

Researching Labour Markets in the Creative Industries

Ruth Towse

Professor of Economics of Creative
Industries, Bournemouth University

What is the research for?

Cultural economics – artists' labour markets:

- Earnings, supply decisions of professional artists – what (if any) are economic influences? Do labour costs dominate cost of the arts?
- Implications for HE/training – human capital formation
- Methodology – combination of fact finding and testing theory.
Microeconomic analysis

Sociological research – equivalent approach: careers, professionalism, template for other labour markets

Creative industry policy - macro-economics: share of creative industry employment in total, contribution to the economy etc.

Creativity – understanding artistic motivation – social psychology

Which labour market? Defining the target population

- Need to distinguish between macro employment studies and those of sub-sets or specific groups eg all performers, all orchestral musicians or just tuba players
- Artists = primary creators and performers.
- Non-‘artist’ employment in creative industries
- ‘Creatives’ = trained artists working outside creative industries.

Sources of data: official statistics

- Official statistics on employment and creative industry classification have improved a lot in EU (Eurostat) and UNESCO (see Throsby)
- ISIC – International Standard Industrial Classification
- ISOC International Standard Occupational Classification

NACE Statistical Classification of Economic Activities in the European Community (NAICS in USA)

- Digit levels 1-4. Generally, 4 is needed for enough detail
- Interface between ISIC and ISOC = cultural/artistic activity in cultural/arts industry. Often not available at 4 digit level
- Data based on labour force surveys: need to check classifications eg ID of occupation, definition of part-time
- Self employment vs employment/ unemployment/multiple job-holding

ESSnet-CULTURE European Community Statistical System Network on Culture

- NACE 58 — Publishing activities
- NACE 59 — Motion picture, video and television programme production, sound recording and music publishing activities, Programming and broadcasting activities
- NACE 90 — Creative arts and entertainment activities
- NACE 91 — Libraries, archives, museums and other cultural activities.

In 2009, at EU-27 level, 3.6 million people, representing 1.7 % of total employment, were employed in these industries. BUT what is meant by employment??

Sources of data: surveys

Surveys are expensive and difficult to do well. Unknown bias from low response rate and unrepresentative sample. Starting point: how to define the population and contact a sample?

- Look for population of working artists through arts organizations, professional bodies. You need to be able to contact a sample eg e mail address, telephone number
- Understand possible bias eg rules for membership
- Some criterion needed for prof. work eg % time spent on/income from art work.
- One way of defining a creator is by having a diploma in arts training. Contact= follow-up studies from higher ed institutions. Problems :
 1. How strict are entry requirements?
 2. Diplomas not respected by employers – use their own screening eg auditions, portfolio.

Findings from cultural economics

- Excess supply of artists causing low pay
- Artists/creators have higher than average education level but lower than average incomes.
- Many trained artists drop out. Benefits of training not lost, though.
- About one-third of working artists do not have an artistic diploma.
- Artists' earnings: superstar domination skews distribution – use median not average
- Median artist income lower than national level
- Average income of artists has risen more slowly than national rate
- No career structure or earnings curve

- Earnings and 'success' cannot be understood from conventional econ. models. Talent identified as 'unexplained'. Luck unpredictable.
- Is this what is meant by understanding creativity??

Way forward

- Decide what is purpose of research. Fact-finding is not sufficient but it is necessary. Explanation is the goal. Case studies do not belong to a known population.
- Methodology transcends methods. 'Models' may be just taxonomy or testable hypotheses.
- Understand official statistics
- Define context of survey/interviews including work in related fields
- Be aware of problems of predicting/ extrapolating due to uncertainty in creative industries

References

David Throsby 'Cultural statistics' in R. Towse (ed) A Handbook of Cultural Economics, 2nd ed. 2011, Edward Elgar Publishing: pp 158-65 (Also a chapter in Throsby's 2010 Economics of Cultural Policy, CUP).

Ruth Towse (2001) Creativity, Incentive and Reward, Elgar Publishing.

UNESCO culture statistics

<http://www.uis.unesco.org/Culture/Pages/framework-cultural-statistics.aspx>

ESSnet Culture Final Report 2012 <http://ec.europa.eu/culture/our-policy-development/documents/ess-net-report-oct2012.pdf>