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**THE DUTCH MUSEUM FOR COMMUNICATION 2004-2008:  
CRITICAL SUCCESS FACTORS IN FINANCING CHANGE**

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Section 2: Sustainability in Relationship

## **Introduction**

The last decades have witnessed tremendous changes in the European telecommunications and postal regimes. Starting in the early 1980s, the restructuring of European telecommunications and postal markets reached its final conclusion in 1998. In that year, the ancient regime of protected government-owned Postal, Telegraph and Telephone (PTT) monopolies came to an end. With a few exceptions, European Union member states were required to allow and promote competition.<sup>1</sup> During the restructuring of former PTT markets, the various national PTT's were reorganized and (at least partly) privatised. Markets were progressively liberalised. In the Netherlands, in 1989 the PTT gained a new legal status, namely that of a joint stock company.<sup>2</sup> The new corporation started to operate more independently from the state. The new Dutch postal and telecommunications regime was based on the combination of a regulated privatised monopoly, market coordination, and industrial self-regulation. Full liberalisation of the Dutch market was accomplished in 1998. As a holding that accommodated PTT Post and PTT Telecom, KPN (Koninklijke PTT

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<sup>1</sup> W. Hulsink, *Privatisation and Liberalisation in European Telecommunications. Comparing Britain, the Netherlands and France* (Routledge Studies in International Business and World Economy, London 1999).

<sup>2</sup> M. Davids, 'The Relationship between the State Enterprise for Postal, Telegraph and Telephone Services and the State in the Netherlands in Historical Perspective', in *Business and Economic History*, 24, 1, Spring 1995, 194-205; M. Davids, *De weg naar zelfstandigheid. De voorgeschiedenis van de verzelfstandiging van de PTT in 1989* (Hilversum 1999);

Nederland, Royal PTT Nederland), ceased to exist. Two separate companies were formed: on the one hand TNT Post Group (TPG), on the other hand KPN as the telecommunications corporation.

As a result of these broader economic developments, in 1998 the status of the Dutch PTT Museum changed significantly. This paper investigates the way the museum since 1998 has related to its founding fathers, and how the museum has dealt with its new autonomy. More specifically, the paper discusses the relationship between the attempts made by the new museum to formulate a new mission and strategy and its attempts to generate more external, long term and structural funding.<sup>3</sup> Long term funding can be distinguished from short term subsidies linked to specific projects and exhibitions. This type of funding will not be discussed in this paper.<sup>4</sup> The paper ends with some points for discussion.

### **From Postal Museum to PTT Museum and Museum for Communication**

In 1929, the Museum for Communication was founded by state law under the name of Foundation ‘The Dutch Postal Museum’ (Stichting ‘Het Nederlandsche Postmuseum’). In 1989, it changed its name in PTT Museum. Until 1998, it constituted the corporate memory, cultural heritage, and corporate showcase of PTT Post and PTT Telecom, preserving and showing their pasts and presents. Exhibitions presented a picture of the history of postal communication and telecommunications to a general public, for purposes of study, education and enjoyment. The museum was also the national centre for philately. In every sense, the museum was a corporate museum. As the museum for its running depended upon the PTT and the PTT as a state company received its money from the Dutch central government, it could to a certain extent be labelled a state museum as well

In Europe as well as in the Netherlands, the restructuring in the 1980s and 1990s of European postal and telecom markets and the subsequent changes in the status of national PTT’s, impacted upon the status of the national PTT Museum. From 1989 until 1998, KPN as a privatized corporation financially took care of the museum. In that last year and still a little bit unexpected, the museum received full autonomy. It ceased to exist as a corporate KPN and TPG museum. In 1999, accompanying its new identity, the museum changed its name into

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<sup>3</sup> I make a distinction between internal and external incomes or revenues. Internal incomes are those generated by entree revenues, the hiring out of museum facilities and conference rooms, etc. For this paper, external incomes are here limited to long term, structural subsidies, sponsorships and funds.

<sup>4</sup> This is not to say that the museum does not have experience with this type of funding. Between 1999 and 2003/2004, the museum generated approximately € 700.000 external subsidies for projects and presentations.

Museum for Communication ('Museum voor Communicatie'). Instead of PTT or KPN, the museum foundation became employer with all the accompanying rights and obligations.<sup>5</sup> To guarantee its future and to give the museum enough time to find other ways to finance its business, a substantial amount of money was received as 'dowry' or 'redemption money'. This money is taken care of by a separate foundation, the Museum Fund Foundation ('Stichting Museum Fonds), and is invested.

Buying off its former financial obligations however did not mean that all ties between the museum and its founders were severed. Both the Supervisory Board ('Raad van Toezicht') of the museum as well as the board of the Museum Fund Foundation host a number of (former) PTT and KPN senior executives. As of 2001, Wim Dik, former chairman of the board of management and CEO of KPN, presides the two foundations. Apart from this financial link, the museum continues its relationship with TPG Post Group regarding philatelist issues and materials. The contacts with KPN are more incidental.<sup>6</sup> To sum up: Till 1998 the Dutch state incorporated both the PTT and the PTT Museum. Although the year 1998 has brought the museum autonomy and the financial link with its founder has become more at arm's length, the museum still operates with PTT/KPN capital.

Every year, the Museum Fund Foundation disposes a certain amount of money to cover regular museum operation costs. As the Museum Fund is an investment fund, this money consists of returns on investments, but part of it is also a (fixed) donation. Without alterations in the profits and losses structure of the museum, in time this yearly donation will reduce and finally even eliminate the original 'dowry'. Therefore in time, the yearly donation that is not matched by returns on investments should be replaced by other revenues.

Companies' identities are probably most clearly articulated through their missions and strategies. It is believed that clear and distinct missions and strategies that indicate *what* and *how* organisations uniquely contribute to their environments, are essential ingredients of grant applications. Therefore, when in 1999 it had to start to attract external subsidies, the Museum for Communication continuously began to elaborate upon its mission and strategy as essential elements in financing the continuation of the museum as 'a permanent institution in the service of society'.<sup>7</sup>

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<sup>5</sup> *Annual Report Het Nederlandse PTT Museum 1997*, and *Museum voor Communicatie, Terugblik op 1998 en 1999*.

<sup>6</sup> To be more specific: the museum receives all outlines, samples and final postage stamp materials issued by TPG.

<sup>7</sup> According to the current standard ICOM definition of museums. See for instance [www.city.ac.uk/ictop/mus-def.html](http://www.city.ac.uk/ictop/mus-def.html)

As formulated in 2001, the core theme of the Museum for Communication constitutes the social and societal impact of communication. Communication is not primarily seen as a technological phenomenon, but as a social phenomenon, including the content, meaning and impact of communication processes, as well as the media that are used for communicating. As an organisation, the museum offers a heterogeneous platform for leisure, information, education, research and conservation regarding the history, the present and the future of communication.<sup>8</sup> This means more specifically that the museum aims to be a cultural heritage institution as well as it tries to host and explore current communication issues and broader societal themes. One of the major aims of the museum is to generate reflection on the (ever changing) content, form and impact of communication processes.

This new identity has led, among other things, to a new organization, with three major departments: 1) Presentation, 2) Collections, Research and Information Services, and 3) Marketing, Communication and Commercial Affairs. Especially Commercial Affairs was meant to transform the former corporate museum into a modern and dynamic business organization. Also, the new identity of the museum was translated into a new and ambitious exhibition programme, including five exhibition trajectories:

1. Communication as a general phenomenon (serving as an appetizer for the rest of the museum);
2. Man & Communication (dealing with the way human communication works and its content);
3. The Communication Factory (dealing with the technological aspects of communication and showing highlights from the collection);
4. Art & Communication (a kind of gallery showing the artistic and aesthetic aspects of communication processes);
5. Child & Communication (interactive presentations for children).

In all cases, exhibitions try to incorporate public demands and wishes, and strive for public participation. More than one third of the museum visits do have an educational background. School groups are the most important institutional visitors.

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<sup>8</sup> G. Beauchez, *Bestemming 2005. Beleidsvisie Museum voor Communicatie 2001-2005*, 5.

The three collections of the museum – postal history (including a large number of letters), postal stamps and telecommunications are unique for the Netherlands in their contents and qualities. They nicely and extensively document the period before, during and after the Dutch communication landscape was dominated by PTT state services. The philatelist collection is world-famous and numbers among one of the most important stamp collections in the world. As off 1998, collection as well as exhibition strategies try to focus on the contents of communication processes, the contextual, anthropological and psychological meanings and impacts of communication and communication media. The way in which objects, messages and practices reflect the big moments in life – birth, death, marriage, grieve and happiness, serves as one *Leitmotiv* regarding acquisition. In general, this new perspective on collection policy nicely fits into the more ritual, symbolic and cultural aspects of communication processes, in contrast to the more traditional transmission perspectives on communication that has been dominating the museum for decades.<sup>9</sup>

To sum up, ever since 1998 the Museum for Communication has moved away from its origin as a corporate museum, showcasing the procedures, artefacts and technologies of state postal and telecommunications services. Its new orientation on the social and societal aspects of communication incorporates the changes that took place in the communication landscape and that resulted in a more fragmented and more complex communication landscape. A PTT monopoly has been replaced by a situation where many operators compete, services have succeeded technologies and infrastructures, and in economics a supply side view has been replaced by a demand side view. In a somewhat more implicit way, the new identity of the museum also reflects the changes in the business history and the history of technology disciplines. In the last decades, these two disciplines have moved away from internal and ‘nuts and bolts’ accounts of history to more social, contextual and cultural approaches.<sup>10</sup> The mission of the Museum for Communication with its emphasis on the social and the contextual clearly follows these historiographic turns.

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<sup>9</sup> Compare J. Carey, *A Cultural Approach to Communication* (New York 1989).

<sup>10</sup> The journals *Business History*, *Business History Review*, *Technology and Culture* and *History and Technology* perhaps best document these shifts. See for an ambitious combination of social history and history of technology in the Netherlands the seven volumes of *Geschiedenis van de Techniek in Nederland in de Twintigste Eeuw* (1998-2003). See for a contextual business history of Dutch business in the twentieth century K.E. Sluyterman, *Kerende kansen. Het Nederlandse bedrijfsleven in de twintigste eeuw*.

## **The Future of the Museum for Communication: Financing Change?**

We may ask ourselves: did the museum's new identity and new strategy already pay off? Did, in other words, the museum already find new ways to finance its new ambitions? In general, there are three ways for museums to generate new external incomes on a long term and structural basis.<sup>11</sup>

First, it is possible to bring in donations and gifts from private persons, the so-called benefactors. The establishment of service clubs and 'Friends of the Museum' type-like organisations (including accompanying events like fundraising dinners) fits into the context of a modern private arts patronage and seems to reflect a general shift in the Dutch political economy towards the American business system. In the economic and business history literature, there is at this moment a large debate regarding the question, if the European coordinated market economy is changing into the American liberal economy.<sup>12</sup> Should we accordingly model our cultural institutions more to the American model of cultural entrepreneurship?<sup>13</sup> Until now, the Museum for Communication has not yet experienced with private patronage. For 2005, the museum is planning to explore the possibilities of one or several Friends of the Museum Circles, including member benefits and in combination with a (digital) newsletter.

Second, trade and industry sponsorships are another possibility. Founderships and business clubs are initiatives that fall into this category. Between 1999 and 2001, the museum has been unsuccessful in the recruiting of founders. There has been and still are contacts regarding sponsoring between the museum and telecommunication companies: UPC, Alcatel, and Vodafone. Until now, these contacts have not been much developed, partly as a result of the fact that the museum still carries its image as a corporate PTT and KPN museum. KPN, Vodafone and UPC are in the current Dutch telecommunication market fierce competitors!

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<sup>11</sup> E. Boswinkel, *Marketing, sponsoring en fondsenwerving*. Internal report Museum for Communication [no date].

<sup>12</sup> See for instance M. Albert, *Capitalisme contre Capitalism* (Paris 1991); R. Whitley (ed.), *European Business Systems. Firms and Markets in their national contexts* (London 1992); P.A. Hall and D. Soskice, *Varieties of Capitalism. The Institutional foundations of Comparative Advantage* (Oxford 2001); K.E. Sluyterman en O. de Wit, 'Werk in uitvoering: Nederland als gast- en thuisland voor multinationale ondernemingen', in *NEHA-Bulletin* 16, 2002 nr. 2, 59-68.

<sup>13</sup> See for instance M. Asscher, 'Het hek moet open. Het fatale, gesloten systeem van de gesubsidieerde kunstwereld', in *Vrij Nederland*, 21 augustus 2004; A. Klamer, 'Laat rijke kunstliefhebbers meer betalen', in *de Volkskrant*, 30 augustus 2004.

The museum's history therefore seems to be a real problem when potential partners in the field of telecommunications are addressed.

Finally, there are the governmental, state and municipal funds.<sup>14</sup> Most of the Dutch as well as the European museums depend upon this type of long term, structural financing. In 2000, the Museum for Communication applied for a large grant at the Dutch Ministry of Education, Culture and Science ('Ministerie van Onderwijs, Cultuur and Wetenschap' OCW). In these matters, OCW is supported by the Dutch Culture Board ('Raad voor Cultuur'). The institution advises every four years the Dutch state on whether or not to subsidy cultural initiatives, varying from amateur art, classical orchestras to museums. The application was not granted. The Culture Board motivated its negative decision by pointing at the lack of clear priorities regarding the new mission of the museum (the very broad term 'communication' conceptualized as primarily having to do with the material and technical aspects of post, telephony and telegraphy), in combination with the lack of a transparent financial paragraph.<sup>15</sup>

Four years later, in 2004, the Museum for Communication again applied at the Dutch Culture Board. The same proposal was applied to the municipal board that advises the city council of The Hague on financing culture. Therefore, this time the museum presented its new mission and strategy at both the municipal and state level. Again, the applications were turned down. This time, the lack of financial transparency did not seem to be an important motive. However, as the Culture Board positively valued the plans of the museum ('refreshing', 'daring'), it also indicated that the way the plans and goals were worked out was unsatisfactory and incomplete, and that questions could be raised about the identity of the museum regarding other, more or less similar museums. Does the museum have an unique profile that warrants its right of existence? Also, the board observed a gap between, on the one hand, the existing collections, and, on the other hand, the new ambitions as an all-embracing museum for communication in its social and contextual settings. This mismatch required a fundamental change in the collection of the museum. Also, a fundamental change in the character of the museum was foreseen. *How* this change should be worked out, the board concluded, is still shredded in clouds.<sup>16</sup>

Interestingly, the critical comments of the Culture Board concerning the mismatch between the 'old' collections of the museum and its new goals and ambitions seems to indicate that the museum should work on further integrating old as well as new collections

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<sup>14</sup> Regional and European funds also belong to this category but are here left outside, as the museum has not yet explored these possibilities.

<sup>15</sup> Raad voor Cultuur, *Advies Cultuurnota 2001-2004* (Den Haag 2001).

<sup>16</sup> Raad voor Cultuur, *Advies Cultuurnota 2004-2008* (Den Haag 2004).

within the context of its new program. To be sure, this process requires dramatic new perspectives on the existing collections. A focus on use, daily communication practices, and social and societal contexts and impacts seems at least one way to reach this goal, in combination with more detailed plans regarding target groups and marketing instruments. The Museum for Communication expects that in 2008 this process will result in a successful application for municipal and/or state funding.

## **Discussion**

Until so far, the attempts by the Dutch Museum for Communication to attract external, structural, long term funding has not been very successful. Long term, external funding falls into three main categories: private, business and governmental funding. Till now, the museum primarily has applied for governmental (municipal and state) subsidies, although there has been some cautious initiatives into other directions. This choice was, of course, to a certain extent arbitrary and open for discussion. In my opinion, there are at least three reasons why the museum's fundraising activities has not been very successful until so far.

First, the new identity and mission of the museum have not been identified, formulated and communicated sufficiently to attract external funds. A clear and focused mission seems crucial in creating and formulating a *case of support*. Also, the museum's identity needs to be legitimised in a way that fits its past, present and future. Second, it looks like the PTT history of the museum still lingers on in the mind of possible structural supporters, sponsors and advisory boards. This is a difficult point. Although the museum has gained financial autonomy, its business operations are still financed by (former) PTT/KPN money. Transparency and openness about this specific relationship with its founder(s) seem important assets. Finally, the lack of experience with marketing and fundraising has seriously hampered efforts in these fields. The separation from PTT/KPN and the subsequent changes in the museum's mission and goals require different forms of expertise than what was needed during the time as a corporate museum. Although as off 1998 this has been articulated time and time again, evidently it takes some time to build up and exploit these kinds of expertise.

To conclude: Between 2004 and 2008, the Dutch Museum for Communication faces an ambitious program to finance its transformation from a corporate museum to a modern museum for communication. Three models of financing were mentioned, of which the possibility of municipal and state subsidies was discussed more thoroughly. Finally, the paper

has identified some critical success factors that seem to impact directly on the capabilities to finance the museum's transformation.

**Appendix I: Key Figures 2004 Museum for Communication The Hague, The Netherlands**

Number of Visitors	40.000 a year
Number of Employees	27 FTE (Full Time Equivalents)
Artefacts	10.000
Postal stamps	1.000.000
AV Archive	100.000 pictures, 1000 movies/VHS tapes
Books and journals	15.000
Square meters	3.500 m <sup>2</sup> (including ten exhibition rooms and conference rooms)