



GUGGENHEIM MUSEUM BILBAO (B): THE DEVELOPMENT OF THE PROJECT

The definitive text of the development agreement for the Guggenheim Museum Bilbao is signed in New York

In February 1992, the Basque President José Antonio Ardanza and other members of the Basque Government travelled to New York. The purpose of their visit was to sign the definitive development agreement for the Guggenheim Museum Bilbao. The definitive version included some modifications made by the Basque Parliament and some annexes that had not been contained in the text signed on December 13 by Gianni de Michelis, José Alberto Pradera and Joseba Arregui.

The modifications consisted basically in a reduction of the museum's floor area by one third and the creation of a group of experts to advise the Basque institutions on the acquisition of the Guggenheim Museum Bilbao's permanent collection. Also, the Basque institutions acquired their first financial obligation to the Solomon R. Guggenheim Foundation: that same day, they handed over to the Americans the first installment of the 2,000 million pesetas for membership of the "Guggenheim network".

Finally, on February 27, after the agreement had been approved by the Basque Parliament and accepted by the Solomon R. Guggenheim Foundation, Peter Lawson-Johnston (President of the Board of the Solomon R. Guggenheim Foundation) and José Antonio Ardanza signed the definitive text of the development agreement for the Guggenheim Museum Bilbao.

Case of the Research Department at IESE.

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Developing the project: first steps

The basic structure of the museum did not start to be built until October 1994. A great number of issues remained to be resolved after the signing of the final annexe to the agreement. The first thing was to present the *Guggenheim Museum Bilbao Feasibility Study* to the Basque Parliament and the press. It was important that both should know how the project development had been planned, and this could be gathered from the feasibility study prepared mainly by the consulting company Peat Marwick. The study predicted that the Guggenheim Museum Bilbao would receive 500,000 visitors in its first year.

Also, as specified in the agreement signed on February 27, 1992, a Bilbao Guggenheim Project Consortium had to be set up to oversee the planning and construction of the museum. However, the consortium did not come into being until May 1992. Between February 1992 and May of that year the Guggenheim project was temporarily paralysed. Up until the signing of the definitive annexe, huge efforts had been made to keep the project moving; but from February to May it seemed to have ground to a halt.

Finally, the Basque authorities appointed Juan Ignacio Vidarte director of the Bilbao Guggenheim Project Consortium, with the task of leading the project development. The Consortium was made up of members appointed by the Basque Government and the Vizcaya Provincial Council. It was wound up in 1997, and in the summer of that same year the Guggenheim Bilbao Foundation was formed.

Shortly after the Consortium was created (specifically, in July 1992), two parallel companies were set up: one a real estate company controlled by the Bilbao City Council, and the other a holding company owned 50/50 by the Basque Government and the Vizcaya Provincial Council. Now at last the project could get under way. But as in all processes of this type, it was important to find the right way of presenting it to the public.

Communication plan

Until the end of 1992, the circumstances and state of the project made it impossible to pursue a proactive communication policy. The consequences were apparent in the criticisms of various artists, writers, politicians and citizens who doubted the value of the project. It was attacked from various sides. The main accusations were the excessive cost, the cultural colonialism involved in collaborating with a North American foundation, the acquisitions policy, the lack of interest in modern art, etc. According to its detractors, "the project had been launched behind the backs of Basque society, at the initiative of a small circle of politicians who had allowed themselves to be dazzled by artful American strategists".

Looking back, Juan Ignacio Vidarte admitted it was true that the project had been kept secret until the terms of the collaboration between the Solomon R. Guggenheim Foundation and the Basque institutions were agreed. But it had been the only way they could ensure that the project was not aborted before it even started. In fact, opening the project up to public scrutiny when it was still hanging by a thread could have led to delays and the eventual failure that is the usual outcome of negotiations that are too tough and go on for too long.

Also, both Vidarte and other members of the Basque Government were convinced that the Guggenheim project, far from being contrary to the interests of the Basque Country, would enhance Bilbao's image internationally and attract investment. It was a controversial

project: few people believed in it, and the rumours that circulated all made it out to be a lost battle. It was vital to persuade public opinion that this was not the case, and the best way to do this was to let the citizens see for themselves that the politicians were meeting the deadlines and sticking to the budget that had been agreed with the Guggenheim Foundation. Perhaps the best way to communicate the fact that the Guggenheim Bilbao project was meant in earnest and would not come to nothing was through deeds. The best way to sell the project was to show tangible results.

To this end, and also to capitalize on the payment of 1,000 million pesetas made to the Solomon R. Guggenheim Foundation for the use of the name, four exhibitions were programmed in the Rekalde gallery in Bilbao: two to show the Foundation's collection, and another two that the Americans would organize in collaboration with other museums. Also, in the summer of 1993, the authorities launched a programme offering grants to students who wanted to train in museum management. The first exhibition was held in the Rekalde gallery between November 30, 1993 and February 10, 1994. Some 72,000 people visited the exhibition, which was titled "Modern Masterpieces from the Guggenheim Collection". The first tangible results of the Guggenheim Bilbao project began to be noticed. Later, between May and July 1995, another exhibition was organized in the Rekalde gallery and the Fine Arts Museum, entitled "The Tradition of the New: Masterpieces from the Guggenheim Collection, 1945-1990".

One of the main concerns of citizens, intellectuals and artists alike was that the Guggenheim Museum Bilbao would overshadow other Basque cultural initiatives. It was a fear that had to be taken seriously. The Guggenheim was not intended to be a Basque national museum, and had to be presented accordingly; Bilbao already had museums of Basque art. Pressures of this kind could be dangerous politically, as they had a deep emotional component; but it was important not to give way to irrationality. The Guggenheim Bilbao was an international project, but that did not mean that it would shackle the development of Basque culture. It was important to get across the idea that any Basque artists who were given exhibition space in the Guggenheim Museum Bilbao were given it on the basis of their international prestige and not their Basque nationality.

In October 1994, work started on the basic structure of the museum. That was when public opinion started to believe more in the project (see Exhibit 1). On the one hand, the left bank of the estuary could be seen to have come back to life, and land prices rose; on the other, to the amazement of citizens and members of the art world, Bilbao began to see a stream of renowned foreign visitors (artists and architects), all interested in seeing the museum. Also, the private sector, through different multinational and Spanish companies, started to take an interest in the project and to look for means of sponsorship.

The other line of action with regard to communication consisted of keeping international leaders of opinion in the fields of communication and culture constantly informed. Gradually, links were established with them and the data base that helped to build up this network of "friends" of the museum was expanded. The definitive shift in opinion came in 1996. The Guggenheim Museum Bilbao became headline news for the North American news channel CNN (see Exhibit 1).

Project management and costs

The Consortium began to look for sponsorship from private sources: corporate sponsors and private individuals. Frank O. Gehry (architect of the Guggenheim Museum