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Coman, Adela and Pop, Izabela

University of Bucharest, Technical University of Cluj Napoca, North University Center of Baia Mare

8 June 2012

Online at <https://mpa.ub.uni-muenchen.de/67311/>
MPRA Paper No. 67311, posted 20 Oct 2015 04:55 UTC



WHY DO MUSEUMS MATTER? A CASE STUDY ON THE MARAMURES COUNTY MUSEUMS

Adela Coman
University of Bucharest

Izabela Pop
Technical University of Cluj Napoca,
North University Center of Baia Mare

ABSTRACT

The first natural question that any museum visitor should ask himself/herself should be related to the importance and the role played by museums in the economy of the 21st Century. Do museums have any contribution to the market economy and to the development of society in general? Just like any other organization, the museum's role is to create products, services and information in order to satisfy man's needs. What is nevertheless different from private organizations is the fact that a museum's survival in the marketplace is not dependent on the breakeven point. In Romania, unlike other European states, the activity of museums is entirely state-funded no matter if any minimal parameters are reached or not. Under these circumstances is the existence and functionality of museums still justified, or are these mere useless consumers of resources which only burden the state's already weak budget with extra expenses? The purpose of this article is to sketch an economic perspective of museums as productive organizations. In the case study carried out in the Maramureş County museums we seek to demonstrate the economic and social benefits of museums through concrete figures, as well as to identify the possible ways of improving their performance.

Key words: museum, economic, social, educational benefits, state budget, efficiency.

1. INTRODUCTION

The pressure faced by museums all over the world in relation to the justification of the manner in which public money is spent has triggered some serious questions. To be more specific, attention focused on analyzing the value received for the money, namely if museum truly supply benefits to the public and what type of benefits museums throughout the world generate behind their doors. The idea, spread during the years after the war, according to which museums supply "public services" and for this reason they deserve funding, is currently questioned. Museums are now faced with the situation of having to prove that they supply output with long-term benefits (Scott, C., 2007).

Based on concrete data, this article seeks to provide an answer to a series of questions such as:

1. Why is the existence of museums as productive organizations necessary?
2. Is their existence justified, including by the ratio of what museums offer to society and the incurred operation costs?
3. What could be done for the improvement of a museum's performance?



The survival of cultural institutions in the 21st Century and especially of museums represents a real challenge partly due to the fact that the “rules of the game” in culture have changed. Today’s museums have to create and develop business models which will help them in their fight for survival in a world in which television, travelling abroad, sports and entertainment all compete for a slice of the tourists’ spare time.

Due to the fact that museums are indirectly financed by the population through the intermediation of the state, the analysis of their role in economy is important for the identification of possibilities of increasing social welfare. If museums prove to be useless consumers of resources, then closing them down would contribute to the reduction of public expenses and thus to the increase of national prosperity. But if the economic and social contribution of museums proves to be major, then we must identify all possible means for integrated exploitation of the museums’ potential in order to obtain maximum effect with minimum effort.

With reference to the financial aspect, museums have to analyze the products and services they offer, as well as the manner in which their offer can be supported both on short-term and on long-term basis.

In order to provide an answer to the first question we studied the literature in this domain and thus we were able to identify the reasons why museums must be regarded and perceived mainly as productive organizations in the 21st Century. Questions no. 2 and no. 3 were approached in the context provided by the analysis of the museums in the Maramureş County. We analyzed the income and the expenses of Maramures museums during the year 2010, and the results obtained were extrapolated at national level. In its final part the article presents a comparative analysis of the public expenses incurred for the support of museums throughout the Maramures County, as well as the effects registered in tourism.

2. WHAT ARE MUSEUMS AND WHAT DO THEY, AS PRODUCTIVE ORGANIZATIONS, OFFER? A LITERATURE REVIEW

Museums are the deposits of the cultural and educational values of a country. Many of them are also research institutes which provide researchers with their “subject matter” in its rough shape. They also play an important role as touristic attractions. For example, the National Institute for Statistics estimates that the number of visitors for the 687 museums and public collections in Romania in 2010 was 8,900,425, in decrease by 12.48% as compared to year 2009.

Consequently museums are important institutions which use relatively high levels of labor and capital in order to reach their objectives. Due to the fact that these resources usually have alternative uses, the economic analysis is definitely relevant for the understanding and evaluation of the museum’s activities.

According to Beverly Sheppard, „...museums are businesses. They provide services. They sell things. It may be an implicit business model, but it’s a business model. The important thing is to focus that business model on the things that make the visit valuable to individual and families.” (www.museumtwo.blogspot.com, September 3, 2009).

Museums should be regarded as productive units which, in order to reach their goals, engage into the transformation on inputs – via technology – into a mix of outputs valued by the citizens. From this perspective some key-questions appear: What is the main function and the objectives of museums and what are they trying to do? What are their main features as economic entities? Why demand represents a special issue when it comes to museums? What are the main trends in their offer?



Weil (2002) succinctly expresses the main function of a museum: „In everything museums do, they must remember the cornerstone on which the whole enterprise rests: to make a positive difference in the quality of people’s lives. Museums that do that matter – they matter a great deal”(p. 73).

For certain professionals (Feldstein, M., 1991), preservation, documentation and research of the collection represent the main objectives for museums. For others it is the education of the public and the maximization of the public’s access that are essential (Weil, 2002). Economists can contribute with few ideas though to the discussion related to the objectives of museums. They have nevertheless examined the implications of the different objectives these suggested, as well as the possible conflicts that may arise (Darnell, 1990).

One obvious example of such a conflict refers to the relation between the access objective and the other objectives of the museum. The low price maximizes the access of the public but can reduce the funding for other objectives such as preservation, research and education. Darnell’s contribution helps in clarifying the nature of the potential conflict between access and generating funding.

Museums, as productive organizations, present a few distinctive features worth mentioning.

First of all, most museums offer a diversified output. The mix of outputs changes in time, as Michael Hutter shows (1998), in the case of art museums. Secondly, museums do not produce for the current generation only but also for future generations which cannot express their preferences on the marketplace. Preservation of the current stock of values for future consumption can be considered, from this point of view, an output. The difficulty resides in knowing what to preserve given the fact that future generations do not have direct means of expressing their preferences, and limited resources make it impossible to preserve everything.

Thirdly, the visitor’s experience – the most obvious form of a museum’s “production”/output – resides in a palette of services provided including not only the viewing of the paintings, buildings, and artifacts but also services such as souvenir sales, serving meals at the restaurant, catering etc. The manner in which the palette of services is created and the proportion in which these are combined can be crucial for the satisfaction of the visitor. It is also important to admit the fact that visitors can gain utility both during the visit and before as well as after the visit. The frequency of repeated visits seems to be affected by time and by the satisfaction the visitor had after the first visit. (Hutter, M., 1998).

Some forms of museum “production” can act as substitute of the visit per se. For example, video and audio productions and online publications with the collections of the museum can reach a much wider public than the classic/real visit. These can also be a valuable source of income as progress in information technology makes the virtual access of museums a common fact. (Hutter, M., 1998).

Few papers approached the issue of costs in museums. (Jackson, R., 1988). For the economic analysis the manner in which costs vary with the transformation of museum “production”/output type and with the process of substituting labor with capital is relevant. Numerous museums have not registered all their collections, thus they have obviously not evaluated them. There certainly are big problems in estimating the market value of certain exhibits or even of entire collections but the absence of this information suggests that museums often make decisions with regard to allocating resources without having basic information. (Frey, B., Pommerehne, W.W., 1989).



The activity of volunteers has a special influence on costs (Hutter, M., 1998). These individuals are important especially for private museums. The important characteristic of volunteers from an economic point of view is the fact that they receive utility from the “production process” itself: the volunteers are both ‘producers’ and ‘consumers’.

Museums are not immune to competition. On the financial part they compete for public funding (which is low) and for the existent private resources. The number of visitors does not seem to be affected by what other museums do. Even though some museum managers do not prioritize the number of visitors, they will soon become aware of the fact that the suppliers of public funding do take into account these figures, visitors representing an important source of income. (Ashworth, J., Johnson, P., 1996).

There are at least two aspects of competition that are worth exploring. Firstly, there is proof according to which the number of visitors of a museum is influenced by the life-cycle of the “product” (Johnson, P.S., Thomas, B., 1998). Trends and preferences change. In any analysis regarding the usefulness felt by the visitor, the presumption that “preferences are a given fact” is incorrect. Museums themselves seem to play an important part in modeling and developing these preferences. This is why no museum can expect a constant number of visitors. Only when a museum adapts to the times, which are under constant change, does it have a chance to attract visitors.

Secondly, innovations – technological or non-technological – have a constant influence over the activities of the museum. Hutter (1998) provides a few examples of such innovations. It is not possible that a museum remains isolated with regard to such development of the supply side without ultimately suffering from a reduction of the number of visitors. Unfortunately we know too little about innovation and about the process of disseminating innovation in museums.

Bruno Frey’s paper (1998) brings up another important issue with regard to competition. He says that certain large museums have gained the status of „superstar”. These museums’ power of attraction is huge – starting with their size to the intrinsic quality of collections – and has both positive and negative consequences for the less popular museums.

When talking about museums with regard to the nature of demand and the factors that influence it, Heilbrun’s and Gray’s paper is revelatory (1993). They show that exposure to art during childhood makes individuals more willing to visit art museums as grown-ups.

The important art museums hold “goods” representing a special kind of social value, labeled as “artistic value”. These goods serve as identity particles of the community, which have to be kept and maintained. Small museums play the part of local “distributors” of value, giving credit to the works of young artists or serving as storage rooms for temporary exhibitions. But museums, large or small, are not mere storage rooms. They exhibit and interpret the “goods” in catalogues and exhibitions, thus contributing to the increase of the social value supplied by works of art (Hutter, M., 1998).

In a world characterized by asymmetrical information, both producers and consumers of economic goods have a special interest in using the artistic environment in order to draw the attention (Falk, J.H., Dierking, L.D., 2008). Producers need to be recognized in the multitude of entities which compete for the attention of the consumers. They need to be recognized as carriers of value which is emotional and intelligent, sophisticated and sensitive at the same time for the consumer. Association with museums and exhibitions represents a powerful means of attaining such recognition. This is in fact the reason why private companies become ever more important donors and supporters of the activities of museums.



Consumers use the visits to museums for orientation in an environment ever more immaterial. In the museum visitors are presented the elites, their ideas and the manner in which elites perceive the world as they are presented in the succession of works of art. They are connected to the mentalities and the images of past and present generations and cultures. Knowledge about works of art thus represents an efficient method of generating a very special human capital. But it takes a lot of effort and will power to acquire all this knowledge about the past and about the works of art. Those who have acquired skills and the sensitivity necessary to “decode” the images have an advantage as compared to those who do not have these skills.

In fact, what visitors/consumers really look for in a museum results from the words of Beverly Sheppard recorded in an interview given in 2009, together with John Falk: „Part of what people do is seek out things that reflect something about themselves, and consequently, that value added piece is something people are willing to pay for when it reflects something about their identity. It’s about...finding ways to support individual experiences for everyone, so that every visitor can say: ‘something was done for me’. (www.museumtwo.blogspot.com, September 3rd, 2009).

3. CASE STUDY: AN ECONOMIC ANALYSIS OF THE MUSEUMS FROM THE MARAMUREȘ COUNTY

Approaching the significance of the activity of museums from an economic perspective represents a rather novel field of research in Romania, both with regard to the interest manifested in the framework of the self-analysis of museums and with regard to the attention manifested within the scientific environment of economic institutions. This is why one can notice that analyses and case studies meant to assess the concrete situations of Romanian museums are quite scarce, if not entirely absent, besides the few theoretical approaches (Opris, I., 2008).

Considering the provisions of the new legislation regarding the management of cultural institutions, in accordance with the provisions of Decree no. 1301/2009, starting with year 2009 all managers of museums throughout the country have to write annual reports regarding the management, and these reports also contain large sections concerning economic aspect of management. Unfortunately these true primary sources which might prove very useful for sector/global case studies currently function in a closed regime, as a sort of internal documents of every institution, not being available to the outside. This is most probably the reason why ever since 2009 there were no studies or researches based on such primary sources available for the scientific community.

Within the economic analysis of the museums in the county of Maramureș several primary as well as secondary sources were used for obtaining statistical data. As economist at the County Art Museum «The Artistic Center of Baia Mare», one of the authors – Izabela Pop – was able to access all information with regard to the activity of the Center, as well as of the other museums in the county. Information related to the revenue of museums in 2010 can be found in “Annex 9 – Account for the budget of public institutions financed from their own resources and from subsidies – revenue on December 31st, 2010.”

The source of the indicators registered in the Maramureș tourism is a secondary one, namely the Newsletter edited by the Maramureș Chamber of Commerce and Industry – Hermes Contact, no. 257, November 2011, available online on the organization’s website

As regards the number of tourist registered in the county of Maramureș in 2010, the data were obtained from the website of the Romanian National Institute of Statistics.

3.1. ECONOMIC BENEFITS DETERMINED BY THE MUSEUMS OF MARAMUREȘ COUNTY

In the viewpoint of Maryse Vaillancourt the museums becomes “an economic locomotive when it acts as an attraction point of a city or region”.

From an economic standpoint, the most important advantage of the Maramureș museums is that they generate revenues for the state budget due to tourism.

A very good method of assessing the cultural goods is the method of travelling costs. It uses information regarding the expenses incurred by the public when visiting or enjoying cultural goods (Pârvu, I., 2007).

In order to demonstrate the contribution of museums to the economic development we analyzed the situation of the county of Maramureș both from the point of view of the expenses of authorities with the funding of museums and from the point of view of the economic effects generated by these expenses.

By the end of 2010 the museums in Maramureș had registered the following structure of revenues:

Table no. 1: The structure of revenues of the Maramures museums in 2010

No.	Museum	Subsidy – lei -	Current income – lei -
1.	History and Archeology Museum	1.671.364	51.295
2.	Ethnography and Folk Art Museum	1.500.000	11.289
3.	Mineralogy Museum	873.703	196.608
4.	Art Museum	857.300	24.725
5.	Museum of Maramureș	1.330.710	131.611
	Total	6.233.077	415.528

Due to the fact that the first four museums are subordinated to the Maramures County Council, one can state that it invested 4,902,367 lei in 2010 in museums, while the City Hall of Sighetu-Marmației funded the Museum of Maramureșului with the amount of 1,330,710 lei.

According to the National Institute of Statistics, in 2010 in Maramureș there were 92,500 tourists, of whom 19,151 foreigners, and 73,349 Romanians. As regards the number of visitors to museums, the same source informs us that museums and public collection from Maramureș recorded a total of 200,724 visitors in 2010, of whom 89,932 visitors in Sighet, 82,811 in Baia Mare, and the difference of 27,981 visitors was recorded in other towns such as Târgu Lăpuș and Săpânța. (<https://statistici.insse.ro/shop/>, retrieved on April 18th, 2012).

The economic effects generated by the existence of museums can be determined by analyzing the indicators from 2009-2010 in the county of Maramureș, in tourism:

Table no. 2: Tourism indicators in 2009-2010 in Maramureș

No.	Indicator	2009	2010
1.	Turnover	140.646 mil. lei	133.614 mil. lei
2.	Gross profit	5.411 mil. lei	4.599 mil. Lei
3.	Gross losses	10.276 mil. lei	9.351 mil. Lei
4.	Number of companies	745	766
5.	Number of employees	2690	2606



How should this information be interpreted from an economic and social point of view?

Firstly, given the fact that any sale of goods or services addressing the final consumer brings 24% of the value of that specific good or service to the budget (through indirect taxation in the form of VAT), a turnover of 133.614 mil. lei represents VAT in total amount of 32,067,360 lei. The state did not directly cash in this amount from tourism agencies directly (because these have the right to deduct the VAT input tax). But if one considers the whole production and supply chain necessary for the supply of tourism services, as well as the value added by every ring in the chain, then one can rightfully state that due to the tourism in Maramureş the state cashed in on 32,067,360 lei revenue in 2010 (because the beneficiaries of these services are the final consumers who pay the VAT in this whole process; and if these consumers did not exist then all other branches of the economy would experience a drop in sales, which would mean a lower added value and implicitly a lower VAT cashed in by the state).

Tourism services are mostly determined by the final consumers. This is why the absence or reduction of these would not affect only the tourism sector but a part of the other branches of the national economy as well.

Secondly, in 2010 the state obtained revenues of 735,840 lei directly from the tourism companies, from the taxation of the gross profit (4.599 mil. lei x 16%).

Thirdly, due to the existence of tourism, in 2010, 2606 individuals had a job, which means that the state did not have to pay welfare for them. Of course, if we consider the entire chain required for tourism services, then the number of employed people would be higher. Thus it is again proven that tourism represents an important pillar for creating jobs in other fields.

Fourthly, the money provided by authorities for museums returned into the economy either as direct expenses of museums, or indirectly, as expenses incurred by the employees of these museums. Thus even though at a first stage the budget subsidy represented an expense, later these expenses contributed to the growth of the turnover in different domains and eventually determined the growth of the state revenue.

If we consider all these arguments, the logical conclusion is that by funding museums the state ensures part of the leverages required for the functioning of the capital market. Thus, even though museums lack the capacity of self-funding from their activity, they contribute indirectly to the economic welfare of the state, the value they create being highly superior to the state subsidy.

Under these circumstances the economic benefits of museums listed by Carol Scott (2007), cannot but be true:

Development of local businesses;

➤ Increase in the number of jobs;

➤ Improvement of productivity in the public/business community;

➤ Development of tourism;

➤ Attracting new resources for the community;

➤ Improvement or creation of public facilities;

➤ Improvement of planning and design of public spaces;

➤ Improvement of communication between the government and the community;

➤ Cost and public expenses reductions in general;

➤ Prevention of crimes.



Yet in order to attract tourists the county must offer something special and at the same time different in such a way that the supply of all types of tourism is covered (cultural, sports, agricultural health, business, circuit, transit tourism etc.).

The statement according to which in 2010 the indicators for the Maramures tourism sector are all due to the museums throughout the county cannot be supported. At county level there are numerous tourism agencies which get their turnover from selling external tourism services to the local population. At the same time rural tourism also played an important part in this. Despite all these museums continue to be economically beneficial for the state given the fact that it funds the Maramures museums with 6,233,077 lei and obtains revenues from tourism, including from museum visits, in the amount of 32,803,200 lei (VAT and profit tax), let alone the savings in the budget achieved through the higher number of employed people.

3.2. SOCIAL, EDUCATIONAL AND ARTISTIC ADVANTAGES OF MUSEUMS

The research with the title “Artistic and cultural education in the European school” done by the Executive Agency for Education, Audiovisual and Culture reveal the fact that educational systems admit ever stronger the importance of developing creativity in the children and they contribute to their cultural education. The curriculum of Arts aims at the following: developing artistic skills, knowledge and understanding; involvement in a variety of art forms; increased cultural understanding; sharing of cultural experiences. Cultural education is at the same time expected to produce personal, social and cultural artistic results such as: trust and self-esteem, individual manifestation, team work, intercultural understanding and cultural participation. More recently there has been an increased focus on artistic education as a means of developing creativity (often in relation to its importance in innovation), as well as personal identity.

(http://eacea.ec.europa.eu/education/eurydice/documents/thematic_reports/113RO.pdf, 2009).

Thus one of the most important educational advantages of museums is developing creativity and imagination. These skills are necessary not only in the artistic environment but also in the scientific one where a specialist will not be able to reach his/her full potential without these two features. Imagine, for example, a Marketing graduate lacking imagination and creativity. How would such an individual be able to design and enforce a successful promotional campaign if he/she does not have the ability to create something special? Or how will a manager be able to demonstrate innovation spirit if he/she lacks imagination?

Museums also represent the most direct way of learning about the features and characteristics of a community, thus contributing to multicultural understanding and acceptance. The cultural patrimony under the administration of museums represents an effective means of developing a community’s identity.

In fact, the European Council gives the well-administered cultural patrimony the quality of “resource for sustainable development and for the quality of life in a society under permanent evolution”, having the role of “creating a peaceful and democratic society both in the process of sustainable development and in the promotion of cultural diversity”. (<http://old.parlament.md/download/drafts/ro/1697.2008.doc>, 2008).

From a social point of view museums also contribute to the creation and development of a collective identity by means of a common history and the feeling of belonging, assertion of the public consciousness, decrease of social isolation, improvement of the understanding of a culture and the different styles of living, encouragement of tolerance and understanding, as well as to the diversification of recreational opportunities.



From an artistic point of view, museums contribute to the promotion of authentic works of art, the increase in the sales of works of art, to a better training and education in the field of arts, as well as to the development of artistic groups or activities.

To conclude, we can state that the long-term social value created by museums is best illustrated in the classification of Carl Scott: “personal development, social cohesion, community empowerment, local image and identity, imagination and vision, health and well-being” (Scott, C., 2007).

3.3. MEANS OF IMPROVING THE EFFICIENCY OF MUSEUMS IN MARAMUREȘ

The research done by the Maramureș Chamber of Commerce and Industry highlights the fact that “tourism in Maramureș does not constitute a significant sector, being on the second to last position, right before agriculture, as regards its contribution to the county’s economy”, despite the fact that “Maramureșul is a tourism brand recognized in the country and abroad”. (<http://www.ccimm.ro/ziare/HC-257.pdf>, 2011).

Since museums and tourism are directly linked, the underdevelopment of tourism has a negative influence upon the number of museum visitors, a situation which should stimulate their interest in identifying and applying certain development strategies.

Museums also have the ability to contribute to the development of tourism “even though, due to their status, museums are non-for-profit institutions, the countries with attractive museums that are well-aware of the reality proved they had the ability to increase the citizens’ level of culture and civilization – not at all insignificantly – and the economic benefits of communities by means of cultural tourism” (Oprîș, I., 2007).

Generally speaking one can notice a high concentration of tourists in the regions that have something to say either from the point of view of the natural environment, or from a historical, architectural and cultural point of view. Even negative history represents an attraction for tourists. The issue is the manner in which these stories, personalities and objects are advertised for in such a way that they stir the potential tourists’ interest.

In order to have a maximum effect the focus should fall on all tourism resources a community has, because in this way the probability of attracting tourists will be greater. Yet as long as a large portion of the community is not aware of the local potential (there are many inhabitants of Baia Mare that do not know how many museums there are in the city), how could this be discovered by a foreigner? This is one of the big problems of the Maramures tourism strategy. There is great level of lack of communication and cooperation between the institutions, organizations, community and private companies.

In those countries where they became aware of the fact that “investing in culture means a sustainable investment in the future, because (...) the cultural patrimony represents an important, yet not sufficiently exploited economic resource, which produces income” (Kisilewicz, D., http://anale-arhitectura.spiruharet.ro/PDF/anale_fratilesti.pdf, 2011) urban areas were created in such a way that they can offer both cultural appeal and the opportunity of buying high quality goods. These urban areas are part of some very elaborate schemes for urban revitalization, being included in the development and tourist attraction initiatives.

In the regions where tourism is very well developed one can easily notice that the entire community works towards valorization of the local potential. Any hotel or boarding house has a special area dedicated to tourists and where they can find leaflets, brochures, maps referring to the locations worth visiting, but also to restaurants, bars, pubs, transportation etc. In Romania, entities focus on themselves and instead of facilitating the



tourists' access they hinder it. The problem with this approach is that not only do the other organizations suffer but the respective entity does, too.

Local Maramures authorities consider probably that by having created a tourism information center and a site in English they have done their job in terms of developing tourism in the county. A painful example of ignorance on the part of the authorities is the fact that on the website of the Maramures County Council under "Tourist attractions – museums" they only present the museums from Sighetu-Marmației, as if those from Baia Mare were not worthy of the tourists' attention (<http://www.cjmaramures.ro>, accessed on April 22nd, 2012).

There is an acute need of involving all economic factors and responsible institutions for the development of tourism in Maramures. In fact they need to unite forces in order to reach a common goal. And probably everyone agrees with this but they all expect someone else to do something. This is why, just as large companies hire regional managers whose job is to reach a target, the county of Maramureș would probably need such a manager in tourism who would ensure the cooperation of all separate forces and thus contribute to the creation of "unity in diversity". The place of this manager should not be in an office, isolated from the real world; this individual would have to move from one entity to another and ensure precisely this cooperation amongst organizations.

Another method of increasing efficiency would be remunerating employees according to performance, similar to the private sector, based on the framework of a fixed salary plus bonuses. This would allow for a reduction of labor costs and at the same time would represent a motivational factor for the increased involvement of employees in the promotion of the museum as a tourist attraction. Currently, because the employee has the same salary every month no matter the effort he/she has made in order to meet the objectives of the museum, a large part of employees do not work at their full potential, which results in an inefficient use of the human resource and implicitly to a higher level of effort than it would be necessary to have the same effect.

It would also be necessary to hire a manager with solid organizational management expertise, as well as proven skills in the successful administration of an entity. Currently most manager positions are filled in by people with great specialized skills (in art, history, museum science) but who do not have fundamental knowledge in economics. As long as at the top of any organization there is such an individual, it is only natural that the act of management be done "blindly" and the results poor.

CONCLUSIONS

Museums are cultural institutions which need to be regarded as productive organizations in the 21st century. They have income and expenses; they administer inputs and outputs of goods and services; they serve the wide public offering visitors outstanding experiences – noticeable changes at the level of knowledge and attitude, the continuation of the exploration of an idea after the end of the visit – outputs which increase the quality of the human capital; they function in a competitive environment, being able to take more or less successfully a part of the people's spare time. In other words, they improve the people's quality of life. All these represent arguments which justify the approaching of museums as businesses with economic and social effects upon the communities.

From the point of view of operational costs museums greatly depend on the state: for example, in Great Britain, approximately 53% of the income of museums are state subsidies (DCMS, 1998), but these subsidies are on a falling trend as museums diversify their funding sources and attract new donors.



In Romania the situation is different. Historically speaking, cultural organizations, especially those subsidized by the state, are happy to have an annual budget and to expect the granting of funds from the main or secondary credit release authority. In good years new projects are funded; in bad years initiatives are stopped, which makes the dependence of the museums' activity on only one source of funding – the state budget – unacceptable.

According to some specialists (Holling, 1973; Tilman, Lehman and Bristow, 1998), stability can best be reached through diversity. In other words, financial stability can be reached if funding sources are diversified. This means that the recent tendency of state funded museums to supplement their funds from other sources is not just a good idea, but a requirement. Museums in Marmures have begun to understand the need for multiple funding sources for their activity (revenue from donations and activities performed by these represent 6.25% of the total revenues of 2010), but the dependence on one funder cannot be eradicated as long as museums have not yet been taught how to attract a larger number of private donors.

Through the state investments in museums, these ensure the circulation of capital with the aim of increasing the initial investment. Authorities ensure funding for museums and the latter contribute to the development of tourism, as well as to the growth of the turnover in other domains. Tourism and the other branches of activity, in their turn, invest money bringing added value, and eventually everything returns to the state in direct and indirect taxation of this added value. The bigger the number of intermediaries, the bigger the final benefit of the state obtained from the initial investment. The only difference as compared to the private sector is the fact that in the case of the state the route of the initially invested capital until it returns as money is much longer. Under these circumstances we conclude that museums are also a means by which the state ensures its proper functioning. If museums closed it would lead to an economic crash of which the state would only lose.

Despite all these, by applying business models, museums in Maramures could obtain higher income and thus contribute both to the reduction of public expenses and to the decrease of their dependency upon a sole source of funds.

Considering the fact that the economic and social advantages generated by museums have been proven, the next step is to identify concrete methods of a most efficient usage of their potential. Practically one needs to transform the potential into results and effects, with measures taken both nationally and locally.

The county of Maramureş is rich, both from the point of view of natural landscape and the relaxation possibilities, and from the point of view of the preserved traditions and of the existent sights. The museums in the county represent a resource which could be used for the promotion of the region as a cultural center, aimed at attracting residents, tourists, specialists and investors, resources which, unfortunately, are underexploited. For a better involvement of museums in the process of local development the first requirement is a feasible strategy which would ensure the involvement of the entire community and of all the players in tourism, as well as their improved cooperation. Secondly, an internal reform of museums is required; it could be achieved by identifying and applying the necessary instruments for a more efficient administration of all available resources.

Since the positive contribution of museums to the economy and society has been proven, future research should focus on identifying possible means of improving the degree to which museums are used, as well as on perfecting tools for gauging performance of every single museum. In Romania, management reports represent the first step, but a standardization of indicators is necessary, so that the data recorded by different institutions be comparable. It is also necessary to increase the level of accessibility to these reports, so that future research



would be able to identify all problems related to improper functioning and thus be able to suggest solutions for improvement with the broader aim of the improvement of national local and individual welfare.

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