

out of sight, out of heart?



lessons learned from a cultural privatization-
the case of the Wereldmuseum

international seminar EURORAI, October 23th, 2015

contents of presentation

- prelude to privatization cultural municipal departments
- when privatized: need for multiple governance
- what happened after privatization
- what went wrong ...
- its consequences ...
- causes ...
- and lessons ...

start of privatization

2002:

- nine cultural organizations part of Rotterdam municipal administration
- political discussions on core tasks of local government:
 - municipal role should be restricted to enabling cultural life, no part in exploitation
 - if privatized, more possibilities for commercial entrepreneurship

2005:

- decision to privatize cultural departments
- not driven by budget considerations, but ideologically driven

transition from municipal department to private organization (2006)

- municipal cultural organizations transformed into private foundations
 - non-profit
 - executive board
 - board of trustees; appointed by municipality
- finances: yearly municipal subsidy, visitors, private sponsoring and/or commercial activities (*cultural entrepreneurship*)
- intermediate cultural advisory board (RRKC): advises municipality every four year on height of subsidies
- with subsidies and accompanying conditions, municipality of Rotterdam tries to achieve cultural policy goals

Wereldmuseum: several figures

- €5 mln. subsidy (yearly average 2006-2012)
- 73 employees (2006)
- 120.000 objects
- 100.000 – 125.000 visitors yearly (range 2006 – 2013)

multiple relations, multiple governance

towards Wereldmuseum, municipality is:

- subsidy giver,
- collection owner,
- landlord, ánd
- meta supervisor

developments Wereldmuseum after privatization

- active and creative fulfilment cultural entrepreneurship
- director not put the slightest obstacle in the way
- severe cut in subsidy
- plans to sell part of collection + cancel rent of depository
- widescale public resentment

audit: what went wrong in governance?

- passive role in subsidy relation
- as owner of collection, fully absent
- also as meta supervisor, fully absent

consequences

- municipality no sufficient insight in
 - functioning of Wereldmuseum
 - completeness and quality of own municipal collection
- future Wereldmuseum uncertain

causes

- no limits entrepreneurial discretion
- passive attitude of municipality
- self willed CEO
- causes reinforce each other
- pattern now breached

lessons learned

- after privatization, there may still be large municipal interests
- be always clear what a privatized cultural institution might (not) do on the commercial market
- be strongly aware of consequences of one role (like a subsidy cut) to the other (like continuity of own collection)
- ensure that responsibility for all types of governance has been attributed within the municipal organization