by Istat (Italian central statistical office) launched in 1999 may fill this gap.

⁹ If not otherwise specified, the following tables are drawn from the data-set on Italian foundations built up by the *Centro di Documentazione sulle Fondazioni*, Turin.

Table 1.27 Types of Italian foundation, by mode of operation and financial independence

Financial independence	Mode:	
	Operating	Grant making ¹⁰
Endowed	<ul style="list-style-type: none"> ● A few private foundations ● Ex-IPAB foundations 	<ul style="list-style-type: none"> ● Foundations of banking origin
Not fully endowed	<ul style="list-style-type: none"> ● The bulk of Italian private foundations ● Opera House foundations ● Ex-IPAB foundations 	<ul style="list-style-type: none"> ● Private fundraising foundations ● (exceptional) Community foundations

Two features of the Italian foundation world clearly emerge: the dynamism of 'private' foundations established under the Civil Code for private reasons, mainly philanthropic; and the growth of new types of organizations closely related to foundations as a legal tool for public-private cooperation (or cooperation between different public bodies) or as a way of privatizing public sector-controlled activities. In many cases the distinction between the two types is blurred.

Civil Code foundations

Italy possesses a handful of institutions of excellence, specializing as operating foundations and working in specific fields such as social research, medical research, health and welfare. There is also a large number of small foundations, some committed to traditional charitable purposes, others addressing new social demands in a more innovative way. The latter tend to be young, often created by committed individuals, interest groups or public bodies.

The scope of foundation activities is very wide. Focus tends to be on education, social services and research, but heritage and the arts are also fairly well represented (see Table 1.28).

One of the distinctive features of Italian foundations is the typically small size of their assets. Their endowments tend to be small, and financially rather frail. Almost 90% of foundations declare endowments of less than €5 million (see Table 1.29). With some notable exceptions,

¹⁰ Notice: Foundations of banking origin, Opera House foundations, Ex-IPAB foundations are private entities yet created or transformed by special Acts. Foundations termed 'private' plus community foundations are created in the framework of the Civil Code: public bodies may be among the founders.

Table 1.28 Percentage distribution of foundations by fields of activity

Social service	22.9
Training and education	22.4
Cultural heritage and the arts	19.9
Research in the field of humanities and social sciences	10.9
Health and medical research	8.3
Community activities	5.0
Religion and ethics	4.0
Research in the field of hard sciences	3.3
Prize awarding	2.0
International co-operation	1.3
	100.0

Source: Non-stochastic sample of 949 cases (1997–8)¹¹

revenues derived from endowments are by no means enough to support activities, particularly considering the low level of present day gross market returns.¹² Paradoxically enough, grant seeking is more common than grant making among Italian Civil Code foundations. They rely heavily on income derived from commercial or quasi-commercial activities as well as *ad hoc* contributions or contracts, mainly from and with local authorities.

Table 1.29 Percentage distribution of Civil Code foundations by endowment size

€0 – €100,000	22
> €100,000 < €500,000	30
> €500,000 <= €5 million	36
> €5 million <= €25 million	11
> €25 million	2
	100

Source: Non-stochastic sample of 458 cases (1997–8)

¹¹ As in the following tables, the sample refers to the database of the Centro di Documentazione sulle Fondazioni at the Fondazione Giovanni Agnelli, Turin. Figures derive from individual data obtained through mail questionnaires directly from foundations.

¹² Somewhat amazingly, endowment is the first source of income for financially micro-foundations with very limited missions, e.g. for tiny primary or secondary school prize-awarding foundations.

Another major peculiarity of Italian foundations is that they predominantly act as operating foundations; they provide services and goods rather than make grants. This characteristic is not necessarily negative, however one consequence is that independent, philanthropic grant-making activity on a large scale (according to American standards) has been almost non-existent in Italy. This has significant effects on the development of a vital and innovative nonprofit sector.

Table 1.30 Mode of foundation activity (% values)

Grant-making foundations	5.3
Fellowship and scholarship grant-awarding foundations	10.0
Operating foundations	38.8
Mixed foundations	43.1
– mostly operating	33.3
– mostly grant-making	9.8
Unspecified	2.8
	100.0

Source: Non stochastic sample of 536 cases (1996)

The operating character of Italian foundations is not unusual in Europe. However, Italian foundations' operating character and small endowment size may be, along with other factors, a reflection of the limited number of legal tools available for the creation of nonprofit organizations, and the relatively low minimum capital requirement for a foundation to be granted legal personality. These conditions may have encouraged many 'social entrepreneurs' to choose the foundation form as a means to establish what elsewhere would be simply recorded as a 'nonprofit-organization' with no further similarity to a foundation proper. Whilst the association form requires some kind of internal democratic governance, the foundation structure allows for more managerial, business-like conduct. Additionally, a foundation is commonly perceived as durable and capable of commanding public confidence, therefore attracting private and public generosity. This opportunistic though by no means unlawful use of the foundation form may also partially explain the high rate of creation of Italian foundations in recent years.

Among 'Civil Code' foundations are IPABs (*istituzioni pubbliche di assistenza e benevolenza*). These were originally charitable institutions of mainly religious origin, some very old. They provided health, welfare, educational and vocational services. Following the unification

of Italy (1861) these institutions have been through different waves of nationalization, enjoying a peculiar and hybrid status. In fact, although public in law, they enjoyed a significant degree of autonomy. This autonomy decreased in 1977 when the IPABs were placed under the control of local authorities. In 1988, a decision by the Constitutional Court allowed them to reclaim their original status as private charities. In the second half of the 1990s the privatization of IPABs gained momentum; more than 1000 IPABs, generally provided with an endowment, were formally transformed into private nonprofit bodies, mainly foundations.¹³

Foundations as a tool for privatizing public bodies

Banking

Foundations have also been used to privatize the Italian banking sector. 'Foundations of banking origin', or 'banking foundations', are a by-product of this transformation, initiated by law 218/1990. By the end of the 1980s a very high number of public banks existed in Italy; representing about 65% of all deposits of the Italian banking system in 1988. Compared to average Italian foundations, foundations of banking origin are very well endowed. The total net assets of the about 90 banking foundations amounts to about ITL50,000 billion (about €25 billion). Less conservative estimates put total net assets in the range of ITL120,000–150,000 billion (about €60–75 billion). These assets are concentrated in just a few foundations: three (3.5% all foundations) have individual assets greater than ITL5,000 billion (about €2.5 billion), accounting for about 45% of total net assets. A large number of small institutions (49 foundations or about 57%) with individual endowments of less than ITL200 billion (about €100 million) account for only 9% of total net assets.

Foundations of banking origin are concentrated in northern Italy. Over half (53% of the foundations, holding 66% of the total assets) are located in this region. Banking foundations in central Italy are relatively limited in number and small in size, and almost absent in southern Italy. This geographic concentration is quite significant considering the great needs of southern Italy, given the tendency for foundations to fund organizations and causes located in their areas.

Notwithstanding their large assets, banking foundations have distributed quite limited amounts in grants over the recent past (Table 1.31). This may be explained by two different causes: the low performance

¹³ Ranci e Costa.

of the banks' assets on the stock market, and the conservative behaviour of bank managers to hold earnings in reserve funds.

Table 1.31 Income of 'foundations of banking origin', by most common income destination (€million)

Income destinations:	1993	1994	1995	1996	1997
Reserve funds	167	177	133	121	102
Internal costs	33	28	35	45	56
Grants made	120	122	142	198	304
Total income	328	357	374	429	548

Source: A.C.R.I., 1996, p.122; 1997, p. 164; 1998, p.181; 1999, p. 82.

Banking foundation endowments could generate large incomes to be spent on charitable activities. A rough estimate is that €1.5 billion could be devoted every year to nonprofit and public organizations acting in the fields of culture, health, social services, the arts etc. It is therefore interesting to consider who receives these grants. The single largest sector is art and culture, followed by social services, and education (Table 1.32).

Table 1.32 Percentage distribution of grants from foundations of banking origin, by field of activity

Sector:	1993	1994	1995	1996	1997
Art, culture and recreation	30	31	31	35	36
Education and research	20	19	20	20	19
Health	16	17	10	10	11
Social services	26	26	26	26	25
Environment	1	—	—	1	1
Development and housing	4	3	8	5	5
Other	3	4	5	3	3

Source: A.C.R.I., 1996, p. 153 154; 1997, p. 108; 1998, p.100 and 1999, p. 106.

Italian banking foundations show a strong preference for financing the purchase of capital goods, the construction and restoration of buildings and the conservation or restoration of art (Table 1.33); more than 50% of funds granted were for these purposes. Moreover, over the last five years, on average a good 25% of funds granted were for 'running costs' of organizations.

Table 1.33 Purpose of grants made by foundations of banking origin (% values)

Purpose of grants	1993	1994	1995	1996	1997
Purchase of capital goods	23	24	15	15	14
Construction and restoration of buildings	22	15	19	16	15
Conservation and restoration of works of art	15	16	14	16	13
General operating support	21	22	31	23	26
Cultural, scientific and sporting events	11	9	9	9	9
Research projects	5	5	3	3	4
Other	3	9	9	18	19

Source: A.C.R.I., 1996, p. 156; 1998, p. 107, and 1999, p. 114.

The opera/theatre model

Most recently, another use of foundations has occurred through law decree 367, involving the privatization of public bodies. Since the decree was passed in 1996, Italy's biggest opera houses and other 'concert institutions' in the public sector have transformed into private nonprofit foundations. In the long term this legal transformation aims to reduce the financial burden which these cultural institutions place on the state; while boasting an international reputation, many (such as the 'La Scala' in Milan) have turned in a poor economic performance. The new law therefore treats opera as an economic activity and encourages private entrepreneurs and institutions to fund it, aided by 'matching grants' from the state. The new private foundations are subject to many public controls as well as certain restrictions when formulating their charters. But they enjoy many advantages, fiscal and other. They are entitled to annual public funding (by the national Fund for the Arts), while donations aimed at endowment building are tax exempt and donors benefit from much larger tax deductions than usual.

5 Current trends and conclusion

It is obvious that the world of Italian foundations has started to change only in the last 10 to 15 years – but it has done so dramatically. Before the war years foundations were by no means non-existent but mainly consisted of charitable institutions with very limited, if any,

social impact and visibility. There have been a handful of exceptions to this rule, especially since the late 1960s, though one could say that in the eyes of the general public these organizations – either welfare, heritage or research institutions – were exclusively relevant to their specific mission; their foundation status was hardly perceived as a distinguishing characterization of mission and purpose.

In the last decade the foundation world has become quite complex. Three trends are particularly evident.

- 1 The proliferation of small and medium-size operating foundations, generally insufficiently endowed, acting almost like nonprofit organizations in a variety of social and cultural fields.
- 2 The entry of a number of wealthy grant-making foundations as the outcome of a rather tortuous process of privatization of the formerly state-controlled banking system.
- 3 The assumption among public decision-makers that foundations can be a convenient tool for privatizing existing bodies or running and funding social and cultural activities, taking advantage of both civil law and the cooperation with private partners.

Of these three trends, the emergence of strongly endowed bodies specializing in grant making, before practically non-existent, could be singled out as the most salient.

However, the need to rethink the role of banking foundations is evident if the nonprofit sector is to benefit from their large assets. In addition to improving their grant-making skills, developing strategies of intervention and building up their role in society and public policies, Italian foundations establish more independence from public authorities. Many local administrations that appoint board members of banking foundations perceive these institutions as their own reserve of free cash. Consequently, foundations tend to adhere passively to the strategies, desires and orders of local administrations without developing their own vision of the 'public good'. As they replicate (or simply fund) public intervention, these foundations don't 'make a difference' in any field.

Banking foundations should also re-assess their role in financial markets and in the market for corporate control. Given the size of their endowment and the limited number of institutional financial investors active in Italy, many foundations play a crucial role in controlling some of the largest financial institutions of the country. Moreover, the investment strategies of many foundations are not driven simply by the principle of financial diversification, but rather by

a relevant interest in influencing control of some corporations. This could prove to be a temptation difficult to avoid, with lamentable effects on the functioning of the Italian stock market. Similarly, foundations' priority-setting process, effectiveness as grant makers, and the social perception of their role might be badly affected.

The use of foundations described in the opera/theatre model above is also rather promising. However, it is too early to say whether this transformation will be successful and the new foundations will be able to survive, or to maintain the high level of their artistic productions with reduced public funding. Nonetheless, it is quite likely that in the future the model of the opera theatres will be followed for the privatization of other public bodies in the fields of culture, education, health and social services.

We may be witnessing the birth of a significant Italian foundation sector, but the scene is still blurred. It is unclear whether new operating foundations will survive medium-term mission and management challenges, and whether their establishment rate will stay high. The mutation of privatized bodies into independent and professional foundations will certainly take time, and may not be a linear process.

The formation of a foundation culture within Italian society will be a crucial condition for the sector to emerge and thrive. Much pragmatism, experimentation, cooperation and accountability will be needed within and among foundations. The spread of a political culture more sympathetic to social subsidiarity and more liberal legal and fiscal provision for private philanthropy would also be beneficial. Hopefully, current trends do foreshadow the formation of a multifarious foundation community, in which various groups or even individual foundations specialize in specific functions, yet are capable of talking to each other and to society at large.

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