
7 Artists' labour markets

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Artists and cultural workers constitute a very heterogeneous and *a priori* non-standard population. Everyone keeps in mind a long list of starving artists, and a series of artists who died unknown before becoming superstars on the modern art and cultural markets. This entry examines two questions: how can we describe cultural employment (and who should be considered as an artist) and are there some characteristics of employment in the cultural field that may justify a unique and unconventional theoretical framework for its analysis? Since decisions on labour markets play a major role for the crucial question of the selection of talent, this chapter emphasizes also the question of developing labour market policies towards supporting cultural employment.

Cultural employment: a wide spectrum of jobs

Methodological questions are numerous. The conclusions of empirical testing of hypotheses about the characteristics of employment vary according to their sources. Censuses are most reliable for well-known reasons (exhaustiveness and possibility of comparisons over time). In Europe they generally rely on what the individuals declare as their main job. Since individuals often engage in several occupations inside or outside the cultural sphere, they are considered as artists in accordance with their own reports of main income sources during the reporting period. The American Census identifies artists on a controversial criterion, only the job in the previous week. Nevertheless, many studies use Census data (among them: Santos, 1976; O'Brien and Feist, 1995; Filer, 1986).

Researchers also use surveys. Despite their more limited scope, they provide qualitative information, especially on the nature of multiple job-holding, that is probably the most distinctive aspect of artists' labour market involvement.

It is not easy to determine the perimeter of cultural activities and to define professional criteria. A Census does not distinguish between non-profit and for-profit institutions where artists are involved; recreational services and the performing arts are generally included. Some countries, especially Germany, include craft jobs in the field of cultural employment, leading to an overevaluation of numbers compared with other countries. In this chapter, we emphasize artistic jobs that represent a part of cultural

employment (that also includes administrative jobs, professors and so on). The definition of artists is often rather wide and blurred (except in Finland, where a strict definition was adopted): this point is a source of debate, since expanding the definition may change average artist earnings.

Many studies argue that artists behave like anyone else, and that the characteristics of cultural employment are close to those of the general workforce. For example, regional distribution of cultural employment in the United Kingdom reflects the regional distribution of cultural activities, generally concentrated in urban centres. Contrary to a preconceived idea, there is no evidence of a more frequent gender discrimination in the arts than elsewhere; Cowen (1996) shows that women facing incentives meet with success in their artistic endeavours. Though the rate of unemployment is comparable to that of all workers, artistic jobs seem more unstable in France and in the United Kingdom, but less in the United States (Filer, 1986). But part-time, temporary and fixed-term contracts, second jobholding and self-employment are much more frequent than in the general workforce. They can be considered as non-standard forms of employment (Benhamou, 2000).

These flexible working patterns are frequent and even unavoidable because of a twofold set of factors. Firstly, this is so because of the discontinuity of activity. Individuals undertake several jobs at the same time; they also switch from one job to another, since projects are limited in time (seasonal jobs in festivals, artists involved in a series of concerts, photographers working for a short-term project and so on). This characteristic implies that the building of a strong reputation from job to job is the best source of employability in artistic labour markets: 'reputational' competition is central for employees. Reputation and eligibility are not identified with being kept on in a firm – in many respects the contrary applies: the more numerous the job contracts, the higher the reputation. This issue relies on a paradox: in spite of a higher percentage of graduates in this field, one can observe the weak importance of a diploma for careers: experience and reputation are much more central. Since diplomas have a low signalling capacity, people enjoy ease of entry to careers, especially those of visual artists (Throsby and Thompson, 1995); this is a source of over-supply.

Secondly, flexibility is a consequence of the specific qualifications required for projects, resulting from the property of 'infinite diversity' (Caves, 2000) of cultural goods that are often produced on a project-by-project basis.

One of the consequences of flexibility is the multiplication of short-term contracts, leading to an illusory growth rate of employment: even if cultural employment increased more rapidly than general employment in most

European countries during the 1980s and the beginning of the 1990s (Greffé, 1999), the rate is overstated by the reduction in the duration of the contract.

Can we consider artists as utility maximizers? For some researchers, they seek the optimal set of pecuniary and non-monetary rewards (as what Adam Smith calls 'public admiration') for their efforts. But hard training, low rate of success stories, risky careers and short-term contracts seem to be inherent to artistic choices: these general characteristics of artistic employment could lead a rational individual to choose other careers.

A theoretical framework

Among the 'clichés' concerning artists, one of the strongest is their low average earnings, including an opposition between two labour markets: one for the superstars and the other for all the more or less starving artists.

Filer (1989) analyses the 1980 US Census data and concludes that the 'starving artist' is a myth: for individuals having similar educational levels and personal characteristics, the average artist earned about 10 per cent less than he would have earned in a non-artistic job. Moreover, when lifetime differences are taken into account, Filer shows that the gap becomes almost negligible: the lifetime earnings are less than 2.9 per cent greater for non-artists. Filer concludes that artistic labour markets are not different from others. Nevertheless, the analysis is compatible with the existence of a dual labour market.

Other studies argue that, though not poor, artists suffer an earnings penalty (Wassall and Alper, 1992). The sources of the divergence rely on the data basis (a strict or broad definition of artists), the country and the period. If there is such a penalty, one should consider that conventional theories of labour market are inappropriate in the case of artists. An original contribution is provided by Throsby (1994), who constructs a model of labour supply of multiple jobholding artists. If the alternative consists in spending time in artistic or non-artistic jobs, when relative wages increase for non-artistic jobs, individuals spend less time on the latter activity, since they have obtained the amount of earnings that they need in order to pursue what they consider as their main job. This behaviour reflects the strength of their preferences for creative labour. This does not conform to conventional theories and favours a specific treatment of art labour markets. As Throsby notes, 'arts work tends to be less sensitive to financial considerations because of its nature as compared to non-arts work' (*ibid.*, p.264). Throsby also emphasizes the changes in behaviour between three different categories of artists (initial creative artists, performing artists and others). Nevertheless, a simple human capital theoretical framework can explain the distribution of earnings in artistic professions.

Many studies focus on the distribution of earnings rather than on their

average level. In Hollywood, artists are classified in two categories, A and B list, A artists belonging to the happy few successful artists who earn much more and dominate their segment of the market.

Thus labour is considered as heterogeneous, and this leads to artistic labour markets being analysed as atypical and non-competitive markets. Artists are imperfect substitutes for each other. Rosen studies the distribution of rewards among artists. He observes that, whereas a few artists receive enormous amounts of money and dominate their activity, others remain poorly paid. This gap is disproportionately large, compared with the differences in talent. He emphasizes two reasons for this: firstly, in a context of a consensus about talent (artists offer vertically differentiated services), and with a hypothesis that talent is observable without any cost, he considers that there is no substitute for any particular talent. Therefore prices can increase without leading to a decrease in demand. Secondly, the increasing size of markets, due to new media, allows joint consumption.

Long-term contracts are rare, and one can observe the quasi-absence of internal job markets. This high degree of flexibility may be interpreted as an argument in favour of the validity of standard theories for art labour market analysis. The search-theoretic approach provides a framework for understanding the succession of employment and non-employment experiences. Since it makes the hypothesis that search costs would be compensated for by long-time commitments, it is unfortunately inappropriate in the case of artists, in spite of its hypothesis of labour heterogeneity: firms do not expect to be in business with the same artists indefinitely, but only on a temporary project basis.

Thus, for many researchers, artistic labour markets act as lotteries. As Adam Smith recognized in *The Wealth of Nations*, despite the risk linked to professions where ‘twenty fail for one that succeeds’, one can observe the growing number of aspirants. Many factors explain such a paradox: people try to enter artistic professions when they are rather young and can face a high degree of uncertainty. And, as in the case of lotteries, winners may earn much money and artists overestimate their chances of fame and success. High rewards attract risk-seeking individuals:

Since the probability of rising to the top group is so uncertain, entry into these fields has many aspects of a lottery in which only a few obtain the big prizes. This lottery is tempered and made less costly by considerable turnover, especially among young entrants. As new entrants gain information that their prospects are dim, they turn to other, less risky adventures. (Rosen, 1986, p.681)

A simple explanation of behaviours relies on the age distribution of artists, who are younger than the general workforce: hope of success, and propensity to assume risk, are higher at a younger age. The accumulation of

experience is the only way to determine one's chances of success. For MacDonald (1988), young artists study the critics and public reactions to evaluate their probability of succeeding. At each stage of a sequential process, they decide to go on or to abandon their career.

Excess of supply is accentuated by the policy developed by art schools, who offer too many programmes compared to future prospects, especially for classical musicians and singers. Towse (1993) estimates an order of magnitude of private and social rate of return to training as a singer. She concludes that human capital investment is less efficient for arts occupations. Moreover, with public funding for training artists, if support leads to a decrease in the cost of artistic training, the number of artists will increase and the wages will fall.

Regulation of labour markets

Artists represent a small percentage of the total workforce (1.9 per cent in France in 1995 – Observatoire de l'emploi culturel, 1996; 1.5 per cent in the USA in 1998 – Heilbrun and Gray, 2001), but are a very vociferous group; moreover, their living and working conditions may determine the level and quality of the production of culture. Some studies show that the information process for selecting consumption leads not only to a superstar phenomenon, but also to a totally random selection of talent. For Adler (1985), information costs lead consumers to choose what other people have already selected, according to a mimetic process. Market forces alone do not select naturally the most talented: selected performers may be untalented, and the inertia of consumers' behaviour leads them to dominate an increasing share of the market.

One can consider this issue as a justification for regulation, aiming to counteract the natural tendency of the market to eliminate in the short run talented but unknown artists. Three sources of regulation emerge: unions' negotiations, specific status provided by social security schemes, and artists' rights.

Unionization is more frequent among musicians, actors and technicians than among writers and artists. Situations vary considerably, from isolated artists dealing with gallery owners to the case of scriptwriters and actors in Hollywood. Caves (2000) emphasizes the propensity of unions to act in favour of the level of wages, and to erect entry barriers to newcomers. From this point of view, unions do not help the search for talent.

Do artists need specific social security schemes, that would allow them to spend more time to enter the market? In France a specific scheme for the performing arts and the film industry, called 'intermittency status', compensates for unemployment periods of artists and technicians who have worked a minimum of 507 hours a year. This aims to compensate for the

precarious characteristic of artistic life, and to help artists to stay free to build their careers. A similar scheme exists in the Netherlands. Gurgand and Menger (1996) emphasize the perverse effect of such a scheme, which leads to moral hazard incidences: oversupply and also overuse of the system. But this scheme can be viewed as supporting the arts through supporting the artists. Withers (1985) examines the hypothesis of artists subsidizing the arts by accepting low incomes in Australia. Intermittency of employment can be analysed in the same framework as a hidden subsidy that decreases work costs. It has led to a learning process: firms use it in order to diminish the risk linked to the discontinuity of their activity and to the ‘nobody knows property’ (Caves, 2000) and also in order to avoid long-term employment commitments. For their part, artists facing a change in labour contracts, with a growing propensity to sign short-term ones, try to optimize their chances of being eligible by reaching the threshold required by the legislation.

Policies may also stimulate self-employment as an alternative to dependent employment for the unemployed, as in the case of Great Britain. But most countries do not provide specific protection for artists.

A third source of regulation is provided by the artists’ property rights. The mere fact that the appreciation of artists’ works often needs a long period of time (McNertney and Waits, 1984) constitutes an argument in favour of a complementary system of payment. This characteristic may legitimate a system of payment that takes time into account, through royalties, intellectual property payments or artists’ resale rights (for more details on artists’ rights, see Chapter 8 in this volume). Contracts naturally take the time factor into account through optional clauses and other advantages, but such advantages are reserved for well-known and powerful artists.

Concluding remarks

Labour market economics provides a powerful theoretical framework for analysing art labour markets. Nevertheless, the specific features of artistic labour supply certainly require more empirical surveys, and also some research into the demand side, and the different forms of earnings, including optional recurrent contracts, that link a creative artist to the few regular producers.

See also:

Chapter 54: Superstars; Chapter 55: Support for artists.

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