



Superstar Museums: An Economic Analysis

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Abstract. Superstar museums are characterized by (1) great prominence among tourists and world fame among the general population; (2) a large number of visitors; (3) a collection of generally known painters and individual paintings; (4) an exceptional architecture; and (5) a large role of commercialization, including a substantial impact on the local economy. The superstar phenomenon is caused by factors both on the demand and the supply side of the market.

Superstar museums are forced to offer "total experience" to the visitors: they have to relate to events in history, technology, politics, films and TV, and they have to provide for everything from education, food, gifts, shopping to entertainment.

The development of superstar status strongly affects museum policy. The strategic orientation emphasizes visitors' demands; the organization has to be decentralized into processes each devoted to particular segments of visitors, to special exhibitions or support activities. There are also major consequences for human resource management, in particular, relating to flexibility and staff composition of paid employees and volunteers.

Key words: economics of art, museums, superstars, commercialization, art policy

1. What Is a Superstar Museum?

There are thousands of museums of many different kinds in all countries of the world. This paper deals with a select few among those museums, namely the generally known and world famous museums of art, in particular, of paintings. I shall call these institutions "superstar museums" because they have a special status which sets them far apart from other museums.

Superstar museums are characterized by five aspects:

(1) Superstar museums are a "must" for tourists. Such museums are featured prominently in guide books. The readers are told that a visit is not to be missed. Some travel guides and books on art use similar symbols as the Guide Michelin for restaurants. The superstar museums certainly "vaut un voyage". Such advice by tourist guides though helpful are not really necessary. Superstar museums have achieved a cult status which almost everyone is aware of. There are not many tourists who, for example, go to Leningrad without visiting the Hermitage, Rome without the Vatican Museums, Florence without the Uffizi, Madrid without the Prado, London without the National Gallery, Vienna without the Kunsthistorische Museum, Amsterdam without the Rijksmuseum, or Paris without the Louvre. The

same holds for the many tourists visiting the United States; there are certainly only a few who would not visit the Metropolitan Museum of Art and/or the Museum of Modern Art when in New York, the National Gallery of Art when in Washington, or the Art Institute when in Chicago. In contrast, people often tour other major cities (e.g. Moscow, Copenhagen, Lisbon, Budapest or Prague) without entering a museum of art.

Tour operators exploit this demand to visit superstar museums by making corresponding offers. Art publishers also take advantage of this interest in superstar museums which in turn increases their prominence leading to what may be called a "virtuous circle".

What has been said refers to the knowledge of the common people and not to readers of this paper who can certainly point out dozens of further "important" museums in any of these and other cities. There are, of course, hundreds of additional art museums well known among art lovers and the *cognoscenti*. But they do not have the mass appeal which, I argue, has a strong effect on all museums.

(2) Superstar museums have *large numbers of visitors*. These museums have experienced a dramatic increase in the number of visitors and are now an integral part of mass tourism. In the nineties, millions of people visit the important art museums each year: for example, the Metropolitan Museum of Art in New York: 4 million; the National Gallery in London: 3 million; the Louvre in Paris: 7–8 million (see Bayart and Benghozi, 1993). About 50% of the visitors to the British Museum or the National Gallery are foreigners who are mainly tourists (National Audit Office, 1993).

(3) Superstar museums feature *world famous painters and world famous paintings*. Rosen (1981) originally developed the superstar idea for persons, emphasizing that the differences in income far exceed the differences in talent and performance. This also applies to the case of artists and painters. The great disparity among artists is a striking feature of all the studies on their income distribution (see e.g. Filer, 1986; or chapter 9 in Frey and Pommerehne, 1989). The collections in large museums comprise works by thousands of artists; only a few of them are known to art lovers, let alone to the general visitors. Museums which want to attract a large crowd have to concentrate on the few renowned artists. This applies, in particular, to the superstar museums. They have no choice but to exhibit the superstar artists in their collection, and moreover, have to organize special exhibitions with superstar artists. While this leads to an unequivocal competitive advantage over the minor museums because the superstar museums can offer superior works, i.e. paintings by well-known artists, they are at the same time heavily constrained by the superstar status. Thus, it would be quite inconceivable that the Rijksmuseum in Amsterdam decides not to show Rembrandt any more, or the Prado no longer to show Velasquez. In consonance with the need to concentrate on major artists, the majority of newly established museums are devoted to one such artist only. Examples would be the Picasso museums in Paris, the van Gogh museum in Amsterdam, or the Miró Museum in Barcelona.

Some paintings are virtually known to everyone in the western world (and far beyond) but the number is rather small. A museum which owns one of them has no choice but to exhibit it most prominently, if possible in a hall by itself. Examples are the (so-called) "Nightwatch" in Amsterdam's Rijksmuseum, or "Las Meninas" in the Prado. The quintessential superstar painting is Leonardo's "Mona Lisa". The Louvre has responded by indicating a direct way to the Mona Lisa right at the entrance. Even the Vatican Museum now posts the (more or less) direct way to another world famous painting, Michelangelo's frescos in the Capella Sistina.

Superstar museums, of course, have not yet become just "one picture shows". However, what is argued here is that over the last decades they have moved in that direction. In the visitors' view, even very large museums are closely associated with, or defined by, very few (often one or two) paintings – the superstar phenomenon. Museums are not only the proud owners of these masterpieces but at the same time their captives. They are not only forced to exhibit them but this also means that in comparison, their other paintings lose prominence. There may be a slight spillover of interest to less renowned pieces in the collection. The main effect is, however, to draw the attention away from the rest of the collection.

Museums without such major paintings are faced with problems. This even holds when they have some paintings by world famous artists in their collection. A good example is the Kunstmuseum Basel which has an excellent collection of works by Picasso, van Gogh and other expressionists and impressionists as well as by Holbein but does not feature a painting which is known all over the world. The Getty Museum in Los Angeles can attract huge crowds due to its location and architecture. But till recently it has lacked a superstar painting. Interestingly, the directorate has made a huge effort to acquire a world famous painting. It paid the enormous sum of \$35.2 million to buy Pontormo's "Cosimo I", one of the top ten prices ever paid at an auction. But selling price alone did not make it really prominent, probably because Pontormo does not measure up in popularity to Leonardo, not even among art lovers. Perhaps as a result Getty has now acquired van Gogh's "Irises" which is better known to the general public.

(4) Superstar museums have a type of *architecture* which makes the building itself a world famous artistic feature. Examples are Frank Lloyd Wright's Guggenheim Museum in New York; the Centre Pompidou in Paris; Mario Botta's San Francisco Museum of Modern Art; Frank Gehry's Guggenheim Museum in Bilbao, and Richard Meier's Getty Center in Los Angeles.

(5) Superstar museums are *commercialized* in two respects: A significant part of their income derives from the revenue from the museum bookshops and museum restaurants. Superstar museums also have a major impact on the local economy because the visitors also spend money on many types of goods and services that are *unrelated to the museum* such as hotel rooms.

Superstar museums differ with respect to the importance of these five characteristics. Ideally they fully meet all of them; the Musée du Louvre is an example, the architectural feature being Ming Pei's pyramid at the entrance. Other superstar

museums are very strong with respect to some characteristics while barely meeting other characteristics. Examples would be the Getty Museum in Los Angeles which excels with respect to the architecture (including its location) but does not have as many world famous artists and paintings as other superstar museums. Another example is Amsterdam's Rijksmuseum which is not particularly noted for its architecture – at least compared to, say, the Louvre.

The superstar phenomenon is analyzed in the next section.¹ The following section applies the phenomenon to the case of museums. The final section discusses the consequences for museum organization and museum policy.

2. What Are “Superstars” in Art?

The superstar effect states that small differences in innate ability and quality may result in very large differences in outcome and particularly in income (Rosen, 1981; Adler, 1985). The very best artists, the superstars, gain much higher income than those artists who are almost, but not quite as talented. Frank and Cook (1995) have applied this phenomenon to a great number of professions, including, for instance lawyers. If a firm is engaged in a law suit over millions or even billions of dollars it normally pays to hire the very best in order to maximize the probability of winning. The same holds for the best managers who also demand very high compensation but may increase the value of the firm by billions of dollars.

The superstar phenomenon in art has been related to the demand and the supply side of the market.

2.1. DEMAND

On the *demand* side, consumers are *unwilling to substitute* lower for higher talent even for a cheaper price. They tend not to be satisfied with the performance of a less gifted but cheaper artist when they are able to enjoy the performance of a top artist even if the cost is somewhat higher. Most of them buy, for example, opera recordings by Pavarotti or Domingo at a higher price than the somewhat less expensive recordings by unknown tenors. This behavioral trait of individuals can be transferred also to painters. Most people, for example, choose not to spend time looking at lesser known Cubists when they can enjoy Picasso's paintings.

This unwillingness to substitute lesser for greater talent is due to two different reasons: The first is an *economic* one. The cost of comparing the performance of artists has dramatically decreased over the last decades due to lower travel costs and the modern media. Centuries ago, an artist who dominated a city or region could be a star because only a very few persons were able to compare his or her performance with those located elsewhere. This was the time when local opera singers, for example, were highly appreciated and even worshipped. This is different today. Radio, film, television, discs, video and internet make it possible for everyone to compare local and foreign talents. The frame of reference has completely shifted.

As a consequence, local artists now have a very difficult time though their talents may only be slightly lower than those of the world superstars.

The second reason for the inflexibility in accepting second-best rather than first-best artists' talents is *cognitive*. It is difficult to remember more than two or three top performers in any specific class. Virtually hundreds of millions recognize the tenor superstars Pavarotti and Domingo (and perhaps Carreras) but only very few remember the names of other tenors who are nearly (if not more) talented. A factor contributing to this focus of recognition on a few persons is the widening of general or superficial knowledge acquired by many people through watching television.

Superstars also emerge because art consumption is not an isolated activity but is socially shared (Adler, 1985). Much of the pleasure from consuming art consists in the possibility of discussing it with other people, especially friends and acquaintances. Such exchanges of views and experiences require that the other participants share some common prior knowledge which at least makes it much easier. As a consequence, discussion focuses on widely known persons, the superstars.

These reasons produce a concentration of demand on a select few artists,² the *superstars*. It is reflected in differences in income and fame which far exceed any differences in talent and performance.

2.2. SUPPLY

On the *supply* side the modern media produce significant economies of scale (see e.g. Horowitz, 1983). With nearly the same cost, it is possible today to reach an audience of 100, 10 000, 10 million, or one billion people. Technical progress which has led to these huge economies of scale in production and distribution has basically changed the supply of art. *In situ* attendance at a performance (e.g. of the three tenors Pavarotti, Domingo and Carreras at the Thermes of Carracalla) has become negligible (and therefore the respective revenue could easily be donated by the three superstars to charity) compared to the real-time attendance via TV, and the latter has become small compared to the attendance at the canned performances on CDs and videos. A similar change has taken place for visual art. The number of people visiting a museum and actually viewing a work of art is small compared to those who have seen it in reproductions, the internet, or on TV.

This paper generalizes the idea of "superstars" beyond people and thus beyond the labor market. It is argued that the same processes working on the demand and supply side that make *persons* into superstars also make *institutions* -- in our case museums -- into superstars. Even cities may qualify as superstars (see Towse, 1991 and Mossetto, 1992, who apply this term to Venice).

The following section discusses the character of museums as superstars.

3. How Do Superstar Museums Function?

Some art museums have reached the status of superstars and have become household names to hundreds of millions of people. Only a few museums are of this rank; they are mostly associated with major tourist cities which in turn owe part of their prominence to the superstar museums. Most cities have, at best, one art museum of that type (e.g. Los Angeles with the Getty Museum), and rather rarely more than one (e.g. Paris with the Musée du Louvre, Musée d'Orsay and Musée Picasso).

The emergence of superstar museums can be associated with the factors sketched above defining persons as superstars.

People today are unwilling to substitute a museum of lesser quality for one of higher quality. With respect also to the arts, the world has become a global village. Due to low cost tourism, the media and internet, a large number of persons are now able to compare museums with one another. Such comparisons between museums in the old days were the privilege of a small group of art expert. But this knowledge is restricted to a few really prominent museums because only they can be well remembered and discussed with other persons.

Superstar art museums are able to exploit fully the economies of scale in reaching out to a large number of people. These museums are not only featured in newspapers, on radio and TV but can raise enough money to produce their own videos and virtual museums. These costs are essentially independent of the number of consumers and therefore favor the major museums because the set-up costs are normally too large for smaller institutions. While the latter will certainly catch up (a homepage will soon be a matter of course for all museums), the major museums will have the funds to improve their scope and quality so as to keep their lead. Superstar museums have started to reach out by establishing museum networks. Thus, for example, the London Tate Gallery has spawned satellite museums at Liverpool and St. Ives and the Prado has started to lend out about one third of its holdings to museums in the provinces. Such moves have the additional advantage of reducing the criticism against the capital city that it monopolizes art and is given too large a share of the financial support provided by the government.

Those museums which establish themselves as superstars find themselves in a new competitive situation. Their reference point shifts from other museums in the city or region to *other* superstar museums. While there has always been a feeling of tacit competition between the directors and administrators of major museums with respect to art, there is now a direct competition between the superstars extending over a much broader area, including commercial activities and sponsors.

The superstar museums must make great efforts to stay in that category. Frantic activities are therefore often undertaken: special exhibitions are organized in the hope that they turn out to be blockbusters, visitors' amenities are improved (e.g. a larger variety and fancier restaurants) and new buildings with stunning architectural designs are added (e.g. in the case of New York's Museum of Modern Art). The

superstar status of a select group of museums inescapably leads, so it seems, to museums as providers of "total experience". This new role stands in stark contrast to the traditional notion of museums as preservers of the past. The "total experience" offered by the superstar museums, and demanded by the huge crowds of visitors, must meet two conditions.

The first is that art must be placed in the context of history, technology and well-known events in politics and entertainment such as motion pictures. Thus, for example, a museum of natural history may do well to relate to Spielberg's vastly successful "Jurassic Park". Blockbuster exhibitions such as Tut Ank Amun (see e.g. Gavin, 1981) have paved the way in this direction. They have often been devoted to superstar artists (e.g. Cézanne in Tuebingen), to well-known themes (e.g. El Oro de Mexico, the Imperial Tombs of China) or superstar personalities in history (e.g. Catherine the Great, Napoleon). But instead of relying solely on special exhibitions, superstar museums are forced always to be "special", i.e. to also embed the permanent collection in a context attractive to large numbers of visitors.

The second condition for offering a "total experience" requires that museums provide for everything, not unlike entertainment parks. The activities offered extend beyond cafés, restaurants and museum shops. Many superstar museums have already gone far in this direction. The Louvre, for example, opened a commercial precinct called "Le Carrousel du Louvre". The floor space below Pei's pyramid extends without interruption into a large underground shopping mall. But the Carrousel offers more services than an average shopping mall; it also functions as a modern convention center with modular rooms which can be hired by the general public for symposia, product launches, conferences, fashion shows and other events (see Eichberger, 1996). Activities of superstar museums comprise all sorts of educational activities (not only for children but also adults), and most importantly, plain entertainment. In particular, the relationship of the art exhibited with popular TV series and films is likely to be exploited much further in the future than is the case today. An exhibition of Van Gogh's paintings, for example, would also provide the opportunity to see the various films on his life, or in which he plays a role.

It would be premature to argue that such "total experience" offered by the superstar museums would lead to superficiality. Clearly, it is not designed for the (few) real connoisseurs. But for the large number of visitors not educated in the arts it would probably lead to a deeper understanding of art than today's experience does. The experience is more narrowly focused on one painting and artist but it is broader because it goes beyond art history to include more fully related social and scientific aspects. Such knowledge may even provide a stepping stone for greater involvement in art, including visits to more traditional museums.

4. What Are the Consequences for Museum Policy?

The discussion so far has argued that superstar museums are mainly in competition with other superstar museums as well as with other suppliers of "total experience". Superstar museums are also characterized by very large flows of visitors often reaching millions per year. They constitute a sizable economic factor in the local economy by the visitors' expenditures on hotel accommodation, meals in restaurants, shopping and others. The superstar museums are therefore faced with new challenges which did not previously exist, at least on the present scale. In the following, management, in particular organization theory, is used to discuss the consequences for museum policy. Some of the aspects traced out apply to museums in general (or for that matter, to any organization catering to customers) but they are of much larger and pressing importance to superstar museums. Based on the considerations discussed in the previous sections of this paper, the policy conclusions spelled out are difficult, if not impossible, for superstar museums to evade.

The discussion proceeds in three steps, starting from the most general aspect of the strategic orientation to the organization and finally to human resources.

4.1. STRATEGIC ORIENTATION

Superstar museums must use their historically acquired core competence in order to survive. They have to consider what they are uniquely qualified to undertake. To identify and establish the sustainable competitive advantage is one of the most important tasks of museum management.

Clearly, the need for superstar museums to provide "total experience" to its often millions of visitors per year requires major attention to the demands and expectations of these visitors. A superstar museum is simply forced to shift to a *visitor orientation*. In contrast, pure preservation, conservation, and art historic research become less central. This does not mean in absolute terms, e.g. measured by the funds allocated or the number of employees engaged, that these activities are declining. Indeed, they may well become bigger because the concentration on the services for the visitors makes more resources available which can also be used to bolster preservation, conservation and research. Nevertheless, activities that are directly devoted to meeting the demands of the visitors play a dominant role within superstar museums and does not simply play a small ancillary role in museum management.

4.2. ORGANIZATION

A crucial decision of museum policy concerns the degree of *centralization* appropriate for the problems at hand. In Europe especially, where most of the major museums formed part of the public administration, the organizational form was

highly centralized as was government bureaucracy in general. A centralized bureaucracy organized along a functional division of tasks is ill suited to provide a "total experience" for the visitors. It is difficult or impossible to efficiently coordinate functions such as the classic curatorial activities, renovation of paintings, upkeep of the buildings or ticketing by a central directorate.

A more adequate organizational form for superstar museums is *process oriented*. The tasks are no longer defined along classical functions but rather along processes, thereby minimizing the interfaces within the organization. One could also speak of minimizing spillovers between the various employees and work groups within the museum. The processes relevant for a superstar museum are not exogenously given. Rather, the management has the crucial task of determining what these processes are for a particular superstar museum. The basic idea is to make certain people responsible for specific activities that cater to museum visitors. These persons are sometimes called "process owners" to emphasize that it is their task to act such that the customers (in the case of superstar museums, the visitors) are satisfied. This includes aspects which so far have often been considered to be outside the scope of museum activities such as travel arrangements to the museum, provision of sufficient and secure parking spaces, adequate ticketing procedures including entry fees, and also amenities such as restrooms, restaurants and shops.

While the directorate of a superstar museum must determine the most appropriate processes for its own case, for purposes of illustration, some practical examples of how such processes might be defined are given in the following:

(1) Processes Relating to Groups of Visitors

There may be process owners whose task is to care for organized groups such as school children or tour groups of national or foreign visitors. Other process owners may be charged with looking into the demands of individuals who are tourists or local visitors. In each case, the requirements for, say, travel and parking space are quite different. For instance, group tourists often come in buses, individual national visitors by car, and local visitors by public transport. In each case the person responsible for the respective process has to ensure that adequate provisions are made as far as possible. This means that a service owner has to consider the requirements of his or her "customers". In particular, these requirements often concern aspects which in the traditional understanding have little or nothing to do with a museum. Another process could be social functions taking place in the museum premises such as receptions held by firms or individuals, or for various conferences. Yet another process might be defined according to particular interests in art. There may be groups of visitors who are mainly interested in particular epochs or styles; in portraits, landscapes or animals; or in paintings relating to historical events.

Such processes are only well defined if they take into account the competitive advantage or core competence of the superstar museum in question. Thus, for example, organized tours of foreign visitors normally only want to see the "superstar artist" which the museum is famous for. They are often quite satisfied if they could

just see the "superstar painting" provided it is presented well. The reason is that such tourists often visit a substantial number of superstar museums during their trip: the Louvre in Paris, the National Gallery in London, the Prado in Madrid, the Vatican Museums in Rome and the Kunsthistorische Museum in Vienna. As such trips are often undertaken in a short period of time, these tourists cannot possibly appreciate more than a very, very small part of the treasures of a particular museum. Thus, the corresponding process is well organized if the "superstar" paintings are easily accessible (i.e. without endlessly going through rooms where the paintings are of little interest to certain visitors), the paintings are well visible (i.e. no hoards of visitors rushing to get a good view), and if the painting and its author are put into a historical and artistic context. In contrast, the process owner for a group of art historians meeting for a congress has to obviously care for the widely varying interests. Thus, for example, it is important for the group to view the collection undisturbed by throngs of visitors and the holdings that are not accessible to the public could be opened to the group.

(2) Special Exhibitions

Another process which is useful for a superstar museum may be the organization of temporary exhibitions involving the conception, loan, transport and insurance, display of paintings, opening hours and entry fees, advertising, as well as access. What matters is that all the elements of this process are designed in view of the prospective visitors and that the process owner has to look at the process as a whole.

(3) Support Processes

Particular services that are important for superstar museums such as museum restaurants, museum shops or amenities for infants and young children as well as facility management (i.e. activities such as air conditioning, security, building maintenance) can be defined as sub-processes. However, care must be taken that they do not become detached from the main goal, namely to care for the demands of the various types of visitors. The process owner responsible for foreign tourist groups should ensure that these sub-processes care for the demands of this particular process. For instance, the restaurant must have sufficient capacity to cater for the sudden influx of a large number of hungry and thirsty visitors, and to consider their special tastes, as in the case of Japanese groups.

In principle, these processes are evident in superstar museums which are decentralized in different extent and respect. One can imagine museums which are rather strongly integrated but in most cases the most adequate organizational form includes profit centers (e.g. parking, restaurants and shops). Museums also resort to outsourcing to an independent firm in order to profit from their core competencies. An example is provided by the newly founded Tinguely-Museum and the Beyeler Foundation in Basel which have outsourced ticket sales, the museum shops, security, cleaning as well as other aspects of the facility management. The gains in cost

amount to at least twenty percent. The adequate extent of decentralization depends strongly on the amount of tacit knowledge which has to flow between the various activities of a superstar museum. Tacit knowledge cannot be encoded in symbols, letters or words: "we can know more than we can tell" (Polanyi, 1966: 4). Tacit knowledge is acquired and stored within individuals and cannot be transferred as a separate entity. In particular, it is not easily transferred between independent units of an organization. Individuals working in profit centers and even more in outsourced entities have no incentive to share tacit knowledge with other members of the organization as a whole (see, more extensively, Osterloh and Frey, 1998). Tacit knowledge in various forms including atmosphere and mutually shared history plays an important role in museums. As such knowledge has to flow within a museum, there are limits to the creation of independent units such as profit centers and to outsourcing. Activities which depend strongly on such tacit knowledge (such as the organization of special exhibitions) should therefore be kept within the organizational structure while activities where the transfer of tacit knowledge is unimportant (such as the museum restaurant) can well be decentralized in the form of a profit center, or can be outsourced to an independent firm.

4.3. HUMAN RESOURCE MANAGEMENT

Personnel aspects cover a vast area in superstar museums as in any other large organization. One such aspect is the relationship to the trade unions. In many countries, in particular, where the museums are part of the public sector, trade unions often impose strong restrictions on management. Only two aspects of special relevance to superstar museums shall be briefly mentioned here.

Flexibility

A museum organized along processes must exhibit a substantial amount of flexibility with respect to how labor is deployed. Consider, for instance, the processes discussed above centering on different types of visitors. Each process requires different opening hours and diverse activities. Thus, when accompanying groups, well-educated docents are needed who implicitly perform the task of protecting the paintings. In that case, no guards are needed in the exhibition rooms which are under electronic surveillance. This means that the employees have to be flexible enough to undertake these new tasks. This, of course, does not mean that the previous guards are now lecturing to an expert audience but they could be trained to guide, for instance, children or the tourist groups who are solely interested in viewing the one "superstar painting".

Staff Composition

In superstar museums, volunteers play a substantial role. There exists at least a latent if not open tension to the paid staff. Many volunteers work based on their

intrinsic motivation, i.e. because they enjoy the activity as such while a large part of the paid staff are extrinsically motivated, i.e. they do their job because of the money received. Accordingly, within limits, paid staff can be told what to do. This is much more difficult in the case of volunteers. Exactly because they do the work for intrinsic reasons, they have a rather clear conception of *what* work they wish to do and *how* they want to do it. If they are asked to perform a task which they do not like, they could easily discontinue working for the museum. As a consequence, "...paid staff ... may be more productive and provide higher quality service" (Duncombe and Brudney, 1995: 359–360; see more generally Weisbrod, 1988). In superstar museums, an important task of the museum directorate is to find an adequate mixture and treatment of these two types of staff.

The discussion on the consequences for museum policy of the superstar phenomenon has so far been undertaken in a normative way. However, it is also necessary to consider the *incentives* for the directorate to pursue such policies. This leads us into the more general political economy of museums. As a substantial literature exists on this topic (see e.g. Feldstein, 1991; or chapter 5 in Frey and Pommerehne, 1989); there is no need to repeat it here. It suffices to point out that the directorate has little incentives to follow the consequences outlined if it has no discretionary room but to follow the orders given by the higher echelons of bureaucracy in the Ministry of Culture. In contrast, if the museums are not part of the public sector, and in particular, they can keep the revenue earned through their activities, the museum management would have an inherent interest to embark on the policies suggested here.

Notes

* The author is grateful to art historian Dagmar Eichberger, to organization scientist Margit Osterloh and to economist Isabelle Vautravers for their helpful suggestions, and to the Swiss National Fund (Grant No. 12-42480.94) for financial support.

1. The following analysis is based on the "Economics of Arts" which applies economic thinking to cultural issues. General surveys of this field are given by e.g. Benhamou (1996), Ginsburgh and Menger (1996), Throsby (1994), Heilbrun and Gray (1993), and Frey and Pommerehne (1989). 'Classic' contributions are collected in Blaug (1976) and Towse (1997). The economics of museums is specifically discussed e.g. in Johnson (1995), O'Hagan (1995), O'Hagan et al. (1995), Fieldstein (1991), and Frey (1994). Ground-breaking early contributions are Peacock and Godfrey (1974), and Montias (1973).
2. The selection process of the development of these select few is not the topic of this paper. I am simply trying to explain why the concentration exists today and to analyze what consequences it has for museum policy.

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