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Respect for persons through respect for the environment: the activities of nonprofit companies in the field of environmental protection for the “creation of social capital”.

Alessandra Tami

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By Prof. Alessandra Tami  
Dipartimento di Scienze economico-aziendali  
Università di Milano Bicocca  
p. zza Ateneo Nuovo, 1  
20126 Milano Mi  
tel. 00390264486661, fax. 00390264486665  
alessandra.tami@unimib.it

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Abstract

The starting point of the research is the observation that the environment is the forgotten stakeholder in the society’s development policies, both in the decisions of public operators and private ones.

In the past the richness of natural resources could justify an industrial development where financial capital was considered a scarce resource with the corollary of actions aiming at minimizing its return through actions meant for taking the utmost profit from environment, however after 200 years of industrial development it stands out that the purpose of business cannot be simply the financial dimension of development, but mainly the wellbeing of human persons through a strong defence of what is becoming the actual scarce resource: the environment.

Only if the economic equation attributes the right importance to the environmental dimension in the operators’ choices, it is possible to talk of an actual development of the human condition taking into account not only the present generations, but the future ones as well. The extension of the average life span of citizens should place the question of quality of future life at the core of the operators’ system of choices in order to create a network of relationships aiming at the growth of the “social capital” of a community.

Based on these premises, the research intends to analyse the development of the organizations operating in the field of environmental protection, both those whose goal is to sensitize to the environmental issues and those whose activities actually regard the protection of environmental, cultural, monumental resources. After singling out the main organizations operating in the areas of highest economic development, the research proposes an analysis of their models of corporate governance, their applied resources, chosen targets and achievements as well as the prospects of the issue of the sustainable development in the present situation of global crisis.

In the third part the research aims at pointing out a series of instruments and indicators that permit to internalize efficaciously the environmental variable and the respect for persons in the choices of private and public operators.

The thesis underlying this research is that only a revival of values of respect for persons through the respect for environment where persons live, can permit to define a model of sustainable development allowing allow future generation to benefit from the resources that the present generation is using, often in an incorrect way.
1. Financial crises and development models

Numerous conferences and debates have explored the origins of the financial crisis that started in the United States and spread to all corners of the increasingly global world. At first, the crisis was largely financial, hitting the value of financial institutions, but unfortunately, it is spreading through the real economy, taking its toll on businesses that are not in the financial sector. This, in turn, impacts employment and the real economy itself.

Excessive liquidity, deregulation and failures in the supervision of financial institutions have been indicated as reasons for the crisis.

AIAF (Italian Association of Financial Analysts)\(^1\) stated that the "origins of the financial crisis reach back in time and cannot be attributed to individual administrations or specific decisions taken in the financial and economic sector. The entire process of deregulating markets and trading began in the United States in the early 1980s and culminated in 1999 with the definitive abolition of the Glass Steagal Act, which had created a series of barriers between commercial and investment banks.

The deregulation of trading, in a fragmented and inadequate supervisory system, proved to be unable to meet the goal of encouraging economic growth and it also became a major cause of instability for the markets and for the financial intermediaries themselves.

Over the last decade, financial innovation has often degenerated. Originally, financial instruments were designed to provide coverage for risk, but things have gone beyond such goals. Securitization has often been used to transfer credit risk, regularly involving a dubious degree of transparency. In many cases, the sole aim of financial engineering was to make especially complex products for institutional and private investors.

Certain financial intermediaries have used, all too often, instruments that are very opaque. Understanding the origins and dissemination of credit risk in the financial system has often become exceedingly complex. In terms of the system as a whole, the degree of risk has been substantially underestimated both by individual players and the supervisory authorities.

In global terms, institutional investors have not been overly diligent in deciding how to invest the savings they have been entrusted with by families and they have uncritically accepted the judgments of ratings agencies. Understanding of the risk taken on and the related assessments have been shown to be inadequate given the ups and downs and in the market."

These considerations draw a picture of a society that has placed "economic value" as the sole objective of human action. This context has been reinforced by remuneration and bonus schemes that encouraged short-term gains. "Value creation" strategies, which have guided fund managers since the 1980s, have favoured results that were not sustainable in the long run. This led to the growth of a "speculative" bubble that, when it blew, resulted in the destruction of the savings of some and had the additional, undesired consequence of producing a new downward spiral, with a reduction in the demand for goods and thus in the output of companies.

\(^1\) AIAF position paper - March 2009, on www.aiaf.it
The influence of a short-term outlook has not, unfortunately, been restricted to financial institutions. Indeed, companies not in the financial sector have also used bonus schemes that have shown themselves to be incompatible with development that is sustainable in the long term. The goal of creating "value for shareholders" entails a fundamental problem linked to "measuring" value. In a system where money has become the yardstick by which we measure value, the monetary aspect of indicators has come to dominate all else, without taking into account the timeframe or the risks tied to the choices that have been implemented.

In retrospect, as one looks back at these choices, it becomes clear that there was a system of society values that believed pursuing individual interest was compatible with pursuing the common good.

The problem of the effect of individual behaviour on collective wellbeing has reared its head once more and is closely linked to people's expectations about life.

Questions of ethics and social justice have often been confined to a minority of people who struggle to accept the commercialisation of an area and the destruction of the environment in exchange for growth in consumption. This material growth has been epitomised by the performance of GDP, but it has been paid for with increasing disquiet in ever larger sections of the globe, where people send out their sons and daughters on journeys of hope that often end in tragedy.

The inability to sustain this development model was first signalled by natural disasters, fuelled by global warming caused by an increase in the levels of carbon dioxide in the atmosphere that is above what could be considered natural. This was one of the warning signs. The financial crisis is the second sign that the development model is unsustainable. The crisis has highlighted how individual behaviour that does not look out for the common good results in the destruction of resources for far more people than actually benefitted from those resources.

The ultimate goal of man's work is a question that is debated in both philosophical and economic fields. Is the goal "economic" goods or does man aspire to happiness? In this sense, happiness is not easy to define or measure and results in an effort to seek other parameters that might result in inefficient behaviour.

In modern debate, the tension between the search for individual happiness and public wellbeing is a central issue. The question of happiness has become of interest for economists once more, precisely because the notion that increased wealth leads to increased, ongoing happiness is no longer so readily believed. Paradoxically, in an ever increasing number of contexts, possessing wealth seems to lead to unhappiness. Philosophers who read the works of economists highlight that, in the modern age, "utility is not connected to happiness, that is, the fulfilment of oneself (as in the classical tradition), but in the growth of one's economic assets. Through this, the relationship between consumption and meeting one's needs is reversed. Wealth no longer serves primarily to satisfy one's needs, but it is an end in itself.


3 I am referring here to the extremely high rates of emigration in conflict zones and poor areas as people move towards the industrialised west.

4 The reference here is to the contribution of S. Natoli in "Il denaro e la felicità" [Translator's note: Money and happiness], Quaderno no. 31, Associazione per lo Sviluppo degli studi di banca e Borsa - UCSC, Milan 2008
Yet, happiness is primarily connected to satisfying needs;\(^5\) while the modern economy seems to structurally neglect the link between money and happiness. Picking up on philosophical thought, one might recall that, in Aristotelian notions, happiness is the ultimate goal of man because "happiness is what one desires for the sake of happiness. The rest is merely means."\(^6\) The question is thus "what is happiness"? For Aristotle, happiness means achieving one's true nature hence happiness is the exercise of the most specific and highest part of human nature, that is, thought and thus intellectual activity. "Yet man is not only thought, but also body, a bundle of needs and desires; moreover, he has different inclinations and abilities, [...] hence happiness is the achievement of one's whole life, in all its dimensions and aspects... happiness as the harmonious development of one's faculties, unhappiness is, vice versa, disharmony, the tearing of the weave of existence. Everything is part of achieving one's goal in life and thus so is money. Like everything else, it is a factor in achieving happiness. Thus, what needs to be determined is the role money plays in life, how much it favours it, how much it debases it, removes its purpose, makes it empty".\(^7\)

Money has become the measure of wealth, something that is considered by itself. Money has its own properties and laws, which, as Keynes notes in his treatise\(^8\), are objective and, in some respects, independent of the intentions of the subjects. In the modern economy, money has often become the primary indicator of value, but it is also a material and the subject of exchange. It can be sold and bought. Through such usage, money itself can gain value. Money can be used to make money, leading to purely speculative transactions where the use and investment of money becomes its own game or purpose, thus moving away from the real economy and the actual production of "value". To understand the connection between happiness and money, it is necessary to investigate the role that money plays in life. In other words, one needs to determine what role money plays in the cause and effect chain. Economists often use the expression "economic action", but to understand the dynamics of an action, one needs to identify the causes and the reasons. Distinguishing between means and goals is the basis of rationalism, but in a causal chain, something can, depending on the circumstance, become either a means or an end. "The progressive transformation of money from a 'pure' means to a 'something that has its own value' has occurred and become more marked during modernity"\(^9\), leading to the concept that things are not only valuable in themselves - for what they are and what they can be used for - but are increasingly assessed in terms of how they can be used, rather than in terms of their quality. The classic political economy was born in the heart of modernity and, in such a context, the political economy has helped, over time, to "change the relationship between man and things and man and the world as everything can be bought, sold and exchanged. A value can be placed on everything. Anything can be given a price. Not only things. Men too. This was not the case in the classic and medieval worlds, where good was self evident and could never be assessed; indeed it was a criteria for assessment. Actions were judged as being good on the basis of an objective notion of good and conduct was deemed to be good or bad in relation to how it conformed to this. In modern times, "good" is what it is assessed to be and so is linked to a subjective assessment. Today, one hears about a crisis of values, but the origin

\(^5\) S. Natoli, op. cit., p. 11. [Translator's note: translated from the Italian original]
\(^6\) S. Natoli, op. cit., p. 15. [Translator's note: translated from the Italian original]
\(^7\) S. Natoli, op. cit., p. 16. [Translator's note: translated from the Italian original]
\(^8\) J.M. Keynes, Treatise on money, Italian edition: Trattato della moneta, Feltrinelli, Milan 1979, p.17
\(^9\) S. Natoli, op. cit., p. 24. [Translator's note: translated from the Italian original]
and scale of this is ignored. Values, by definition, are experiencing a crisis because they are unilateral, they depend on personal perspective and, as such, they are relative and conflicting. Given the indifferent and abstract nature of money, it is indifferent to all content and because it is so ubiquitous it has progressively monetized life”. The result was that money changed from being "solely a means" to an "end". Indeed, it replaced all ends, becoming symbolic code. At the same time, its every growing hegemony meant that men were ever more calculators and calculating, like all techniques, is impersonal. "The calculating person reduces everything to what it is, without paying any attention to what it is. [...] the acquiring mentality, which money has made us accustomed to, has created the illusion that everything can be bought, including happiness. But this is impossible. Happiness does not lie in possessing things, but in the ability to use them. "Relational goods" are an essential component of happiness; it is impossible to be happy on one's own". Taking this concept to the extreme, value for shareholders is a partial end that does not take into account that we are part of the same world and that it is not possible to set goals without sharing the destiny of others. One wins and loses together.

2. Individual interest and common good

One of the areas of greatest conflict for individual interest and common good, that is the private dimension and relational goods, is the environment.

The natural environment is the most exploited resource in the modern age and, when talking about its use, the notion of market failure is widely accepted by most academics.

Healthy water and air are "common" or relational goods, but so too is the landscape, made up of pristine green areas or hamlets that arose in the Middle Ages or Renaissance, before the birth of the modern political economy. These relational goods are not adequately valued in an economy based on the exchange of and valued in terms of money.

The overbuilding of cities, the destruction of the countryside and the disappearance of traces of the past are consequences of development models where the economic and financial dimensions is rewarded above all else.

However, is man happier now? Or is it a case of being in a daze or waking up from a drunken stupor and having to pay a huge price in terms of insecurity and the loss of purpose?

Are there other development models that will keep, for future generations, a level and quality of life that is coherent with the notion of happiness seen as "wellbeing" in harmony with the surrounding world?

The present unease that many people feel because of social injustice, of having to live in polluted and unhealthy conditions and of having to deal with sickness levels that are statistically higher than in less populated areas has led to the search for solutions where development is sustainable - in terms of social and environmental costs that cause conflicts - and benefits more than just a few people. This seeking solutions has driven the creation of associations and organisations that attempt to raise awareness about conservation projects.

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10 S. Natoli, op. cit., p. 26. [Translator's note: translated from the Italian original]
11 S. Natoli, op. cit., p. 33. [Translator's note: translated from the Italian original]
12 For more on the question of landscape and its significance, see E. Turri, Antropologia del paesaggio [Translator's note: Anthropology of the landscape], 2008, Marsilio Editore, Venice, p.44.
such that the next generation can enjoy the same natural and environmental wealth that their parents have enjoyed.

In many cases, environmental movements are born out of an unease among those who, despite having plenty of money, find themselves in situations of conflict or relational poverty. The challenge is not to try and return to some idyllic situation that never existed, but to put forward development models that incorporate the notion of happiness seen as relational wealth. Happiness lies in using things\textsuperscript{13}, not simply in possessing them. As such, common property of a good can also bring happiness, especially when one person using it does not prevent another person from doing so. Conserving an enjoyable landscape is functional to achieving happiness. For example, building in the middle of a green field when other options exist decreases happiness since nobody can enjoy that greenery. Even the person who built the villa only has a devalued site since it has lost its wholeness.

The question remains: what is a view of a starry sky, the chirping of a cricket or green field worth?

Such sensations are increasingly hard to enjoy in overcrowded cities, in degenerated peripheries and on motorways that ring the cities themselves. Indeed, the cities have risen to become symbols of wellbeing and yet they hide, in the statistics, the insecurity of the inhabitants, panic and an increase in degenerative diseases. While life expectancy has increased for some, the quality of life has worsened for many.

As Robert Kennedy\textsuperscript{14} asked, does a system that gives equal value to prison and education spending have sense? Seen in terms of Gross Domestic Product, both increase the overall size of the GDP.

In recent years, the economy has developed at previously unimaginable speeds, but the related wars and destruction have not been eradicated. Yet, at the same time, arms manufacturing has been included in the GDP of the relevant countries.

\textsuperscript{13} S. Natoli, \textit{op. cit.}, p. 30. [Translator's note: translated from the Italian original]

\textsuperscript{14} On 18 March 1968 Robert Kennedy spoke at the University of Kansas. In this speech, among other things, he spoke of the inadequacy of the GDP as an indicator of the wellbeing of economically developed nations. Three months later, he was killed while during an election campaign that would probably have led to him becoming the President of the United States. His words are recorded below: "Too much and for too long, we seemed to have surrendered personal excellence and community values in the mere accumulation of material things. Our Gross National Product, now, is over $800 billion dollars a year, but that Gross National Product - if we judge the United States of America by that - that Gross National Product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage. It counts special locks for our doors and the jails for the people who break them. It counts the destruction of the redwood and the loss of our natural wonder in chaotic sprawl. It counts napalm and counts nuclear warheads and armoured cars for the police to fight the riots in our cities. It counts Whitman's rifle and Speck's knife, and the television programs which glorify violence in order to sell toys to our children. Yet the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything in short, except that which makes life worthwhile. And it can tell us everything about America except why we are proud that we are Americans."
Given this context, numerous voices are starting to state that such a development model is unsustainable. Sometime politicians taken this into account, but more often they not, they ignore it or are even hostile to it.

3. The social doctrine of the Church and criticism of the development model

When examining criticism of the model, it seems essential to include the papal encyclicals from the past hundred years on the question of industrial development and the protection of subjects at risk. Pope Leo XIII's encyclical entitled “Rerum Novarum”, from 15 May 1981, is the key such document that deals with the problems from industrialisation and solutions to social problems that arose due to development that caused injustice and inequality. This encyclical led to numerous initiatives, often supported by the local clergy, for the creation of labour, credit and consumer cooperatives. The cooperative movement found strong backing in the encyclicals and allowed workers and peasants, united in cooperatives, to improve their standard of living through values like solidarity and respect for others.\(^{15}\)

Respect for people and the environment, since this is where people live, can be found in other papal encyclicals, many of which were key documents in their time.

In this light, it is worth mentioning Pope John Paul II's encyclical entitled "Sollicitudo rei socialis", which was published on 30 December 1987 (20 years after "Populorum progressio") and spoke about peace between peoples. The encyclical "Sollicitudo rei socialis". The Supreme Pontiff wrote:

"34. Nor can the moral character of development exclude respect for the beings which constitute the natural world, which the ancient Greeks - alluding precisely to the order which distinguishes it - called the "cosmos." Such realities also demand respect, by virtue of a threefold consideration which it is useful to reflect upon carefully.

The first consideration is the appropriateness of acquiring a growing awareness of the fact that one cannot use with impunity the different categories of beings, whether living or inanimate - animals, plants, the natural elements - simply as one wishes, according to one's own economic needs. On the contrary, one must take into account the nature of each being and of its mutual connection in an ordered system, which is precisely the cosmos."

The second consideration is based on the realization - which is perhaps more urgent - that natural resources are limited; some are not, as it is said, renewable. Using them as if they were inexhaustible, with absolute dominion, seriously endangers their availability not only for the present generation but above all for generations to come.

\(^{15}\) One successful example of this is the Brianza cooperative movement, which celebrated, in 2000, the centenary of its main organisations, including the Banca di Credito Cooperativo di Carate Brianza and the Cooperativa di Consumo. Such organisations encouraged the harmonious development of the communities they served. Today, one often hears about microcredit in developing countries. However, the cooperative movement, basing decisions about whether to grant loans on trust between people who belonged to and identified with a community, aided economic development in the area. In addition, 100 years on, the bank still retains its place as an important local bank.
The third consideration refers directly to the consequences of a certain type of development on the quality of life in the industrialized zones. We all know that the direct or indirect result of industrialization is, ever more frequently, the pollution of the environment, with serious consequences for the health of the population.

Once again it is evident that development, the planning which governs it, and the way in which resources are used must include respect for moral demands. One of the latter undoubtedly imposes limits on the use of the natural world. The dominion granted to man by the Creator is not an absolute power, nor can one speak of a freedom to "use and misuse," or to dispose of things as one pleases. The limitation imposed from the beginning by the Creator himself and expressed symbolically by the prohibition not to "eat of the fruit of the tree" (cf. Gen 2:16-17) shows clearly enough that, when it comes to the natural world, we are subject not only to biological laws but also to moral ones, which cannot be violated with impunity.

A true concept of development cannot ignore the use of the elements of nature, the renewability of resources and the consequences of haphazard industrialization - three considerations which alert our consciences to the moral dimension of development.”

Pope John Paul II's encyclical on labour related problems, entitled "Centesimus annus" and published on 1 May 1991 during the centenary of "Rerumn novarum", focused not only on people and their wellbeing, but also on the natural and human environment.

This document stresses the importance of the value that must be attributed to all the resources: land, capital and people. The purposes of businesses are outlined very clearly:

"The Church acknowledges the legitimate role of profit as an indication that a business is functioning well. When a firm makes a profit, this means that productive factors have been properly employed and corresponding human needs have been duly satisfied. But profitability is not the only indicator of a firm's condition. It is possible for the financial accounts to be in order, and yet for the people — who make up the firm's most valuable asset — to be humiliated and their dignity offended. Besides being morally inadmissible, this will eventually have negative repercussions on the firm's economic efficiency. In fact, the purpose of a business firm is not simply to make a profit, but is to be found in its very existence as a community of persons who in various ways are endeavouring to satisfy their basic needs, and who form a particular group at the service of the whole of society. Profit is a regulator of the life of a business, but it is not the only one; other human and moral factors must also be considered which, in the long term, are at least equally important for the life of a business."

This encyclical letter criticises consumerism, which creates consumption patterns and lifestyles that are objectively unlawful and oftentimes harmful for the spiritual and physical health of human beings. In addition, it touches on the question of the environment and environmental degradation. Let me quote from the encyclical:

17 Encyclical Letter Centesimus annus, no.35, p.25 (01.05.1991)
"37. Equally worrying is the ecological question which accompanies the problem of consumerism and which is closely connected to it. In his desire to have and to enjoy rather than to be and to grow, man consumes the resources of the earth and his own life in an excessive and disordered way. At the root of the senseless destruction of the natural environment lies an anthropological error, which unfortunately is widespread in our day. Man, who discovers his capacity to transform and in a certain sense create the world through his own work, forgets that this is always based on God's prior and original gift of the things that are. Man thinks that he can make arbitrary use of the earth, subjecting it without restraint to his will, as though it did not have its own requisites and a prior God-given purpose, which man can indeed develop but must not betray. Instead of carrying out his role as a co-operator with God in the work of creation, man sets himself up in place of God and thus ends up provoking a rebellion on the part of nature, which is more tyrannized than governed by him.

In all this, one notes first the poverty or narrowness of man's outlook, motivated as he is by a desire to possess things rather than to relate them to the truth, and lacking that disinterested, unselfish and aesthetic attitude that is born of wonder in the presence of being and of the beauty which enables one to see in visible things the message of the invisible God who created them. In this regard, humanity today must be conscious of its duties and obligations towards future generations."

In the subsequent pages, the encyclical stresses that the earth was given by God to man, who must use it in compliance with the original intent of good with which the earth was given to man. As such, the text also stresses the need for urban planning that is "concerned about people's lives".  

The encyclical, published after the collapse of communism, also questions the limits of capitalism. Indeed, the statement made about the limits of capitalism and the market is very clear:

"40. It is the task of the State to provide for the defence and preservation of common goods such as the natural and human environments, which cannot be safeguarded simply by market forces. Just as in the time of primitive capitalism the State had the duty of defending the basic rights of workers, so now, with the new capitalism, the State and all of society have the duty of defending those collective goods which, among others, constitute the essential framework for the legitimate pursuit of personal goals on the part of each individual.

Here we find a new limit on the market: there are collective and qualitative needs which cannot be satisfied by market mechanisms. There are important human needs which escape its logic. There are goods which by their very nature cannot and must not be bought or sold. Certainly the mechanisms of the market offer secure advantages: they help to utilize resources better; they promote the exchange of products; above all they give central place to the person's desires and preferences, which, in a contract, meet the desires and preferences

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18 Encyclical Letter Centesimus annus, no.38, p. 27 (01/05/1991)
of another person. Nevertheless, these mechanisms carry the risk of an "idolatry" of the market, an idolatry which ignores the existence of goods which by their nature are not and cannot be mere commodities.″

However, the encyclical stresses that the Church does not have any models to put forward, and recalls that its social doctrine recognises the positive value of the market and enterprise. However, it also states, at the same time, that these entities need to be orientated towards the common good.

The "common good" is the ultimate end, which is a position put forward by someone who is not from the church but is seeking a new capitalism. This new capitalism is called Capitalism 3.0, borrowing an expression from the IT world.

4 Capitalism 3.0 and "social capital"

“When capitalism started, nature was abundant and capital was scarce; it thus made sense to reward capital above all else. Today we’re awash in capital and literally running out of nature. We’re also losing many social arrangements that bind us together as communities and enrich our lives in nonmonetary ways.” This statement lies at the basis of all debates on how to protect nature, a collective "asset" that, in a system of private ownership of manufactured goods, is not adequately protected. At the same time, experts and environmental associations study and submit new ways of protecting it.

Climate change induced the greenhouse gases is a typical example of an inappropriate use of a "common" asset. Some analysts call it the "tragedy of the commons". It refers to the fact that people will always tend to overexploit a common asset because they are pursuing their own best interest. The tragedy depends on two factors: the failure of the market to limit its excesses and the failure of the government to protect the atmosphere because polluters form lobbies and manage consensus, while future generations do not vote. In Barnes' view, there is a need to move towards a new version of capitalism, namely "Capitalism 3.0 ". In the current form of capitalism, common assets - the environment, the air around us, the earth, the landscape and the sea - are the victims of the failings of the market and government. Mainstream thought holds that it is difficult to manage the common assets because no one has any specific property rights to them. For example, if a company owned the air, then it could fine polluters in a manner similar to the way dumpsite owners operate. However, no one owns the atmosphere, leaving pollution to continue unabated and without a price to pay.

This situation arose because, in the past, there was sufficient air for everyone. However, today the sky is not longer empty and the atmosphere is being depleting. Given that we live in a society of property rights, it might be the best option to have someone who actually owns the atmosphere.

The debate then shifts to how to identify a subject that has enough responsibility to own common assets or goods and manage then in the interests of future generations. Under

19 Encyclical Letter Centesimus annus, no. 40, p. 29 (01/05/1991)
20 Encyclical Letter Centesimus annus, no. 43, p. 31 (01/05/1991)
21 The following thoughts draw inspiration from Peter Barnes' book Capitalism 3.0: a guide to reclaiming the commons, Italian translation "Il pianeta patrimonio di tutti", Egea, Milan 2007, page 5
22 That's the term used by P. Barnes, see Capitalism 3.0, op. cit. page 2
the current system, companies use common goods without paying anything in exchange for their use. In the early stages of capitalism such behaviour was accepted because the negative externalities (poor health, poverty, pollution, helplessness, unease) were negligible compared to the wealth being created. This is no longer the case. Furthermore, many negative externalities are not even the consequence of "meeting real human needs, but rather non needs."24

One solution might be to return to pre-capitalist institutions, when the community owned "the commons" and, accordingly, established rules to protect them. History tells us that there were rules to avoid over-exploitation of the common pastures. Villagers, for instance, were not allowed to use common land for grazing more animals than they could feed over winter, when those pastures would be covered in snow.25

In a democratic system, there are many different options: the creation of citizen associations to guide public opinion and draw attention to the "common good", the use of typically capitalist institutions in order to use regulatory tools for the protection of non-private, common interests.

Over the past few years, many different initiatives have been launched in the environmental sphere, such as the creation of associations to give future generations a voice. After all, they are entitled to the environment, but not being there yet, they have neither voice nor voting rights. Or the creation of Trusts that "own" common goods. Since Trusts hold property rights, they are in a position to demand a contribution for the use of the goods, or at least, they can prevent individuals from gaining possession of these goods, which would make them unavailable for the community.

Faced with development choices that "eat up" ever more land, the problem of how to protect the natural environment, an increasingly rare part of our heritage, has taken on dramatic proportions. Let me refer to a quote I cited earlier. "In the early capitalist era, land, resources, and places to dump waste were abundant; aggregated capital was the scarcest factor." In the twenty-first century, however, this is no longer the case. If we want more fish on our dinner plates, the scarce factor isn’t fishing boats, it’s fish (Joshua Farley). The impression that the "last straw" is upon us is quite widespread in society, as can be gauged by the recent growth in the number of environmental associations calling for "sustainable development" policies.28

23 This aspect, though, is taken into account by those entrepreneurs that are sensitive to common goods. Fondazione Sodalitas is a good example of this. It was set up in 1995 through the collaboration of Lombardy’s leading entrepreneurs. In 2008 it became a foundation and adopted the following mission statement: "return to the community a part of the resources that the companies received from the community." For further information, refer to their website, www.sodalitas.it.
24 See P. Barnes, in Capitalism 3.0, op. cit. p. 18, who notes that the people who own the land where oil is located get paid, as do those who refine it and those who transport and sell it. Yet, neither nature nor man receives anything for the greenhouse gas that is released into the atmosphere.
25 P. Barnes, Capitalism 3.0, op. cit. p. 17. The author notes that the development of the economy, in England and in other countries, occurred when the commons were fenced and given to farmers. However, some people purchased great swathes of the commons and became extremely rich in the process. The rise of corporations that extract benefits from common assets is seen by Barnes as an example of a capitalism model that needs to be reviewed; hence the need to identify a new, up-to-date model.
26 P. Barnes, Capitalism 3.0, op. cit p. 30
28 The current global economic recession can act as a stimulus to rethink development models that have caused increasing imbalances. The focus placed on trying to emerge from the crisis by investing in renewable energies shows that the protection of the environment, as a common good, might be a response to growth models based
5. Nonprofit in the environmental sphere

Many organisations work to help the environment, to protect monuments, green areas and the fauna and flora. Such organisations come in different forms, including associations, committees and private foundations or trusts that have the resources to buy goods and land that is in danger of disappearing. Such organisations sometimes take the form of an "Onlus" (specific Italian tax categorisation for a nonprofit organisation)\(^{29}\), which makes it possible to raise funds in such a way that there are tax benefits for the donors.

It is possible to distinguish between organisations that create movements to get the authorities to protect a specific area of land and those that, using their assets, purchase "private" goods with important externalities. In the latter case, such goods, if left to the market, might disappear since the market is unable to realise their "true price". Such organisations then make the goods "public", that is, open to be enjoyed by all, and most importantly, preserve them for "future generations".

The Ministry of the Environment and the Protection of the Territory and the Sea keeps a record of all the environmental associations that are officially recognised under Article 12 of Act no. 349/86 and amendments.\(^{30}\) Some of these are organisations that work in local areas. Others are the Italian 'branches' of international environmental organisations. Others focus solely on safeguarding the flora or fauna. Some are even hunting and fishing associations, which receive environmental classification because the fish and animals, to live, need clean water and undeveloped swathes of land. Some associations are held together by ideas, while others own and manage green areas or monuments that need to be saved for future generations.

This work looks at the strategies of the organisations that protect the environment using their assets for specific activities or that manage initiatives in the environmental sphere that are not merely limited to raising public awareness.

5.1. The foundations of environmental protection in the third millennium

The question of conserving the monumental and natural heritage for future generations has become a critical issue because of industrial development and the reduced importance of the farming sector. Pollution, land use, building in green areas and the decay of monuments because it was not ‘economically viable’ to maintain them are the costs of the wellbeing generated by economic development that is measured by the GDP. The cost of development is the use of natural resources that cannot always be replaced. Such use is not measured by the GDP, which is only a partial measure of the wellbeing of a country.

\(^{29}\) For more on how nonprofit organisations and Onlus organisations are governed, see G. Rossi, A. Propersi, \textit{Gli enti non profit} [Translator's note: Nonprofit entities], Il Sole24Ore newspaper, Milan 2008.

\(^{30}\) On 1 March 2009, this record contained 65 associations: www2.miniambiente.it/Sito/link/associazioni.asp
The doctrine speaks of the failure of the market to safeguard environmental resources since they are public assets. As such, in many countries it is the same public administration - national or local - that has taken on the role of protecting the natural, historical and monumental heritage. In other countries, private organisations have been created either in the place of or - more often - in addition to the public administration's efforts.

In the environmental sphere, there are some key examples of how Trusts have been given the role of carrying out tasks previously performed by the State. The first example is The National Trust (NT). This is a registered charity that was founded in 1895 in the UK by three Victorian philanthropists – Miss Octavia Hill, Sir Robert Hunter and canon Hardwicke Rawnsley – to promote and look after places of historic interest or natural beauty permanently for the benefit of the nation across England, Wales and Northern Ireland, “for ever, for everyone”.

Concerned about the impact of uncontrolled development and industrialisation, they set up the Trust to act as a guardian for the nation in the acquisition and protection of threatened coastline, countryside and buildings.

“The need of quiet, the need of air, the need of exercise, and., the sight of sky and of things growing seem human needs, common to all men”, said Octavia Hill.

In the USA, there is an institution similar to the UK's National Trust, namely the National Trust for Historical Preservation, (NTHP) which is a movement for the preservation of historic sites that was recognized by Congress as a nonprofit corporation in 1949. The NTHP’s efforts to save historic places embrace landmarks of every kind, from famous icons to lesser-known treasures. Staff at the headquarters and regional offices work closely with local preservationists/conservationists to protect and restore cherished structures that help give communities their unique and appealing character.

In Italy, following the footsteps of the English National Trust, the Italian Environment Fund (FAI) has existed since 1975. It was founded by Giulia Maria Crespi Mozzoni, Alberto Predieri, Franco Russoli and Renato Bazzoni, on the basis of an idea put forward by Elena Croce, daughter of the great philosopher. It was created thanks to the determination of men and women who decided to do something concrete to save Italy’s landscape, art and nature, to protect them from oblivion by environmental degradation and to deliver them intact to future generations.

The objective of the FAI is to promote a culture of respect for the nature, art, history and traditions of Italy. Its motto is 'Giving a future to our past'. Knowing is the first step to learning to appreciate and thus to defend a heritage that is part of the roots and identity of a country.

31In recent years, the development of the "third sector", with the growth of nonprofit organisations, has been the private sector's response to the government's inability to continue supplying goods and services that private profit making organisations - that is, the market - did not supply since these are 'public' goods or have very high positive externalities. For more on nonprofit, see: Various, *Le aziende non profit tra stato e mercato* [Translator's note: Nonprofit companies between state and market], Conference minutes, Aidea-Clueb conference from 28-30 September 1995, Bologna 1996; S. Zamagni, *L'economia del bene comune*, [Translator's note: The economy of common assets] Città Nuova, Roma 2007.
In over thirty years since its creation, FAI has saved, restored and opened to the public important testimonies of the Italian artistic heritage and nature, managing and maintaining castles, manors, historic parks, gardens and natural areas. There is still much to be done.

5.2. The National Trust

The NT is independent of Government and receives no direct grant or subsidy from the Government for its core work. The mission is “to promote the permanent preservation for the benefit of the nation of lands and tenements (including buildings) of beauty or historic interest”. This is conservation promise is uniquely ‘for ever’. The NT has an inalienable right to most of the land it owns. It can never be sold or developed against the Trust’s wishes without the express consent of Parliament.

The NT publishes its Annual Report, which contains details of its strategic aims and a great deal of information about resources, campaigns and activities.

The Trust’s strategy for 2010 and beyond sets out four priorities for achieving its purpose of ‘looking after special places for ever, for everyone’: - engaging supporters, - improving conservation and environmental performance, - investing in its people, - financing “our” future.

The Trust has embarked on an ambitious agenda for engagement, giving supporters the chance to see and participate in conservation at its properties. It has established a new way of measuring how conservation is improving at its properties and begun an ambitious environmental audit which is enabling its to reduce its environmental footprint. The NT is in a strong financial position, enabling it not only to invest in its properties, but also in its people, a much-needed priority.

But there are also challenges. In a tightening economic climate, the NT has found it harder to raise money from external sources, and the reduction in lottery funding for good causes to help pay for the 2012 Olympic Games is already starting to bite. Pressures on farmers, particularly those in the hills, continue to grow. Some legislative changes worry the NT, although others are welcome.

But looking beyond its immediate responsibilities, the greatest concern is whether things like history, beauty, access to green spaces and nature are given enough priority in public policy. Beautiful places can so easily be lost or damaged through short-term decisions from which everyone, ultimately, loses. This was the sentiment evoked by the NT’s Chairman in his 2007 AGM speech.

The NT says in its 2007/8 report: "As time goes on, it is the Trust’s ability to think, speak and act long term that becomes ever more important. None of us can predict the future – and if we could, it would probably be only to assume that life will become more unpredictable. Climate change is now with us, and our responsibility is to show how, through our practical knowledge and experience, we can demonstrate ways of both mitigating its effects and adapting to change while retaining the special characteristics of the places we love. Whatever the challenges, conservation has always had a human purpose for the Trust. That is why engaging supporters is a key strategic priority. Last year we saw that
happen for 52,000 volunteers, half a million schoolchildren, 3.56 million members, 15 million visits to pay-for entry properties and untold millions to our coast and countryside. For people of all ages and backgrounds, what we provide is a vital part of life – offering delight, inspiration, activity and renewal."  

5.2.1. Ten years of The National Trust

The NT is an example of a foundation that protects the environment. Its achievements over the last 10 years have been very important, both in terms of disseminating a culture of environmental respect and in terms of actually protecting important areas of the country.

The National Trust's 1998 financial statements show that the Trust owned 291 buildings and gardens of outstanding natural beauty and interest, 700 hundred farming properties and over 575 miles of coastline. In 1998, 11.2 million people paid to visit properties with an entry charge. In 1998, the NT counted on over 35,000 volunteers, adding up to over 2 million work hours, and 3,381 employees. The NT had 2.5 million paying members.

In the 2008 Annual Report and Financial Statements, the same figures had become: more than 300 historic houses and gardens, ancient monuments, nature reserves and parks, while the number of farming properties had grown to 1,763. If in 1899 just one hectare of wetland at wicken Fen in Cambridgeshire became the Trust’s first nature reserve, by 2007 it had grown to 250,000 hectares (617,763 acres) of land of outstanding natural beauty and 709 miles (1,141 kilometres) of coastline. There were 15 million visitors; 52,000 volunteers, who donated 3,309,771 hours, equating to a notional value of £22.3 million, as well as benefactors, tenants, and other partners. There are now 3.56 million members, meaning the NT has grown into Europe’s biggest conservation organisation. The Trust’s conservation promise is uniquely "for ever”. It owns most of the glorious heritage inalienably. It can never be sold or developed against the Trust’s wishes without the express consent of Parliament.

In 2007, the NT also celebrated 40 years of Working Holidays with a hugely successful ‘megabash’ to clear bracken, scrub and rhododendron in the Surrey Hills.

Volunteers are at the front line of the NT’s engagement with visitors, and increasingly bring their own range of skills to heritage conservation and caring for coast and countryside. In the annual report the NT explains how volunteer groups work: for example, volunteers for the Fix the Fells partnership are helping to reverse the damage from decades of footpath erosion which scar the Lake District.

A major survey of the NT’s volunteers showed that while loving what they do, they want to be more involved and take on more responsibility. They would like more regular opportunities to learn with staff, to enjoy better communications with staff and to work in more integrated teams.

To help meet these aspirations the NT is organising a series of volunteer conferences, creating new recruitment material and a lively online network for volunteers. The NT is also

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33 www.nationaltrust.org.uk/annualreport
expanding the Active volunteering magazine and improving the training and development of its volunteer managers (both staff and volunteers) to enhance and support the role of all volunteers.

Members and volunteers are very important to develop a culture of respect for the environment, while a reliable environment is the basis for the wellbeing of all persons.

5.2.2. Analysis of the NT’s incoming and expended resources

The importance of the NT, both in terms of the resources involved and the value for the environment, can be seen by examining the financial statements, which the Trust draws up using the principles set out for English charities and which are available on the NT’s website. Publishing such information is one of the ways that the Trusts keeps in contact with its members and volunteers.

Table 1 contains of summary of the key financial and economic data from the most recent financial statements (2007/2008) compared with the information from 10 years before. The goal is to show the dynamics of the main European institution for the protection of monuments and the environment. By analysing the Trust's balance sheets, one can see how the Trust mobilises a very large amount of resources. Many of these are used to maintain the Trust's heritage and to increase efficiency so that less resources can be used to make things work. The function of the Trust is greatly helped by the large number of paying members. The amount received from these people account for a third of the Trust's income. It is also worth highlighting that the Trust's strategy is not only to conserve assets, but also to find ways to improve the assets, offering aspects such as catering services, the option to hire properties for events, sponsorship, event organisation (including meals and hospitality for paying guests). At times, this is done through specific companies. These activities, aside from generating net profit for the charity, create addition value for the environment and, directly or indirectly, employment.

The Trust's Annual Report clearly shows how effective the Trust has been in raising awareness about environmental issues and conserving the 'roots' of a society that is attentive to safeguarding its habitat and people. The report combines details about places and situations with information about awareness raising to increase respect for the environment and improve its protection. To achieve this, the Trust seeks to make members and volunteers more and more involved, thus ensuring they feel like they are part of a conservation project that benefits the "entire nation".

5.3. The National Trust for Historical Preservation

In recent times, the United States of America has been synonymous with innovation and the constant transformation of landscapes and habitats. However, for each nation, conserving the symbolic places where the culture and values of the country were shaped is a way of handing on to future generations a sense of belonging to the community. This, in
turn, builds the ability to collaborate in order to create shared values and maintain the values of democracy and respect for both people and places.

In America, the market has always played a fundamental role. In this context, various private nonprofit organizations were established to protect goods and interests that the market was, quite simply, unable to deal with adequately, resulting in resources being incorrectly allocated. In 1949, the NHTP was set up and was recognised by Congress as a nonprofit company designed to protect irreplaceable testimonies of history and culture. It works to save historical buildings, neighbourhoods and the surrounding landscapes. In many cases, the latter are the true "national monuments" that need saving in America. The NTHP actively supports small communities across the country through educational programmes about how to conserve houses, especially the wooded houses that are typical of the country's rural and peripheral communities. On the one hand, it organises awareness raising initiatives to preserve historical buildings and old town centres, which have been deserted in the wake of the growth of suburban shopping malls; and on the other, it provides legal and financial support to "preserve" the vestiges of the past.

5.3.1 Ten years of the NTHP

Over the past 10 years, the NTHP has continued to work for the conservation of testimonies of the past, but this has been done against a backdrop of shrinking state aid and greater risks for monuments and symbols of the past, due to natural disasters, such as Hurricane Katrina.

The NTHP has retained its 270,000 members, with 312 full-time staff. 29 sites have now become Historic Sites, up from 20 in 1997. The NTHP works with 9 regional and field offices; 39 Statewide Partners; 60 Local Partners; 1,240 Main Street Communities; and 202 Partner Places.

The numbers provide an instructive snapshot of what the National Trust for Historic Preservation is. It works to help people protect, enhance and enjoy the places that matter to them.

“Keeping our shared heritage intact and alive is, after all, the purpose for which the National Trust for Historic Preservation was created, and it remains the goal toward which all our efforts are directed” says the 2007 NTHP’s Annual Report. NTHP highlights diverse ways to move towards its goal.

Since 1988, the NTHP’s widely publicized list of America’s 11 Most Endangered Historic Places spotlighted sites facing a variety of threats to their survival.

Whether it took the form of grants, loans or direct financial investment, financial assistance from the National Trust for Historic Preservation provided critical support for projects that brought new life to historic places from coast to coast. The financial assistance that the National Trust Preservation Fund provides is vital: for example almost $40 million in financial assistance to more than 400 organisations in 2007 alone.

In its continuing commitment to provide on the ground assistance to hurricane-recovery efforts in New Orleans and Mississippi, the National Trust has been a vigorous advocate of preservation-based revitalization. In addition to raising more than $2 million in donations to its own Hurricane Recovery Fund, it attracted a special $500,000 grant from American Express, and its advocacy on Capitol Hill was instrumental in securing $50,000,000 in
federal funds for preservation. Working in partnership with the Preservation Resource Center of New Orleans, it has saved more than 250 structures from unnecessary demolition, and its rehabilitation of 15 buildings has encouraged many others to undertake their own renovation projects in hard-hit historic neighbourhoods.

The Main Street program is another important programmes.

More than 2,000 towns and cities have participated in the National Trust for Historic Preservation’s award-winning **Main Street program** since it was launched nationally in 1980. In these communities, $41.6 billion has been reinvested in downtowns and neighbourhood business districts, spurring almost 187,000 building regeneration projects and a net gain of some 78,000 businesses and 349,000 jobs. Statistics show that every dollar of public funds spent to support a local Main Street program leverages an impressive $26 in investment from other sources.

Since its establishment almost a decade ago, **Save America’s Treasures** at the National Trust for Historic Preservation has raised more than $56 million from private sources to complement $256 million in federal grants for the preservation of important landmarks, documents and works of art across the United States. In this field, two recipients of SAT grants in 2007 attest to the amazing diversity of America’s historic places: the Sewall-Belmont House in Washington, D.C., which celebrates women’s pursuit of equality; and the Eagle Saloon in New Orleans, which is being restored to house the New Orleans Music Hall of Fame.

### 5.3.2. Analysis of the NTHP’s incoming and expended resources

The size of the NTHP is determined by the sheer volume of the resources that it manages every year. Yet, its influence depends mainly on its ability to raise awareness about the conservation of the habitat by lobbying Congress in order to prevent regulations being passed that neglect those who "do not have the right to vote".

As with the NT, it is volunteers - through their donations and their actual efforts - that allow the NTHP to function. At this point, it is important to note that the Annual Report places great emphasis on acknowledging the different actions that could be undertaken due to donations from members. At the same time, tax regulations that favour the development of nonprofit organisations can be a powerful tool to get private funds involved in supporting "common assets". This, in turn, encourages that sense of belonging to the nation that is the social cement and the social capital of a community and a democracy.

Table 2 gives a brief summary of the volumes of resources that the NTHP receives annually and a description of how they are used.

The number of members and the value of the resources are much lower than for its English counterpart. Analysing the information on the website and the annual reports, from the past few years, clearly shows that this organisation is deeply committed to raising the awareness of both citizens and politicians about the importance of protecting the country's "historic roots", especially through the network of donors and volunteers. The approach to doing this has a strong managerial imprint, leading to intensive fund raising programmes that
are designed, ultimately, to replace state aid, which has been on the wane since the 1990s. They chose to launch fund raising campaigns designed to build sufficient wealth that the organisation can be run off the yields. Table 3 shows the initiatives currently underway at the NTHP. These initiatives are not only cultural, but also financial and strategic, supporting an entrepreneurial approach in the management of restored historic buildings. More specifically, in order to prevent old neighbourhoods filled with wooden houses from disappearing and being replaced by soulless modern buildings, the NTHP organises restoration courses, financially supports those who want to redo their home and encourages the letting of restored buildings that have been donated to the institution. In addition, they encourage cultural tourism in historical hotels that are protected thanks to the Trust.\textsuperscript{34}

The appendix contains the details of an initiative entitled "Historic Preservation Issues Affecting You".

It is also worth mentioning how the Trust works to preserve the centres of small towns that are abandoned following the development of large shopping centres. The decay of shops in urban centres entails urban desertification that leads to such places no longer being attractive. Such actions by the NTHP to restore and give a new lease of life to these urban centres are also a way to keep communities alive, thus reducing social exclusion and unease.

The NTHP provides leadership, education, advocacy and resources to help people save the places that matter to them: this is the NTHP’s mission. Being much smaller than the NT, the NTHP only owns and manages twenty nine historical sites.\textsuperscript{35} These sites are important because the Founding fathers stayed in them or because they are symbolic locations in the history of the country. The USA is a young country, meaning the oldest site is only from 1738. Nonetheless, it represents the roots of the nation.

It is important to note that innovative partnerships brought new energy and effectiveness to the National Trust’s efforts to save historic places. It operates new initiatives, like Partners in Preservation, a collaboration between the NTHP and American Express, which provided $1 million in grants to 15 historic sites in the Chicago area. The NTHP example is especially interesting because it has a lot of projects, from ownership to financial assistance with the National Trust Preservation Fund. So, whether it took the form of grants, loans or direct financial investment, financial assistance from the NTHP provided critical support for projects that brought new life to historic places from coast to coast.

The NT and NTHP are symbols for the Italian FAI, the National Trust for Italy.

5.4. FAI – The National Trust for Italy

FAI was set up in 1975 in Italy. FAI is the youngest of the trusts - or foundations - that own castles, stretches of the coastline and environmental sites in order to preserve them and hand them down to future generations. FAI's mission is clearly stated in its Annual Report:\textsuperscript{36} it is about doing something real to save Italy's landscape, art and nature; to rescue them from

\begin{itemize}
\item Information retrieved from www.preservationnation.org
\item National Trust Historic Sites include Drayton Hall, built in the George Washington period (1738), President Lincoln’s Cottage (c.1842, 1857), Belle Grove Plantation (1794), an 18th-century grain and livestock farm in Virginia, The Philip Johnson Glass House, built in 1949, and more others sites; the list is from the NTHP’s Annual report 2007, p. 38-40.
\item FAI, Annual Report 2007, p. 3.
\end{itemize}
oblivion and degradation so as to be able to pass them on to future generations. FAI is a nonprofit organisation and is the result of a group of people's determination to focus on the importance of protecting the Italian cultural heritage. It works through a support network of friends, supporters and members. In over thirty years, FAI has rescued, restored and opened to the public major pieces of the natural and artistic heritage, managing and upkeeping castles, stately homes, historical parks, gardens and nature areas. FAI's goal is to promote a culture of respect for Italian nature, art, history and traditions. Knowledge is the first step to be able to appreciate - and thus protect - a heritage that is part of the country's roots and identity. Over the past few years, the number of locations owned by FAI has increased: some were bequeathed, others were purchased or granted as free loans. At the same time, the resources devoted to the restoration and opening of castles and villas has also increased. FAI owns 36 locations, including castles, stately homes and land, while it has been granted the use or the free loan of another five sites. FAI owns some other real estate, with no artistic value, that was bequeathed to the association. Such buildings are used to collect the resources needed to manage and restore historical sites.37

In order to raise awareness about the conservation of castles, gardens and pristine areas, FAI organises many events at these locations so as to actively involve people and create a sense of belonging. The highlight of these awareness raising initiatives is FAI's Spring Day (Giornata FAI di Primavera). On the first weekend after the first day of spring, FAI opens unique artistic sites, which are usually closed because they are private property, to the public. This event, involving different local entities, is a great opportunity to discover places, settings and corners of cities that normally go unnoticed, but are filled with history and charm. The opening of these sites also includes the presence of "guides", namely young students who have specifically prepared for such events and so have learnt something about protecting beauty.38 Raising awareness about the protection of the environmental heritage also takes place through other initiatives, such as the "Census of the beloved places" (I luoghi del Cuore), with banks providing sponsorship and citizens reporting any endangered sites.

In recent years, the number of participants in these initiatives has increased constantly. However, all of this still seems a drop in the ocean. There is still much to do to raise environmental awareness and avoid property speculation and the misuse of land that damages the landscape, which is a fundamental feature of the most cherished places in Italy.

5.4.1. Ten years of FAI

37 FAI's list of properties includes some very old castles, 19th-century stately homes on Lake Como, exceptionally beautiful stretches of coast and land that was rescued from urban sprawl by purchasing property. Some of the highlights are Villa del Balbianello, a wonderful house with a garden looking out over Lake Como, Villa Vescovo, a Palladian villa, and Villa Necchi Campiglio, a typical 20th-century house designed by a famous architect. The latter is in the heart of Milan and is now a 'museum-house'. Owning stately homes with the relevant estate is a way to preserve them from property speculation.38 In 2007, this day involved 99 FAI delegations that mobilised 4,300 volunteers. They helped open 500 sites in 200 cities across Italy to the public. 9,000 students acted as guides; 5,936 new members enrolled and 350,000 people attended, despite the bad weather. The event enabled FAI to collect € 527,000 to be used to restore FAI's properties. (Annual Report 2007, p. 11)
In 1998, FAI had 32,126 members; in 2007 there were 76,500, so a third of the number of NTHP members. Awareness raising and membership renewal campaigns have a 77% success rate. In addition, the number of members, who choose to support FAI on an ongoing basis, is on the increase. From 19 sites in 2008, there are now 36 properties and another 6 are either managed or free use is granted. Many properties were received as donations or as bequests, while others were purchased by the heirs.

These figures are pretty small considering Italy's vast heritage. However, the events that FAI periodically organises, with the related media coverage, are certainly one way to raise awareness about conservation and to "give a future to our past". It is worth noting that FAI has been granted concessions to manage some outstanding natural areas, such as the Giardino della Kolymbetram in Agrigento's so-called Valley of the Temples and the park of Villa Gregoriana, in Tivoli, Rome. They are entrusted with restoring and ensuring the sustainable development of these areas.

FAI has become an ONLUS. This happened with a view to encouraging donations by companies and private parties through tax benefits for donors.

The awareness raising campaign aimed both at encouraging donations and bequests from the owners of villas and castles (so that they can be everyone's heritage and not fall prey to speculation) and at increasing membership takes place through a wide array of initiatives, like the NT in the UK. These include the organisation of cultural and musical initiatives, concerts, events tied to anniversaries or festivals at each property, educational initiatives for schools, and reporting, through the press office, about environmental issues and problems affecting the cultural heritage.

5.4.2. Analysis of FAI's incoming and expended resources

The size of the resources collected and managed by FAI has grown notably over the past few years. Table 3 shows a brief summary of the volume of resources that FAI receives annually and how they are used.\textsuperscript{39} The analysis of the resources collected and their use shows that an effort is being made not only to improve the organisation's efficiency, but also to streamline environmental protection and awareness. Compared with the past, the expenses for the actual organisation decreased, while the resources for institutional activities - such as restoration work, communication and youth education - have increased. With a percentage

\textsuperscript{39} When comparing the three institutions, it is important to take into account the different accounting methods used. More specifically, the NT and the NTHP use cash and use criteria in their accounting. By contrast, the FAI's P&L statement is done on an accruals basis and expenses are booked according to income components, as foreseen by the Italian Civil Code. This means there is a clear indication of deferred charges for investments to restore property, provisions for funds destined for property improvements, the amounts raised and the potential use of these provisions over time, should contributions collected in a given year not be enough to cover the expenses of the planned restoration programmes. The amount of detail contained in the financial reports, though, makes it possible to garner - despite certain inherent limitations - useful information about the impact each organisation has on the community. More specifically, it was deemed appropriate to report the amount of resources used to employ staff separately, thus indicating that the nonprofit sector has a positive impact on employment. All of the organisations avail themselves of volunteers. This shows that they have a positive impact on generating "social capital", namely a network of relationships between people and places of reference. The reports are made available on the websites of the organisations. See: www.nationaltrust.org.uk, www.PreservationNation.org, www.fondoambiente.it.
of membership equal to 1.2 per 1,000 Italians, there is still much to be done in terms of raising awareness about protecting Italy's cultural heritage and the environment. An increase in membership would give the organisation a constant flow of resources for protection projects. It must be noted that FAI, like other organisations, has some decision-making and oversight bodies manned by extremely charismatic people and by representatives of Italian industry, especially the fashion industry and those sectors whose success is tied to the "Made in Italy" brand. Charismatic members, leaders and 'catalysers' seem to be critical to the success of these organisations.

In the past ten years, the volume of the resources collected has more than doubled, as well as the value of the funds collected and retained in equity reserves. Regenerating castles, stately homes and parks also means developing an array of related activities that benefit of the community, with a view to preserving beauty for generations to come.

The example that FAI needs to follow is that of the UK's National Trust. During the last 100 years, it has protected the castles and coastline of the UK. 7% of the population are members, with the fees paid by the members accounting for one third of the funds raised. This gives the NT stability in planning what to protect and how to use resources.

The NTHP is an example of a private nonprofit entity in a system that entrusts the market with activities that were once the remit of the government. If we compare the three organisations, the NTHP is effectively in the middle. Analysing the NTHP's accounts shows that fund raising activities play a fundamental role. Its membership accounts for 1 per thousand of the US population, meaning it is still quite far away from the widespread adherence in the UK. In the past, faced with the constant funding cuts from the federal government, the NTHP organised extraordinary fund-raising campaigns. The aim was to obtain sufficient financial assets that, with the relevant yields, could guarantee the smooth running of the organisation. The collapse of financial markets, therefore, also hits nonprofit entities, because the value of the financial investments they made to ensure the continuity of their activities is now undermined.

It also needs to be noted that the protection of and respect for the environment are only one brick in the building of social capital, which is the real cement for a community. Educating young people plays a key role for all three institutions. However, there are many other influences from other sources that do not always play a positive role for the co-existence and sustainable development of communities.

Nonetheless, it is worth noting that alongside these three organisations, that share the special trait of having decided to acquire the goods to rescue them from degradation and

40 When commenting on the analyses of the reports from the three organisations, it must be noted that the value of their assets represents mainly the quantity of financial resources collected over time by the three institutions. Furthermore, these resources enabled the trusts to acquire new properties and support restoration projects for them. Indeed, equity is classified as available if it can be used freely by the organisation, and tied-up if the funds have been collected for specific purposes. However, when properties are received through donations, they are not given any value, since these are unique, irreplaceable assets that have no market. Therefore these properties are not booked in the assets, except for the costs incurred for the restoration. Hence, the value of these organisations' assets is often underestimated, due to the difficulty of attributing a value to goods that cannot be easily replicated.
oblivion, there are other entities that focus on awareness raising and encouraging goodwill among people to protect the environment.

6. Key Performance Indicators (KPIs): an explanation of the Trust’s strategy

No matter how democratic these entities might be, they always run the risk of being too self-centred. The NT provides an interesting example of how indicators have been created to determine whether or not the organisation is achieving its goals. The NT’s 2007/8 annual report not only outlines the four aims of its strategy, but also the updated Key Performance Indicators (KPIs) used to measure delivery.

For the first aim, namely “Engaging with our supporters”, the NT believes the key to the strategy is the quality of relationships with supporters. As such, in addition to reporting regularly on overall membership numbers and recruitment, the NT has chosen three KPIs that focus on the aims of its new strategy: member retention; visitor enjoyment; and members’ perception of the Trust.

According to the annual report, 2007 was a very successful year for the NT, welcoming more than 15 million visitors to houses and gardens, and recruiting more than 540,000 new members. At the end of the year, there were 3.56 million members. The NT’s quality KPIs show a welcome rise in scores for visitor enjoyment while the new perception KPI has set a baseline for assessing how close the members feel to the Trust – a key aim of the new strategy.

<table>
<thead>
<tr>
<th>KPI</th>
<th>Actual 2006/07</th>
<th>Actual 2007/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Retention (%)</td>
<td>86.9</td>
<td>86.6</td>
</tr>
<tr>
<td>Visitors rating their visit very enjoyable (%)</td>
<td>54.0</td>
<td>60.0</td>
</tr>
<tr>
<td>Members rating the National Trust as an organisation they feel close to (%)*</td>
<td>n/a</td>
<td>45.0</td>
</tr>
</tbody>
</table>

* The first survey was completed in August/September 2007. The percentage relates to the number of members who responded with a score of 8/10 or above.

For the second aim, “Improving conservation and environmental performance”, the NT uses the Conservation Performance Indicator (CPI) to measure year on year how well it is putting conservation into practice at its properties. Objectives are defined and prioritised for the unique conservation needs of each property. Progress is assessed annually, and a CPI calculated as a percentage score for the property.

The roll out of the CPI is linked to the three-year Property Management Plan review cycle. So in the first year of roll-out, only a third of the properties will have conservation objectives in place. In the second year, two-thirds will have objectives, and the first group will have established a CPI baseline against which progress can be measured. By the third year, annual trends in CPI can be measured and reported.
Properties with agreed and prioritised conservation objectives (%)  n/a        35.0
Properties with completed CPI baseline assessment (%)  n/a           6.5

The attention to environment is present at the NT, which has made progress in monitoring electricity use and highlighting areas where it is addressing its environmental footprint, for example by replacing fossil fuels with alternative energy sources, improving the energy efficiency of the buildings and installing energy-efficient light bulbs at its properties. The NT is developing a carbon indicator for the whole Trust which it will report on in future years.

The third aim of the NT is “Investing in our people”.

At the NT, people – staff, volunteers and supporters – are the greatest resource. The NT is continuing to invest in its people to ensure they perform effectively and feel valued. The NT is using the staff and volunteer surveys to understand how people feel about working for the Trust. The NT focuses on three KPIs: general staff feedback, specific feedback from the operational line and a new volunteer KPI.

Overall staff satisfaction in 2006 was high and an improvement on 2004. With the new strategy putting ‘properties at the heart of everything we do’, the NT is also acting on feedback from the operational line. A staff survey in 2008 will enable the NT to evaluate early responses to the changes its has introduced.

The role of volunteers is rapidly increasing, particularly as the main agents of engagement with visitors. The annual survey of volunteers helps the NT to set a KPI based upon volunteer recommendation – ‘Would you recommend volunteering with the National Trust?’.

Overall Staff Satisfaction*       1.12       n/a
Operational Line Staff Survey Index*         0.28             n/a
Volunteer Recommendation Indicator (%)**         n/ a          56

* The most recent staff survey was completed in November 2006. The next staff survey is planned for autumn 2008. The scores are measured using a range from -2 (strongly disagree) to +2 (strongly agree).
** In the survey, 56% strongly agree (and an additional 43% agree) that they would recommend volunteering with the National Trust to others.

The fourth aim of the NT is “Financing our future”
The NT says that in 2007 the NT’s financial performance was strong, exceeding the minimum Net Gain target by 3.2%, and it reported that all its major income streams within Net Gain have grown since last year, in many cases well ahead of target.

To report on how efficiency is improving, the NT says that operating costs have been carefully controlled, although it has been able to increase investment in vital areas such as introducing new systems for more effective supporter engagement and restoring competitiveness by targeting pay awards at its lower-paid staff. To help the NT to continue to focus on efficiency, it is developing a productivity index on which it will report in future years.

<table>
<thead>
<tr>
<th>Measure of success</th>
<th>Actual 2006/07</th>
<th>Actual 2007/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Gain %</td>
<td>22.1</td>
<td>23.2</td>
</tr>
</tbody>
</table>

The NTHP and FAI also compare 'Budget' and 'Actual' to provide information about how their organisations are performing. In their reports, rather than reporting financial indicators, they provide key financial information on: financial independence, engagement for leadership audience, number of members and number of visitors to their properties.

Both organisations are very active, but a lot still needs to be done to change attitudes.

7. A look at environmental associations

As explained before, environmental associations, officially registered with the Ministry of the Environment, operate in many areas: protecting wildlife and plants, promoting sustainable tourism and organising outdoor activities 'in' nature. I have focused on five organisations that are active in raising awareness about environmental protection: Amici della terra (Friends of the Earth International), Legambiente, Italia nostra, Greenpeace Italia and the WWF41, Italian associations linked to similar international associations.

The common trait all of these associations is the commitment of their members to disseminate a culture of respect for the environment through debates, organising events and protests against predatory practices. Their goal is to hand down to future generations the heritage we received from past generations. They also set up activities to create new protected areas for the development of sustainable tourism. This is also done to encourage the volunteers that clean up beaches or monitor protected areas and concretely show that it is possible to manage common goods in a different way, where everyone's commitment improves everyone's access to these goods.

41Amici della terra (Friends of the Earth International) was set up in 1977. It is the Italian 'branch' of an international federation. They promote policies and behaviour with a view to protecting the environment and ensuring sustainable development, by organising awareness campaigns, projects, providing environmental information and education, and organising local initiatives. Legambiente is always at the forefront of the environmental debate and organises voluntary work campaigns to protect and clean up the environment. Italia Nostra is a national association that was founded in 1955. It organises voluntary work related to cultural activities with a view to encouraging a “culture of conservation” of urban and rural landscapes, monuments and the environmental character of cities. Greenpeace Italia is one the most important and toughest environmental associations. It is active in the organisations of tests, campaigns and environmental events. The WWF - World Wildlife Fund - manages protected areas for plants and animals all over Italy. See: www2.minambiente.it/Sito/link/associazioni.asp.
Tax regulations that favour nonprofit organisations have enabled more donations to be channelled towards environmental organisations. However, much still needs to be done to bring about a change in the culture of your average Italian, who still see the environment as a bottomless resource that can be exploited limitlessly. Unfortunately, a short-term paradigm has meant that not enough thought has been given to the costs of policies that do not respect the environment. The reduction in tourist flows to Italy - a country that accounts for 40% of the world's artistic heritage - is partly the result of landscape being spoilt by land use policies that are making tiny hamlets and big cities uniform.

8. The Environment and CSR: a constraint or a source of competitive advantage?

In the search for the causes that led to the financial crisis that has hit the world economy, many experts have suggested that the timeframes used by major players are to blame. The short-term perspective has been at the basis of the incentive system, hence of the decisions taken by the players. This has been identified as a likely factor that helped bring about the downturn.42

The failure of the strategies that placed economic value as a central piece for achieving goals suggests that there is a strong need to go back to the ideas of sustainable development and corporate social responsibility.43 Development choices that take into account not only shareholders, but also stakeholders, with potentially lower growth rates, are in line with objectives like social equity and justice and compatible with more united and friendly communities. So, governments, activists, and the media have become adept at holding companies to account for the social consequences of their actions. In response, corporate social responsibility has emerged as an inescapable priority for business leaders in every country, but CSR can be much more than a charitable deed — it can be a potent source of innovation and competitive advantage.

It is fundamentally a new way to look at the relationship between business and society that does not treat corporate growth and social welfare as a zero-sum game. It is necessary to introduce a framework that individual companies can use to identify the social consequences of their actions; to discover opportunities to benefit society and themselves by strengthening the competitive context in which they operate; to determine which CSR initiatives they should address; and to find the most effective ways of doing so. Perceiving social responsibility as an opportunity rather than as damage control or a PR campaign requires dramatically different thinking — a mind-set, that will become increasingly important to competitive success.

It is necessary to look at the long-term, with policies that take into due account not only the immediate effects, but also a wider timeframe. It is important to place the quality of relationships in the centre of interpersonal relations.

For those who work in Academia, it means investing in education, trying to bridge the gap with civil society, starting from the... local councillors in charge of urban planning.

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42 The most recent publication is by: T. Padoa-Schioppa, La veduta corta, [Translator's note: Short-Sighted View] Il Mulino, Bologna 2009.

Table 1 - The National Trust - UK - The Financial Statements - summary*

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Incoming resources £/000</td>
<td>388,501</td>
<td>357,166</td>
<td>388,501</td>
<td>357,166</td>
<td>122.3%</td>
<td>182,352</td>
<td>174,774</td>
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<td>Ordinary Incoming</td>
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<td></td>
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<tr>
<td>Membership income</td>
<td>111,722</td>
<td>100,325</td>
<td>28.8%</td>
<td>28.1%</td>
<td>30.5%</td>
<td>29.5%</td>
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<tr>
<td>Direct property income</td>
<td>90,644</td>
<td>81,732</td>
<td>23.3%</td>
<td>22.9%</td>
<td>18.9%</td>
<td>19.7%</td>
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<tr>
<td>Admission fees</td>
<td>15,155</td>
<td>12,582</td>
<td>3.9%</td>
<td>3.5%</td>
<td>4.7%</td>
<td>5.0%</td>
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<tr>
<td>Investment income</td>
<td>33,856</td>
<td>30,215</td>
<td>8.7%</td>
<td>8.5%</td>
<td>13.8%</td>
<td>13.9%</td>
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<tr>
<td>Enterprise income</td>
<td>7,051</td>
<td>6,587</td>
<td>1.8%</td>
<td>1.8%</td>
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<td>6.6%</td>
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<tr>
<td>Appeals and gifts</td>
<td>17,669</td>
<td>17,107</td>
<td>4.5%</td>
<td>4.8%</td>
<td>5.6%</td>
<td>4.2%</td>
<td></td>
</tr>
<tr>
<td>Incoming resources on capital account</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Capital grants and contributions</td>
<td>14,509</td>
<td>26,078</td>
<td>3.7%</td>
<td>7.3%</td>
<td>5.2%</td>
<td>6.0%</td>
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<tr>
<td>Legacies</td>
<td>57,786</td>
<td>47,071</td>
<td>14.9%</td>
<td>13.2%</td>
<td>18.3%</td>
<td>17.6%</td>
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<tr>
<td>Resources expended £/000</td>
<td>351,369</td>
<td>312,758</td>
<td>90.4%</td>
<td>87.6%</td>
<td>149.6%</td>
<td>151,811</td>
<td>140,747</td>
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<tr>
<td>Ordinary expenses</td>
<td>221,944</td>
<td>198,062</td>
<td>57.1%</td>
<td>55.5%</td>
<td>57.6%</td>
<td>57.2%</td>
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<tr>
<td>Routine property running costs</td>
<td>156,733</td>
<td>143,677</td>
<td>40.3%</td>
<td>40.2%</td>
<td>31.5%</td>
<td>31.4%</td>
<td></td>
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<tr>
<td>Membership recruitment, publicity and education</td>
<td>46,190</td>
<td>37,463</td>
<td>11.9%</td>
<td>10.5%</td>
<td>8.8%</td>
<td>8.6%</td>
<td></td>
</tr>
<tr>
<td>Appeals and gifts (Fundraising)</td>
<td>2,510</td>
<td>2,451</td>
<td>0.6%</td>
<td>0.7%</td>
<td>0.9%</td>
<td>0.9%</td>
<td></td>
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<tr>
<td>Administrative and governance costs</td>
<td>16,511</td>
<td>14,471</td>
<td>4.2%</td>
<td>4.1%</td>
<td>1.0%</td>
<td>1.0%</td>
<td></td>
</tr>
<tr>
<td>Capital projects expenditures</td>
<td>18,049</td>
<td>16,722</td>
<td>4.6%</td>
<td>4.7%</td>
<td>25.6%</td>
<td>23.3%</td>
<td></td>
</tr>
<tr>
<td>Conservation and advisory services</td>
<td>11,283</td>
<td>9,785</td>
<td>2.9%</td>
<td>2.7%</td>
<td>2.7%</td>
<td>1.9%</td>
<td></td>
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<tr>
<td>Acquisitions</td>
<td>6,766</td>
<td>6,937</td>
<td>1.7%</td>
<td>1.9%</td>
<td>4.9%</td>
<td>3.9%</td>
<td></td>
</tr>
<tr>
<td>Net incoming/(outgoing) resources £/000</td>
<td>56,832</td>
<td>79,491</td>
<td>14.6%</td>
<td>22.3%</td>
<td>67.0%</td>
<td>30,541</td>
<td>34,027</td>
</tr>
<tr>
<td>Net (loss)/gain on investment assets</td>
<td>19,700</td>
<td>35,083</td>
<td>5.1%</td>
<td>9.8%</td>
<td>-78.5%</td>
<td>19,268</td>
<td>91,569</td>
</tr>
<tr>
<td>Total funds end of period</td>
<td>1,000,107</td>
<td>943,275</td>
<td>1,000,107</td>
<td>943,275</td>
<td>156.5%</td>
<td>684,730</td>
<td>634,921</td>
</tr>
<tr>
<td>Staff Costs</td>
<td>136,972</td>
<td>124,092</td>
<td>136,972</td>
<td>124,092</td>
<td>175.4%</td>
<td>51,995</td>
<td>49,743</td>
</tr>
<tr>
<td>Percent incoming resources</td>
<td>35.3%</td>
<td>34.7%</td>
<td>35.3%</td>
<td>34.7%</td>
<td>28.5%</td>
<td>28.5%</td>
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</tr>
<tr>
<td>Investments/Total funds °</td>
<td>916,390</td>
<td>914,737</td>
<td>91,6%</td>
<td>97.0%</td>
<td>96.5%</td>
<td>95.7%</td>
<td></td>
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<tr>
<td>Investments/Total incoming resources</td>
<td>2.4</td>
<td>2.6</td>
<td>2.4</td>
<td>2.6</td>
<td>3.6</td>
<td>3.5</td>
<td></td>
</tr>
</tbody>
</table>

*Ours processing about annual reports

° National Trust follows the accounting practice of not including in its assets the cost or appraised value of any of its historic sites
Table 2 - National Trust for Historic Preservation - USA - The Financial Statements - summary *

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating revenues $/000</td>
<td>59,393</td>
<td>65,652</td>
<td>59,393</td>
<td>65,652</td>
<td>68,4%</td>
<td>36,881</td>
<td>35,262</td>
</tr>
<tr>
<td>€</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31,413</td>
<td>30,048</td>
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<tr>
<td>Grant income</td>
<td>4,097</td>
<td>2,772</td>
<td>4,097</td>
<td>2,772</td>
<td>68,4%</td>
<td>3,500</td>
<td>3,500</td>
</tr>
<tr>
<td>Percent operating revenues</td>
<td>6,9%</td>
<td>4,2%</td>
<td>6,9%</td>
<td>4,2%</td>
<td>9,5%</td>
<td>9,9%</td>
<td></td>
</tr>
<tr>
<td>Contract services</td>
<td>6,825</td>
<td>4,694</td>
<td>11,5%</td>
<td>7,1%</td>
<td>8,0%</td>
<td>6,4%</td>
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<tr>
<td>Contributions</td>
<td>20,572</td>
<td>3,261</td>
<td>27,477</td>
<td>17,038</td>
<td>46,3%</td>
<td>26,0%</td>
<td>26,8%</td>
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<tr>
<td>Membership dues</td>
<td>3,093</td>
<td>2,993</td>
<td>4,033</td>
<td>3,874</td>
<td>5,1%</td>
<td>4,6%</td>
<td>5,9%</td>
</tr>
<tr>
<td>Rental and Royalty income</td>
<td>3,783</td>
<td>4,033</td>
<td>6,4%</td>
<td>6,1%</td>
<td>3,2%</td>
<td>3,1%</td>
<td></td>
</tr>
<tr>
<td>Admissions and special events</td>
<td>4,690</td>
<td>3,874</td>
<td>7,9%</td>
<td>5,9%</td>
<td>9,3%</td>
<td>10,0%</td>
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<tr>
<td>Investment income</td>
<td>10,362</td>
<td>8,029</td>
<td>17,4%</td>
<td>12,2%</td>
<td>12,2%</td>
<td>10,8%</td>
<td></td>
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<tr>
<td>Public Service Announcements</td>
<td>3,783</td>
<td>3,261</td>
<td>6,4%</td>
<td>5,0%</td>
<td>3,6%</td>
<td>1,9%</td>
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<tr>
<td>Advertising and sales of articles</td>
<td>2,238</td>
<td>2,121</td>
<td>3,8%</td>
<td>3,2%</td>
<td>8,3%</td>
<td>11,9%</td>
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<tr>
<td>Total operating expenses $/000</td>
<td>72,382</td>
<td>58,281</td>
<td>72,382</td>
<td>58,281</td>
<td>137,1%</td>
<td>34,340</td>
<td>30,523</td>
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<tr>
<td>Percent operating expenses /revenues %</td>
<td>121,9%</td>
<td>88,8%</td>
<td>121,9%</td>
<td>88,8%</td>
<td>78,6%</td>
<td>73,0%</td>
<td></td>
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<tr>
<td>Distinctive expenses</td>
<td>59,356</td>
<td>46,843</td>
<td>99,9%</td>
<td>71,4%</td>
<td>78,6%</td>
<td>73,0%</td>
<td></td>
</tr>
<tr>
<td>Historic sites</td>
<td>27,477</td>
<td>17,038</td>
<td>46,3%</td>
<td>26,0%</td>
<td>30,8%</td>
<td>26,8%</td>
<td></td>
</tr>
<tr>
<td>Preservation service</td>
<td>18,157</td>
<td>16,913</td>
<td>30,6%</td>
<td>25,8%</td>
<td>30,4%</td>
<td>29,1%</td>
<td></td>
</tr>
<tr>
<td>Publications</td>
<td>2,918</td>
<td>3,044</td>
<td>4,9%</td>
<td>4,6%</td>
<td>8,5%</td>
<td>9,0%</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>10,804</td>
<td>9,848</td>
<td>18,2%</td>
<td>15,0%</td>
<td>8,9%</td>
<td>8,0%</td>
<td></td>
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<tr>
<td>Current expenses</td>
<td>13,026</td>
<td>11,438</td>
<td>21,9%</td>
<td>17,4%</td>
<td>30,7%</td>
<td>28,6%</td>
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<tr>
<td>Membership outreach</td>
<td>2,977</td>
<td>2,902</td>
<td>5,0%</td>
<td>4,4%</td>
<td>13,7%</td>
<td>13,6%</td>
<td></td>
</tr>
<tr>
<td>General and administration</td>
<td>3,478</td>
<td>3,310</td>
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<tr>
<td>Fundraising</td>
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<td>5,226</td>
<td>11,1%</td>
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<tr>
<td>Revenues over (under) expenses</td>
<td>(12,991)</td>
<td>7,369</td>
<td>-21,9%</td>
<td>11,2%</td>
<td>(2,927)</td>
<td>(475)</td>
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<td>Net gains on investment assets</td>
<td>30,456</td>
<td>13,568</td>
<td>51,3%</td>
<td>20,7%</td>
<td>(3,250)</td>
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<td>Unexpended restricted contributions</td>
<td>15,515</td>
<td>35,194</td>
<td>26,1%</td>
<td>53,6%</td>
<td>32,579</td>
<td>56,132</td>
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<tr>
<td>Changes in net assets</td>
<td>32,579</td>
<td>56,132</td>
<td>54,9%</td>
<td>85,5%</td>
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<td>1,004</td>
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<td>Total funds end of period - Net assets</td>
<td>353,979</td>
<td>313,622</td>
<td>353,979</td>
<td>313,622</td>
<td>156,5%</td>
<td>86,835</td>
<td>87,839</td>
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<td>Staff Costs</td>
<td>24,835</td>
<td>24,632</td>
<td>24,835</td>
<td>24,632</td>
<td>83,1%</td>
<td>14,082</td>
<td>13,564</td>
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<tr>
<td>Percent operating revenues</td>
<td>41,8%</td>
<td>37,5%</td>
<td>41,8%</td>
<td>37,5%</td>
<td>44,8%</td>
<td>45,1%</td>
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<tr>
<td>Investments/Total funds - net assets °</td>
<td>41,8%</td>
<td>37,5%</td>
<td>41,8%</td>
<td>37,5%</td>
<td>44,8%</td>
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<td>Investments/Total operating revenues</td>
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<td>4,3</td>
<td>3,2</td>
<td>2,6</td>
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*Ours processing about annual reports

° National Trust follows the accounting practice of not including in its assets the cost or appraised value of any of its historic sites
Table 3 FAI - The National Trust for Italy -The Financial Statements - summary *

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<thead>
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<td>Total operating revenues €/000</td>
<td>16,414</td>
<td>16,329</td>
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<td>16,329</td>
<td>173,1%</td>
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<td>Public contributions</td>
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<td>516</td>
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<tr>
<td>Percent operating revenues</td>
<td>9,5%</td>
<td>9,9%</td>
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<td>Capital grants and contributions</td>
<td>4,386</td>
<td>4,985</td>
<td>26,7%</td>
<td>30,5%</td>
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<td>Contributions</td>
<td>4,437</td>
<td>4,160</td>
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<td>Membership income</td>
<td>1,929</td>
<td>2,026</td>
<td>11,8%</td>
<td>12,4%</td>
<td>12,1%</td>
<td>13,9%</td>
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<tr>
<td>Direct property income</td>
<td>663</td>
<td>634</td>
<td>4,0%</td>
<td>3,9%</td>
<td>1,7%</td>
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<tr>
<td>Admission fees</td>
<td>1,416</td>
<td>1,345</td>
<td>8,6%</td>
<td>8,2%</td>
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<tr>
<td>Investment income</td>
<td>435</td>
<td>378</td>
<td>2,7%</td>
<td>2,3%</td>
<td>11,1%</td>
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<td>Sales of articles</td>
<td>369</td>
<td>425</td>
<td>2,2%</td>
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<td>Advertising and services</td>
<td>2,786</td>
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<td>Total operating expenses $/000</td>
<td>18,364</td>
<td>16,752</td>
<td>111,9%</td>
<td>102,6%</td>
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<td>Distinctive expenses</td>
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<td>11,779</td>
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<td>72,1%</td>
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<td>Historic sites</td>
<td>2,231</td>
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<td>13,8%</td>
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<td>Preservation service</td>
<td>5,990</td>
<td>4,939</td>
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<td>Publications</td>
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<td>0,219</td>
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<td>Staff Costs</td>
<td>4,857</td>
<td>4,363</td>
<td>29,6%</td>
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<td>Current expenses</td>
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<td>4,973</td>
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<td>30,5%</td>
<td>35,1%</td>
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<tr>
<td>Membership outreach</td>
<td>638</td>
<td>595</td>
<td>3,9%</td>
<td>3,6%</td>
<td>2,6%</td>
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<td>General and administration</td>
<td>2,218</td>
<td>2,208</td>
<td>13,5%</td>
<td>13,5%</td>
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<td>16,9%</td>
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<td>Fundraising</td>
<td>2,208</td>
<td>2,170</td>
<td>13,5%</td>
<td>13,3%</td>
<td>18,1%</td>
<td>19,4%</td>
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<td>Revenues over (under) expenses</td>
<td>(1,950)</td>
<td>(423)</td>
<td>-11,9%</td>
<td>-2,6%</td>
<td>423</td>
<td>(399)</td>
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<td>Net gains on investment assets</td>
<td>(24)</td>
<td>433</td>
<td>-0,1%</td>
<td>2,7%</td>
<td>163</td>
<td>496</td>
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<td>Taxes and balance provisions capitalizations</td>
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<td>520</td>
<td>2,007</td>
<td>0,520</td>
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<td>Surplus (deficit ) of the year</td>
<td>38</td>
<td>31</td>
<td>38</td>
<td>31</td>
<td>-354</td>
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<td>Total funds end of period</td>
<td>55,919</td>
<td>52,455</td>
<td>55,919</td>
<td>52,455</td>
<td>156,5%</td>
<td>27,415</td>
<td>25,094</td>
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<tr>
<td>Investments/Total funds °</td>
<td>20,5%</td>
<td>24,7%</td>
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<td>24,7%</td>
<td>39,2%</td>
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<td>Investments/Total incoming resources</td>
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<td>0.8</td>
<td>0.7</td>
<td>0.8</td>
<td>1.4</td>
<td>1.7</td>
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</tbody>
</table>

*Ours processing about annual reports
° National Trust for Italy follows the accounting practice of not including in its assets the cost or appraised value of any of its historic sites
America's 11 Most Endangered Places
Since 1988, the National Trust for Historic Preservation has used its list of America's 11 Most Endangered Historic Places as a powerful alarm to raise awareness of the serious threats facing the nation’s greatest treasures.

Chain Drugstores
Chain drugstores are expanding rapidly into traditional American downtowns and urban neighborhoods. The National Trust for Historic Preservation is pleased to see these investments when they are welcomed by the community and fit in with its character. Unfortunately, chain drugstores can also damage a community's historic places and its unique sense of place.

Community Revitalization
Community revitalization and historic preservation are uniquely compatible principles. When used together, they create sustainable, vibrant places to live work and play. At its essence, preservation-based community development uses existing historic resources—the older and historic built environment—to improve the quality of life for residents of all income levels. Historic preservation can be employed to create and preserve affordable housing, generate jobs, retain existing businesses, attract new ones, increase civic participation and bolster a community’s sense of place.

Federal Funding
Federal funding for historic preservation and the national preservation program is authorized by Congress and is subject to annual appropriations bills. Each year the National Trust for Historic Preservation and its advocacy partners advocate for funding necessary to meet the demands placed on State and Tribal Historic Preservation Offices to preserve our national heritage sites.

Gulf Coast Recovery
The National Trust for Historic Preservation is committed to playing an active role in responding to catastrophic national disasters. We are dedicated to assisting affected neighborhoods in rebuilding and stabilizing cultural resources and older and historic communities and support full compliance with Section 106 review under the National Historic Preservation Act in the aftermath of any natural or man-made disaster—particularly in the distribution of Federal disaster aid in the form of grants, loans, tax credits and any in-kind contributions, which may also be provided in match from States and localities to affected citizens.

Heritage Tourism
Cultural heritage tourism is traveling to experience the places, artifacts, and activities that authentically represent the stories and people of the past and present. It includes cultural, historic and natural resources. A good cultural heritage tourism improves the quality of life for residents as well as serving visitors.

Historic Houses of Worship
Historic Houses of Worship have great historic, artistic, social, and cultural value to communities, whether or not they remain in religious use. The National Trust for Historic Preservation supports congregations and communities working to maintain, repair, and restore sacred sites in continued religious use. When historic houses of worship are closed, we urge communities and religious leadership to plan for the preservation and sensitive reuse of these important buildings.

Housing
The National Trust for Historic Preservation believes that the strength of America's historic and older neighborhoods is critical to the future of our communities, and that improving housing is a key element of any community revitalization strategy. Our goal is to prevent unnecessary demolition, and to restore, rehab, and reuse existing structures, while helping to ensure that needed new construction is compatible and complementary with the character of our older and historic resources.

Modernism + the Recent Past
The National Trust for Historic Preservation recognizes the importance and significance of cultural resources of the post-war and modern era, and aims to enhance the public’s appreciation for and understanding of mid-20th Century architecture. The National Trust hopes to unite emerging popular interest in preserving the recent past with proper preservation practices through the promotion of continued use and sensitive rehabilitation of these structures.

Neighborhood Schools
The National Trust for Historic Preservation advocates for the continued use of older and historic neighborhood schools as an anchor for healthy communities. We seek not only to reaffirm the contribution made by historic neighborhood schools to their communities, but also to provide policy direction for state policy makers and for community preservation advocates who help shape state policies.
Public Lands
Through the Public Lands Initiative, the National Trust for Historic Preservation plans to enhance federal stewardship of cultural resources on public lands by educating the public about the importance of these resources, identifying ways to increase funding for their identification and protection and ensuring compliance with existing historic preservation regulations and policies.

Rural Heritage
In partnership with local, state and national organizations, the National Trust helps rural communities protect historic places and implement sustainable, heritage-based development strategies. Conserving our rural heritage helps build more sustainable local economies and increases quality of life.

Smart Growth
The rehabilitation of older buildings and neighborhoods plays a critical role in advancing “smart growth” objectives, such as the avoidance of suburban sprawl. The National Trust for Historic Preservation promotes the inclusion of historic preservation and community revitalization goals in state and local growth management plans and smart growth laws to protect existing downtowns and Main Street communities, promote “in-fill” development that is compatible with historic communities, and discourage automobile-oriented development in suburban locations.

Sustainability
Historic preservation can – and should – be an important component of any effort to promote sustainable development. The conservation and improvement of our existing built resources, including re-use of historic and older buildings, greening the existing building stock, and reinvestment in older and historic communities, is crucial to combating climate change.

Tax Incentives
The National Trust for Historic Preservation supports the creation and maintenance of Federal and State rehabilitation tax credits for restoring older and historic structures, particularly as they relate to preserving community character, affordable housing, and central business districts and Main Street economic development activity. The National Trust also supports expansion of these credits as they relate to alleviating urban flight, property abandonment, and economically distressed neighborhoods and as a tool for sustainable development.

Teardowns
Across the nation a teardown epidemic is wiping out historic neighborhoods one house at a time. As older homes are demolished and replaced with dramatically larger, out-of-scale new structures, the historic character of the existing neighborhood is changed forever. The National Trust for Historic Preservation Historic believes historic neighborhoods can and should be protected from teardowns, through a variety of tools and approaches that manage this type of growth. Because there is no "one-size-fits-all" solution or "magic bullet" that will stop teardowns, communities should expect to use a combination of tools.

Transportation
The National Trust for Historic Preservation supports Federal transportation efforts directed at protecting historic and cultural resources through Section 4(f) of the Department of Transportation Act of 1964 as well as more recent programs that provide funding for the preservation and protection transportation-related historic resources and cultural sites through Enhancements Program funding under the aegis of the Department of Transportation.

see: www.preservationnation.org/issues/
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