



Creativity, Labour Markets and Innovation in the Arts and Cultural Industries

Research Workshop
Macquarie University – Monday 2 July, 2018
MGSM – Meeting Room 265/7

Programme

- 9:00 - 9:30 Registration
- 9:30 - 9:45 Welcome to country and opening remarks
- 9:45 - 10:30 Keynote 1
“Creative labor and the issue of excess – markets, behaviors, risk management”
(Pierre-Michel Menger)
- 10:30 - 10:45 Morning tea
- 10:45 - 11:30 Panel 1
Chair: David Throsby
Panellists: Ruth Towse, Enrico Bertaccini, Lisa Magnani
- 11:30 - 12:30 Contributed papers 1
“The management of human resources in temporarily intensive cultural projects:
The case of European music festivals” (Lluís Bonet)
- “A latent class analysis of visual artists’ working and living conditions” (Trine Bille)
- 12:30 - 1:30 Lunch
- 1:30 - 2:15 Keynote 2
“Psychic income in the labour supply decisions of creative artists: theory,
measurement and an application” (David Throsby and Tom Longden)
- 2:15 - 3:00 Panel 2
Chair: Pierre-Michel Menger
Panellists: Katy Graddy, Trine Bille, Bruce Seaman
- 3:00 - 3:15 Afternoon tea
- 3:15 - 4:15 Contributed papers 2
“What can copyright law do to overcome inequity in artists’ labour markets?” (Ruth
Towse)
- “New York state of mind – Clustering and production of eminent American writers”
(Christiane Hellmanzik)
- 4:15 - 4:30 Closing remarks
- 6:00 - 8:00 Dinner: Open Kitchen Yum Cha (Macquarie Park Shopping Centre)



Abstracts

Keynote 1

Creative labor and the issue of excess – markets, behaviors, risk management

Pierre-Michel Menger

The issue of excess (excess supply of works and excess demand for variety) has been a major defining feature of creative labor markets for at least 150 years. My aim is to check to what extent speaking of excess makes sense. I'll work out the problem by taking a view of excess from the demand side, then from the supply side. In the fourth part of my presentation, I'll show how artists manage to face uncertainty as to their job prospects and economic condition. These risk management techniques provide a clue to recalibrate the excess argument and to look afresh at competition that operates in a regime of unlimited differentiation of production and at the inequalities such a monopolistic competition generates.

Keynote 2

Psychic income in the labour supply decisions of creative artists: theory, measurement and an application

David Throsby and Tom Longden

Non-pecuniary motives are an important determinant of artist behaviour. But the underlying theory of psychic income remains somewhat obscure, and empirical estimations of the magnitude of non-financial rewards to artists are rare. In this presentation, we consider theoretical and measurement issues in the estimation of the impacts of psychic income, and discuss an application to the behaviour of one specific type of artist, namely book authors. Using data from a recent survey of Australian writers, we estimate a labour supply model that accounts for the psychic income derived from creative work, monetary remuneration, and the tradeoff between hours worked in a chosen creative pursuit and other types of employment. Estimating this model using Three Stage Least Squares allows us to control for simultaneity bias due to the constraint of time and the tendency for multiple job holdings. The results allow us to gauge the scale of non-pecuniary benefits of working as an author.



Contributed papers 1

The management of human resources in temporarily intensive cultural projects: The case of European music festivals

Lluís Bonet

The selection and management of human resources in the work-intensive cultural activities represent a critical element for its success (Throsby, 1979; Hen, 2005). Festivals, in addition, are seasonal events of limited temporary duration, based on the singularity and the external recognition (Frey, 2000). Human resources practices such as recruitment and selection are becoming more critical for identifying individuals who possess the skills and the competencies necessary for enhancing organizational performance (Slavich & Montanari, 2009). The majority of the engaged personnel (directly, indirectly or volunteers) doesn't have a permanent relation with the event, and its progressive incorporation as the date of inauguration approaches, enormously trims the processes of formation and quality verification. The result and reputation of a festival depend to a great extent on the combination of artistic, relational and managerial complementary talents, being the continuity or recruitment of key personnel an essential element (Négrier, Bonet, Guerin 2013). In order to reduce the risk that tolerates to base the success of an intensive and singular activity in the hiring of non-stable personnel, the majority of festivals conforms latent organizational structures when using their staff relational networks and the experiences of previous professional collaboration (Bonet et al. 2008). In order to analyse these processes, we conducted a semi-structured questionnaire focused on a large sample of European Music festivals. The results allow to reflect on the profiles and needed skills of different categories of festival professionals, gender unbalances, and the age and distribution of roles when several directors share responsibilities.

A latent class analysis of visual artists' working and living conditions

Trine Bille

Artists' working and living conditions have been the subject of several studies (e.g. Alper and Wassall, 2006, Menger, 2006). This paper will build on this literature but take a new approach in explaining artists' behavior and living conditions. A latent class analysis has been conducted, identifying different segments of artists, each of which are characterized by a different pattern of answers that reveals a particular working and living condition. The development of the latent class analysis includes a membership function, which is estimated through a logistic regression, which allows to predict the probability for an individual to belong to each latent class, given his/her socio-economic characteristics. The dataset consists of a combination of register data from Statistics Denmark and data collected in a survey to 3,028 visual artists in Denmark. Based on the personal identification number the two datasets have been merged. The results show that neither an artistic education, nor the gender differ significantly among latent classes. The visual artists can be segmented into 6 classes: Aspiring artists (10%), poor professional artists (19%), workers related to arts (13%), subsidized artists (26%), arts as a hobby or secondary activity (18%) and devoted to arts (14%). In this way, a latent class analysis can give a more nuanced picture of different groups of artists and their working and living conditions



Contributed papers 2

What can copyright law do to overcome inequity in artists' labour markets?

Ruth Towse

Copyright law has been successively 'strengthened' by extending the term, citing the advantages it has for artists' earnings. What evidence there is suggests that such legal moves have little effect. I would claim that instead these moves strengthen the publishers. The underlying problem is the contracts that artists make with intermediaries in which all valuable economic rights are transferred for a relatively small share of the revenues. The US and some EU countries have a right to reversion that can be exercised by the author or performer after a certain period and under certain circumstances: the EU was contemplating making this part of the Digital Single Market Directive. That triggered my thinking about it in the light of my work on music publishing contracts; the EU documents moreover showed no understanding of the economics of artists' labour markets. My presentation will try to pull these points together.

New York state of mind – Clustering and production of eminent American writers

Christiane Hellmanzik

This paper analyses clustering behavior and 'locational premia' in terms of output as well as peak ages. The analysis is based on the 241 most prominent American writers born 1800-1900. The most important literary cluster is by far New York where migration increased the city's share of writers from 10% to 25% between 1900 and 1930. Over the whole period, 20% of all books are written in the city. We show that New York was a particular relevant location for writers whose works rely on local infrastructure such as playwrights. Secondly we are interested in the impact working in a cluster has on productivity. To this end, we find that writers working in New York publish significantly more plays than writers working in other locations while there is no significant locational effect for books. When decomposing this effect, we differentiate between quality and quantity of fellow writers residing New York in a given year. Moreover, we test whether artists moving to New York at a young age benefit from the 'New York effect' and therefore produce their best work earlier in life than writers elsewhere.

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Presenters and panellists

Professor Enrico Bertaccini, Department of Economics, University of Turin, Italy

Professor Trine Bille, Professor in the Department of Management, Politics and Philosophy,
Copenhagen Business School, Denmark

Professor Lluís Bonet, Professor of Applied Economy, and Director of the Cultural Management
Program, University of Barcelona, Spain

Professor Kathryn Graddy, Senior Associate Dean of the International Business School, and Fred and
Rita Richman Distinguished Professor in Economics, Brandeis University, USA

Professor Christiane Hellmanzik, Professor of Urban, Regional and International Economics,
Technical University of Dortmund, Germany

Dr Thomas Longden, Senior Research Fellow, Centre for Health Economics Research and Evaluation,
University of Technology Sydney, Australia

Professor Lisa Magnani, Head of Department of Economics, Macquarie University, Australia

Professor Pierre-Michel Menger, Professor of the Sociology of Creative Work, Collège de France,
Paris, France

Professor Bruce Seaman, Center for State and Local Finance, Department of Economics, Georgia
State University, Atlanta, USA

Professor David Throsby, Distinguished Professor of Economics, Department of Economics,
Macquarie University, Australia

Professor Ruth Towse, Professor of Economics of Creative Industries and Co-Director of the Centre
for Intellectual Property Policy and Management, Bournemouth University, UK



General participants

David Calas – Linnaeus University, Sweden
Stephen Collins – Macquarie University, Australia
Paul Crosby – Macquarie University, Australia
Pablo De La Vega Suarez – University of Oviedo, Spain
Hayley French – Macquarie University, Australia
Kazuko Goto – Setsunan University, Japan
Luis César Herrero-Prieto – University of Valladolid, Spain
Chris Hodge – Australia Council for the Arts, Australia
Fazeel Mohamed Jaleel – Macquarie University, Australia
Elisabetta Lazzaro – HKU University of the Arts Utrecht, Netherlands
Boram Lee – University of Stirling, UK
Michael Lester – Long View Partners, Australia
Anna Mignosa – University of Catania, Italy
Jordi McKenzie – Macquarie University, Australia
Rebecca Mostyn – Australia Council for the Arts, Australia
Pundarik Mukhopadhaya – Macquarie University, Australia
Matias Muñoz Hernandez – City, University of London, UK
Trilce Navarrete – Erasmus University Rotterdam, Netherlands
Rachel Perry – Australia Council for the Arts, Australia
Katya Petetskaya – Macquarie University, Australia
Chris Pope – Australia Council for the Arts, Australia
Juan Jose Price – Macquarie University, Australia
Felicity Rendall – Australia Council for the Arts, Australia
Ilde Rizzo – University of Catania, Italy
Sunny Shin – Macquarie University, Australia
Andrej Srakar – University of Ljubljana, Slovenia
Sara Suarez Fernandez – University of Oviedo, Spain
Lina Stein – Australia Council for the Arts, Australia
Caitlin Vaughan – Australia Council for the Arts, Australia
Ha Vu – Macquarie University, Australia
Cameron Weber – St. Johns University, US
Jan Zwar – Macquarie University, Australia