

**CIRCOLO SCANDINAVO**

A Feasibility Study

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## **1. INTRODUCTION**

The Finnish Ministry of Education and Culture/The President Country of the Nordic Council of Ministers 2016 and the Executive Board of Circolo Scandinavo (CS) has asked me to prepare a feasibility study on the future ways of development for CS. The discussion on the future is needed, because with its 155 years of history CS has reached a mature position of its life-cycle. The challenge of CS is to justify the present type of activity to financing bodies and to take care of effective institutional administration of the association.

In the following I will present three scenarios for discussion on developing activities of the CS in the future. In the presentation the focus is in feasibility of the scenarios based on identifying a number of preconditions and needs to advance on the way of development and to reach the goal. The preconditions and needs listed do not form an action plan, which would be in the focus of the next step, when and if a decision for one of the scenarios is made. I do not claim any complete research of relevant details implied in each scenario, my purpose is to give a sufficient basis for discussion.

## **2. CIRCOLO SCANDINAVO**

Circolo Scandinavo (CS) is a non-profit association under Italian law established in 1860 in Rome. Its statutes have been renewed and approved by the annual meeting of the members in January 2008 and accepted by the Italian authorities in February 2009. Membership in the association is open to individual persons and legal entities; the documents I have do not indicate the exact number of the members

The historical mission of the association is to maintain a residence for the artists of Circolo Scandinavo in Rome and provide them with a possibility for artistic inspiration and activity. In the nineteenth century Rome was a must to understand the roots of Western art and architecture. Many of the most prominent Nordic artists, including e.g. August Strindberg, Selma Lagerlöf, Henrik Ibsen and Walter Runeberg, stayed at the CS. Ever since CS has been popular among Nordic artists, at the present only every seventh applicant can be given a possibility for the residence.

The residence should give a place to live for a shorter or longer period to artists coming from Nordic states; at the present the rooms in the residence are allocated on monthly basis. CS also should function as a meeting place in order to spread information of the Nordic culture being a unique place to create connections between Scandinavian artists and Italian artists. The attractiveness of the residence has been based also in its ability to provide personal services to facilitate a successful stay in Rome.

CS also functions as a repository of antiquarian books and furniture as well as art works donated to the association by the residents during its long history. At the moment the residence is situated in via della Lungara 231, Rome, i.e. Fifteenth century building by the river Tiber.

Preceding the presentation of the scenarios I take a look on present situation of CS making some observations on governance, financing and activities of CS. My sources are Statutes of CS, Annual reports, financial accounts and Minutes of the meetings of members and Executive Board of recent years, Contract of the Director and strategic discussion paper prepared for EB. I have also interviewed the Director of residence Ingo Arnason and Pekka Korpinen, President of the association.

### *Governance*

*Meeting (ordinary, extraordinary) of members of the association:* highest power of decision, responsible for activities according to the statutes.

*Board of Directors:* 8 members of which 5 representing Nordic countries are elected by the ordinary meeting of the association and 3 representing Nordic embassies and cultural institutions in Rome are appointed by these institutions; the board has highest executive power, elects and supervises the director and a possible executive secretary for Circolo Scandinavo.

*President:* legal representative of the association.

*Director of the Residence:* artist from a Nordic country, responsible for day-to-day activities.

The structure of governance seems clear and functional. How it works in practice depends of a variety of reasons, historical, juridical or geographical.

- The statutes regulate the obligations and responsibilities of the governing bodies on a very general level. There is a need of code of practice for each of the governing bodies to define their competencies and responsibilities and also the procedures in case of malpractice.
- The only document defining obligations and competencies is the agreement between Association and Director of the Residence.
- Possible conflicts with Italian law should be clarified.

#### *Members of the Association*

- Membership is very varied, individual persons and institutions, spread geographically wide from Rome to Nordic countries. This kind of membership is typical for a support organization but problematic in case of supervision of the activities and decision making.
- With regard to members there are two points to be considered in this connection, information and participation. Information to members is given mainly on the website of the association and this may be regarded as sufficient.
- Critical point is the reliability of the information on which the members are expected to make decisions. How the members can be assured that the association acts according to its statutes, (Art. 9: Ha lo scopo di assicurare la gestione del Circolo Scandinavo nel rispetto dello statuto)? This applies especially to the economic activities of the association (Art. 10: approva il bilancio preventivo e il bilancio consuntivo). Report of activities and finances is presented to meeting of members by the Board of Directors (Consiglio direttivo) without any second opinion or audition. Measures to organize audition in future have been taken.
- The members should decide the composition of the election committee, which has been on ad hoc basis in present is selected by the Board.
- The number of members is not included in the annual report.

As a conclusion I state that the actual model of governance based on membership is not ideal for CS. Certainly it functioned well in the past, hundred years ago, when

membership of the CS was more coherent and concentrated in Rome. I see a great value in enthusiasm to be a member of CS, this is an asset which could be developed into direction of support organization instead of a governing body.

### **Executive Board**

According to the statutes the Executive Board has executive function in supervising and instructing the director. It is also responsible to the members for the finances and activities of the association.

#### *Observations*

- With two meetings in a year the role of the board is merely to approve the presentations prepared by the director. Guidance and supervising function is not very developed.
- Membership in the board lasts two years, which arouses a crucial question of ability for long term planning and strategy. The protocols of the Board do not include items of this kind.
- Travel costs are too high to allow more meetings of the board.

#### *Finances of the association*

Sources of financing are membership fees, fees of the artists in residence, donations, and annual support from the Nordic Council of Ministers (NCM).

#### *Observations*

- Financing is totally depending on the NCM. To secure continuing financing is essential; there is a need for a long term financial planning. CS needs a risk management plan in case the NCM financing is cut off.
- Increase of private funding and identifying benefactors is essential, and this needs a strategy.
- Donations from Nordic companies active in Italy are not to be expected; therefore the idea of renting the rooftop of the CS building for events would be a positive way to add income

- Membership fees in total are too modest to form a solid part of financing. There might be some problem in motivation to pay a higher membership fee with regard to what a member gets for it.
- The structure of expenses is dominated by the rent of the premises of CS which ca one quarter is covered by the fees paid by the artists.

### *Activities of the association*

The main purpose of CS is to give a residence for Nordic artists and to promote the awareness of Nordic culture in Italy.

### *Observations*

- CS is very popular with regard to the amount of applications, some 370 for the period 2016-2017. Of these some 51 were selected. The number of applicants testifies that the activities of CS have been regarded as successful.
- Cancellations by some of the selected artists form a problem that should be addressed to in order to avoid empty rooms.
- The conditions are unequal for artists working in different fields of art. On the other hand, expectations and aims of the artists are very different.
- “Meet the artists” -program as a monthly event provides opportunities for further development to create contacts with local and international colleagues. The budget for cultural activities (totally ca 10 000 euros) seems not to allow increasing of cultural or main activities.
- Cost for an artist/budget in 2015 was ca 4000 euros. This is a very high cost per person.

### **Present situation of Circolo Scandinavo: some conclusions**

The *main activity* of CS is functioning well, but requires a lot of financing. The costs are affected also by cancellations, a fact which should be addressed. Another aspect, the returning artists, should also be considered with regard to what is the balance between

those who have been in residence many times and the newcomers. The possibility of residence should be given to as many as possible.

Considering the large field of artistic work in various fields of art, the residence provides possibilities to residents in a very unequal way. In the best position are those, who only need a room, e.g. writers or composers. Visual artists need ateliers or other kind of working spaces, which the residence is not able to provide. Therefore the aim and scope of time spent in Rome is very different for those artists and leads to question the length of time spent in residence. Best option would be to update resources of the residence. Networking with artistic communities in Italy is not very developed, cinema being an exception. An evaluation of the long term effects of CS would be needed.

Governance includes several structural problems and risks. As a whole it does not correspond in its institutional way of action to the requirements to which is used in Nordic countries, which should be the case, because financing is depending on the NCM and national sources in the Nordic countries.

There is a financial risk in depending totally on the NCM. With current policy it may be difficult to ensure continuing long term financing. Ideas of development are strongly needed.

The premises of CS rented from Accademia dei Lincei are not in the best shape. The rooms serve very differently for the purposes of artists. The library consisting of antiquarian books donated to CS is not in use and as such a problem for CS.

### **3. THREE SCENARIOS**

In the following are three scenarios presented, in order to take a look to possible ways of future activity of CS.

Business as usual

Extended business as usual

Nordic Cultural Centre

Each of them contains a commentary on governance, working model, financing, and a SWOT -analysis. Rome is self-evident site of CS for each scenario; it guarantees continuing interest of Nordic artists to use the services of CS. Rome is also the right place to have presence in Italian community. CS has a unique position in Rome, excellent possibilities to



develop its profile and ways of activities without any competition from other Nordic institutes.

#### **A . Business as usual**

This scenario tries to solve problems of governance of CS as association and increase the volume of activity through increasing space and number of artists in residence. The general idea is to profit the success of long term activity in AiR function and multiply the effect of residences. Increasing space and the number of artists to profit the services should persuade financing institutions to continue their support also for larger expenses.

##### *Governance*

- Take measures to fulfil the requirements of Nordic type of association. I.e. clear and documented definition of competences and responsibilities.
- Make the position of the Board stronger, consider the composition of members of the board, increase number of meetings, make the position of the chairman stronger vis à vis the director of residence.
- Organize a real annual audit of finances and activities and present their comments to the members. Use professional consultants for book keeping and audit.
- Make a clear definition of obligations and responsibilities between chairman and director, i.e. between supervision and executive power.
- Consider change of the management in residence by giving executive responsibility to vice director and creating the position of artist director on honorary base. There is a need of proper managerial skills for the management of the residence and CS.

##### *Working model*

- Select annually 30 artists more to have a residence in CS.
- Define the applying process by giving guidelines and information of working possibilities.
- Rent additional premises for artists considering their needs caused by different needs of various art fields.

- Establish own gallery for exhibitions and artistic happenings. Invite local or international artist to co-operate with artists in residence.

#### *Financing*

- Demand for added financing is caused by need of more space for artists. Existing expenses for rent are 100.000 euros plus renovation expenses.
- The rent for a flat for artists would be ca 50.000-60.000 euros. Total expenses for rent being thus 160.000 euros.
- Net **total** increase of expenses (minus fees paid by artists) would be **45.000 euros**.

#### *SWOT –analysis*

- Strengths      strong interest, big number of applicants
- Weaknesses    limited number of artists in residence,  
governance
- Opportunities connections and networking in Rome
- Threats        continuation of financing

#### **B. Expanded business as usual**

This scenario tries to find ways to change the focus from individual artistic working model to a more organized masterclass model. The purpose of this scenario is to create a new complementary activity in order to find more interest in CS and its services. To succeed in this, new orientation for the director is needed in identifying current needs of the artists, ideas for thematic courses and high quality teachers. High quality courses in Rome would be of great interest for artists and would possibly have a positive influence in financial decisions.

#### *Governance*

- Solve the problems of governance according to the first scenario.

- Change part of the job description of the director to focusing on active organizing of masterclasses and artistic networking.
- Hire an assistant director as described in the statutes to take care of day to day administration.

#### *Working model*

- Combine the traditional AiR function and masterclasses.
- Organize two to three thematic masterclasses every spring and autumn. The concept and practical execution to be developed by the director.
- Masterclasses should represent various fields of art, with teachers being artists of high quality, number of participants restricted to max. 10.
- Rent working space for masterclass according to the need of field of art. Accommodation of artists in the premises of CS.

#### *Financing*

- Additional rooms for artists as in the first scenario. Net increase 45.000 euros.
- Rents for studios 4 x 1 week a year, increase 5.000 euros.
- Compensation of teachers 4 x 5.000 euros, increase 20.000 euros.
- Fees of participants 4 x 10 artists x 500 euros, income 20.000 euros.
- Assistant director, 35.000 euros.
- Net **total** increase of expenses **85.000 euros**.

#### *SWOT–analysis*

- Strengths      new way of activities building on tested working model
- Weaknesses    governance, limited personnel of CS
- Opportunities    new possibilities for Nordic artists in an inspiring context
- Threats          qualified enough level of masterclasses, finances

### **C. Nordic Cultural Centre**

This scenario changes the scope of activities as well as legal, organizational and functional elements of CS.

The purpose of this scenario is to establish a cultural institution to be a window to and active centre of Nordic culture in Rome. The Nordic Cultural Centre (NCC) would be a private institution established by CS and financed for the most part by public Nordic money from the NCM.

This kind of organization makes a clear difference between NCC and German, British or Swedish cultural institutions with state participation but comes closer to the Finnish model of a foundation governed cultural institute with public financing. The model of governance and activities of this kind of institute has been tested in many countries e.g. Sweden, Denmark, Germany, France, England.

The greatest challenge would be to get the approval of the idea at the NCM and other sources of finance. Another challenge is organizational; the NCC needs a steady and a strong governance, which CS as an association in present form is not able to give.

Therefore another form of governance for NCC has to be found. A suitable organization model would be a foundation. According to Italian law CS is able to establish a foundation in Rome, as indicated by Marco Demarie, the legal counsel of Compagnia de San Paolo, a foundation in Torino. After the change of focus of the activities from residence to cultural center as foundation there remains the question of role of association CS. There is a great value in the historical record of CS, which should be kept alive. A very natural possibility would be to develop CS to be a supportive/friend's association for the NCC.

#### *Governance*

- A permanent institute needs governance, which secures its existence operationally and financially. The present form and structure of the association is not able to do that.
- CS should decide to establish a foundation under Italian law. An association as a legal entity is able to form a foundation ([www.efc.be/legal\\_profile/italy](http://www.efc.be/legal_profile/italy) ja [www.e-glossa.it/wiki/fondazione](http://www.e-glossa.it/wiki/fondazione)).
- A foundation model gives the possibility of governance based in Rome with a board of committed persons and longer terms of membership.

- NCC has a director with term of office e.g. three/four years and a staff of 2-3 employees.

#### *Working model*

- Nordic/Scandinavian culture should be understood in very wide sense. NCC should not concentrate only in various forms of art but also give voice and face to the Scandinavian society and policy. In the Mediterranean the co-operation of Nordic countries and our special type of democracy are facts of admiration, which give an asset for various projects and activities.
- The activities of the NCC consist of projects, presentations, gatherings, exhibitions etc. The institute gives a place to activities offered to it, organizes and co-ordinates them.
- The premises of the NCC should be located in a rather accessible place, easy to visit and in a neighbourhood of other cultural events.
- The director is responsible of the programme of the NCC. There should be a long term balance between representations of each Nordic country.

#### *Finances*

- Recent research of Finnish foundation governed institutes indicates that an institute of small staff is able to work with annual public financing of 250.000 – 300.000 euros. These figures include salaries, rents and development of projects and programme. **Total** expenses may be estimated to **350.000-400.000 euros**.
- Private money is needed in order to get public funding; this has to be negotiated with the NCM.
- Private financing by own activities and in kind financing should also give additional resources.
- Italian law does not regulate exactly, how much money is needed to establish a foundation. There is a view that in general 100.000 euros are a sufficient amount needed for that purpose in case the foundation operates overall in Italy. If

operations are limited regionally, the amount of basic capital is 70.000 euros.

Basic capital can also consist of material assets.

- Collecting the seed money for a foundation would be the first step.

#### *SWOT–analysis*

- Strengths window of Nordic culture in Mediterranean
- Weaknesses possibility of residence abandoned
- Opportunities increasing knowledge of Nordic culture and model of society in the Mediterranean
- Threats financing

#### **4. CONCLUSIONS**

As a general remark one has to state that all the scenarios need persons dedicated to develop the activities of CS. The development is a process requiring time more or less depending of the way to go. A problem is how to ensure continuity to carry the changes through keeping up motivation considering the composition of the Executive Board with two-year term of membership.

#### *Three scenarios with SWOT-analyses*

##### *Business as usual*

- Strengths: strong interest in residence, large number of applicants
- Weaknesses: limited number of artists in residence, governance
- Opportunities: connections and networking in Rome
- Threats: continuation of financing

### *Expanded business as usual*

- Strengths: new way of activities, building on tested working model
- Weaknesses: governance, limited personnel of CS
- Opportunities: new possibilities for Nordic artists in an inspiring context
- Threats: to ensure qualified level of masterclasses, finances

### *Nordic Cultural Centre*

- Strengths: window of Nordic culture in the Mediterranean
- Weaknesses: possibility of residence abandoned
- Opportunities: increasing knowledge of Nordic cultures and societal model in the Mediterranean
- Threats: financing

*Estimated annual costs of the three scenarios, based on annual expenditure of ca. 210.000 euros in 2016.*

	Increase	Total
• Business as usual	45.000 €	255.000 €
• Expanded business as usual	85.000 €	295.000 €
• Nordic Cultural Centre	150-190.000 €	350.000-400.000 €

### *The scenarios, a comparative evaluation*

- There is a need to develop CS to avoid stagnation and end of financing. Basically it is question of responsibility of the Executive Board to secure and develop both activities and financial resources as well as governance and management of the association. This responsibility is involved in all three scenarios and needs a vision of the future of CS to be realised.
- The three scenarios are feasible only with financial collaboration and participation of the NCM.

- CS should identify a scenario to proceed. The decision will be based on matching of ambition of CS on the one hand and of financial and ideological rationale of the NCM. The main question for CS is, whether to continue on the way of business as usual or develop its operations in a closer partnership with the NCM.
- A working group is needed for consultations with the NCM, also in the case of business as usual to secure the financing.
- In addition to financial risks there is a risk of human resources in the NCC scenario, which could be solved with a task force group.

### **NEXT STEPS**

This study will be presented at the meeting of the Nordic Committee of Senior Officials for Culture in September and at the meeting of CS in October. After these preliminary discussions the next step would be in common understanding of the both parties to decide the way to develop Circolo Scandinavo.