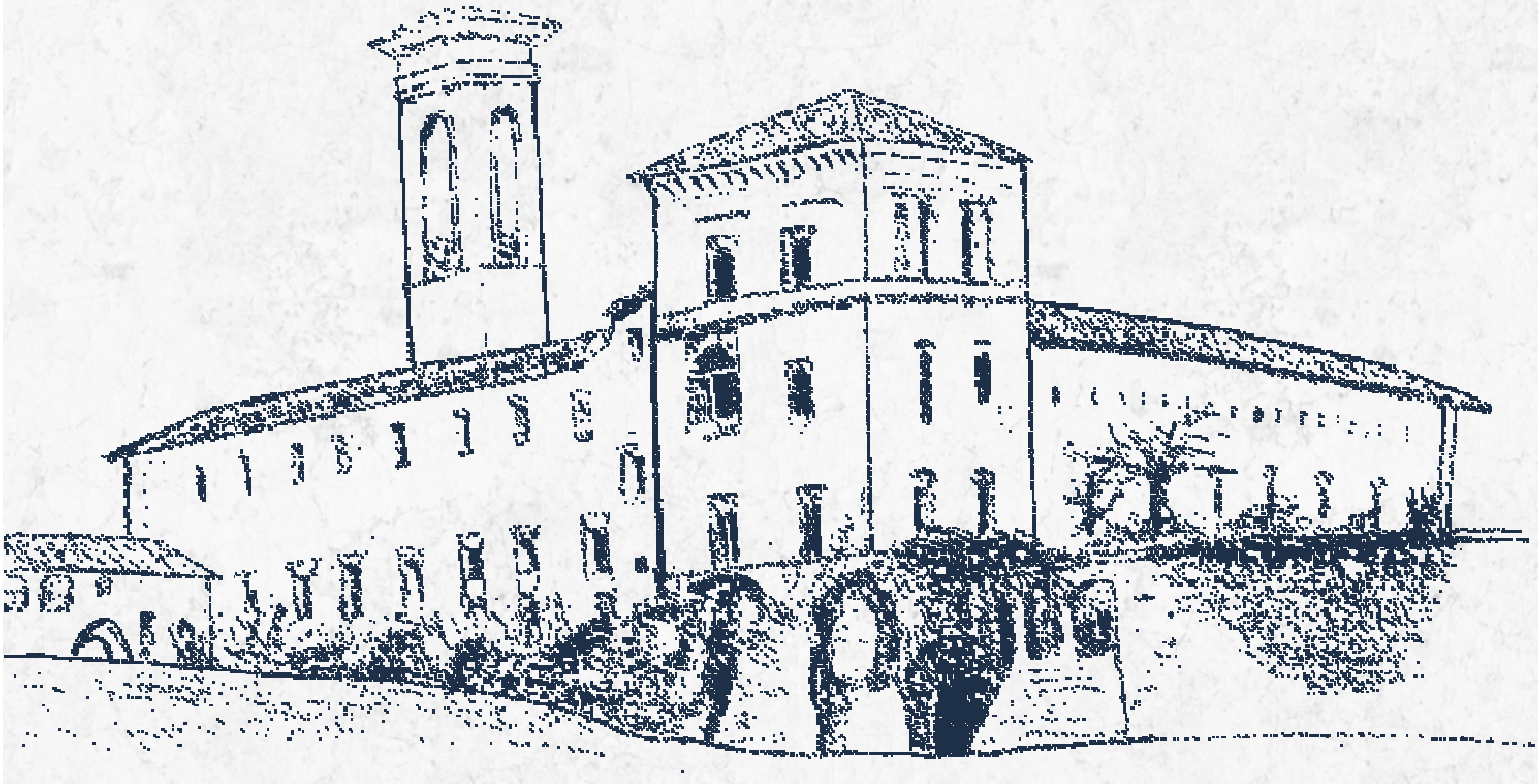
OPEN ACCESS
ISSN 2280-4056

E-Journal of International and Comparative

LABOUR STUDIES

Volume 5, No. 2 May-June 2016



ADAPT
www.adapt.it
UNIVERSITY PRESS

E-Journal of International and Comparative **LABOUR STUDIES**

ADAPT *International School of Higher Education in Labour and Industrial Relations*

E-Journal of International and Comparative

LABOUR STUDIES

Volume 5, No. 2 May-June 2016

ADAPT
www.adapt.it
UNIVERSITY PRESS

Online Publication of the ADAPT Series
Registration No. 1609, 11 November 2001, Court of Modena
www.adaptbulletin.eu

Human Capital and Earning Differentials for Canadian Artists

Laurence D. Dubuc *

Abstract. Artists have traditionally been depicted in academic literature as younger and more educated workers who gain less economic returns from their human capital investment and earn significantly lower self-employment income than workers showing similar human capital features on more traditional labour markets.
Filling an important gap in the literature relating to Canadian artists and their financial situation on the labour market, this article estimates the effect of human capital features and other socio-demographic variables on self-employment income of 9 categories of artists using data drawn from the Canadian census of 2006.
Results show that experience is not generally associated with an increase of earnings for Canadian artists. Moreover, in opposition to human capital theory, a higher level of education is not consistently associated with higher earnings. Rather, it seems that only particular diplomas yield positively on earnings depending on artistic specialty. This indicates that there exist a few precise profitable profiles of education in each different field of the arts. Our findings constitute a major contribution in cultural economics while providing useful information to educational policy designers in Canada.

Keywords: *Human Capital, Canadian Artists, Earning Differentials, Cultural Economics, Artistic Labour Market, Artistic Careers.*

* Laurence D. Dubuc is a Ph.D. candidate at the School of Industrial Relations, University of Montreal (Canada). E-mail: laurence.derouin.-.dubuc@umontreal.ca. The author would like to thank Jean-Michel Cousineau of the School of Industrial Relations, University of Montreal (Canada) for valuable comments.

 - ISSN 2280-4056

1. Introduction

As creativity has become more widely recognized as a competitive advantage facilitating innovation and allowing companies and industries to differentiate themselves, economists have become increasingly interested with cultural industries and the arts in general. Adding to this interest is the fact that the cultural sector now generates multiple positive externalities, such as important job creation. According to Menger (2001), even though there are slight chances of success in artistic professions, "artistic labor markets are steadily expanding, and growing numbers of new candidates to fame or to self-achievement enter the market"[1] (242). Forming a somewhat heterogeneous occupational group in terms of qualifications, abilities and networking capacities, important wage differentials are more likely to exist between artists, particularly on the basis of their artistic specialty. Additionally, and perhaps more importantly, wage differentials may be even more important between artists and other individuals showing similar human capital features on traditional labour market. Building off empirical results of studies conducted by Alper and Wassall (1992) and Throsby (1994), Menger describes artists as an occupational group in the following way:

> Artists as an occupational group are on average younger than the general work force, are better educated, tend to be more concentrated in a few metropolitan areas, show higher rates of self-employment, higher rates of unemployment and of several forms of constrained underemployment (nonvoluntary part-time work, intermittent work, fewer hours of work), and are more often multiple job-holders. They earn less than workers in their reference occupational category, that of professional, technical, and kindred workers, whose members have comparable human capital characteristics (education, training and age) and have larger income inequality and variability[2].

Theoretically, what is interesting in this depiction of artists and their characteristics on the labour market is that human capital theory seems to apply only partially to them. Human capital theory, as elaborated by G. S. Becker in 1964 in his landmark work *Human capital*, relies on the assumption that investing in activities that are aimed at enhancing

[1] P.-M. Menger, *Artistic labor markets and careers*, in *Annual Review of Sociology*, no. 25, 241 – 254.
[2] P.-M. Menger, *Artists as workers: theoretical and methodological challenges*, in *Poetics*, 2001, no. 28, 541 – 574.

individual productivity (e.g. educational or training) will translate into higher individual earnings over time. In cultural economics, a recurrent paradox arises from the fact that artists' remuneration is also importantly determined by talent, which cannot be taught. Regarding this issue, Towse (2006) concludes the following "inherited characteristics, tacit knowledge, innate ability and acquired skills; each plays some role in the individual's productivity and earning power but how much influence is exerted by one or the other has proved difficult to pin down"[3]. The recognition of the effects of both education and experience on earnings dates back to Adam Smith's *Wealth of a nation* (1776), where he was already commenting on the remuneration superiority of certain types of highly appreciated artists. As human capital features can be enhanced through education and on-the-job training, two common ways of measuring these in economics are coherently found to be the level of education of an individual and his experience on the labour market.

Empirically, Menger's description of artists' features on the labour market has been tested and found to be accurate in many studies conducted by researchers[4] in Australia and the United States. But does Menger's characterization of artists' features apply to the Canadian case? Answering this question will be the main focus of this paper. It is certainly possible to find satisfactory statistical information on artists and cultural labour markets in Canada through Statistics Canada, Hill Strategies Research Inc., and other specialized organizations such as the Institut de la Statistique du Québec (ISQ) and Observatoire de la Culture et des Communications du Québec (OCCQ). Some of these specialized data sources along with a tradition of public support of the arts show that Canada does take interest in the monitoring of its cultural sector. As for prior work on the object of interest in Canada, it is our understanding that existing studies generally do not offer associative explanations of the level of earnings between artists of different specialties and/or of different levels of schooling, etc. To our knowledge, the only study on artists' earnings differentials is Panasuk's (1974), which shows that Canadian artists were earning on average 6% less than other occupations. However, Panasuk's study does not control for important determinants of remuneration such as the socio-demographic characteristics of the individuals constituting the

[3] R. Towse, *Human capital and artists' labour markets,* in V. Ginsburgh and D. Throsby, *Handbook of the economics of the arts and culture,* Amsterdam: North Elsevier, 2006, chapter 24, 865 – 894.

[4] To mention only a few, G.D. Snooks (1982), G. Withers, M. Rengers (2002) in Australia and R. K. Filer (1990) and Alper and Wassall (2006) in the United States.

samples, even though gender and status of immigrant, to mention only a few, are largely recognized today as wage determinants.

When looking at statistics on the employment situation of Canadian artists, we find that both the 2011 National Household Survey (NHS) and the Labour Force Survey (LFS)[5] show that 11% of responding artists reported having at least two jobs as opposed to 5% for other occupations. More importantly, the same databases also provide estimates of self-employment rates. The numbers show that these rates are as high as 51% (NHS) and 70% (LFS) for artists as compared to respectively 11% and 15% for other occupations. Even though these data sources have some limitations due to relatively small samples sizes, particularly for artists, we can nevertheless observe that some of the features described by Menger (2002) seem to be accurate within the Canadian context. Moreover, sorting income data drawn from the Canadian census of 2006, which was the most recent census available when this study was conducted, we observe that the median[6] value of self-employment weekly earnings of artists in 2005 was 335$ while for other occupations the median value of labour weekly earnings was 735$. Investigating time allocated to work for both groups, we find that artists and other occupations both worked on average 45 weeks in 2005, but that other occupations work on average 3 additional hours per week than artists. On the whole, this represents a very small gap in time allocation that does not seem sufficient to explain such important earnings differential between both groups as reported above.

Our article seeks to fill the important gap in cultural economics literature in the Canadian context by investigating the grounds on which these earnings differentials lie. We proceed to estimate the impact of certain human capital features and other socio-demographic variables known to discriminate between individuals on the labour market on Canadian artists' self-employment earnings. In our opinion, conclusions derived from our study will provide Canadian policymakers with new information

[5] Hill Strategies Research Inc. A Statistical profile of artists and cultural workers in Canada, 2014, http://www.hillstrategies.com/content/statistical-profile-artists-and-cultural-workers-canada (accessed September 1st, 2015)

Note that Hill Strategies Cabinet use an Index set at 100 regarding the three-year moving averages they use in order to compare the growth of relatively small artists' sample with overall labour force.

[6] As artists tend to show great disparity of wages/earnings as an occupational group, it is thus more adequate to use median values in comparison to mean values when analyzing statistics relating to the matter. Also note that these numbers are drawn from our samples, whose will be described further in the article.

related to the most rewarded features on the artistic labour market. On this matter, we agree with Towse (2006) that "the study of artists' labour market is important in cultural economics because we need to understand what factors affect supply of work by creative artists and performers since cultural policy, whatever its explicit aims, is ultimately designed to encourage creativity"[7].

This topic also proves to be highly relevant to larger areas of inquiry within the field of industrial relations such as the proliferation of new forms of arrangements on the labour market like freelance and project-based work, which represents a typical form of employment for artists. Because of the high level of flexibility that seems inherent to careers in the arts, Menger (2002) mentions that these could represent a generalized career model in the future. Also, as we point to creativity as one of the new major drivers of economic configurations (Sacco and Segre, 2009; Storper and Scott, 2009), we can no longer afford to conduct strictly descriptive studies on artistic and cultural workers, as these do not allow us to fully understand the particular dynamics that occur on the labour market. In addition, descriptive accounts prevent us from providing pertinent recommendations that will guide artists to take better decisions regarding their investment in human capital. For example, since artists are often multiple-job holders, human capital acquisition can work as a signal for employers on the traditional labour market that will work as a positive mechanism to access higher earnings on that particular market. Also, we are very much interested in the different roles educational institutions can play in providing artists with a better future. More precisely, we wish to address the fact that because arts appreciation relies heavily on education, these institutions can also be understood as channels through which we could generate a raise of demand for artistic and cultural goods.

We start by reviewing the cultural economics empirical studies conducted on a similar subject. We then present the methodology for estimating the impact of human capital features on Canadian artists' self-employment weekly earnings. The third section shows results that were statistically significant and bring new information regarding Canadian artists' earning power. To conclude, we discuss the implications of educational institutions and the different ways they can directly and indirectly take action in the human capital debate applied to the artistic labour market.

---

[7] R. Towse, *Human capital and artists' labour markets,* in V. Ginsburgh and D. Throsby, *Handbook of the economics of the arts and culture,* Amsterdam: North Elsevier, 2006, chapter 24, 865 – 894.

2. The Review of Empirical Studies on Human Capital and Artists' Earnings

This brief section presents the results of a few empirical studies measuring the effect of different human capital features and socio-demographic variables on artists' earnings. All these studies used the following traditional mincerian equation (1958) as their methodology to run regression analysis:

$$y = \beta_0 + \beta_1 s + \beta_2 x + \beta_3 x^2 + u$$

Where y represents earnings or wages, β_1 represents the education variable coefficient, β_2 and β_3 represents the experience variable coefficients showing a quadratic relation to earnings and u represents the residual term. Human capital is thus empirically measured with an earnings function's model allowing us to proceed to "any regression of individual wage rates or earnings on a vector of personal, market and environmental variables thought to influence the wage"[8]. Note that experience is also traditionally measured by the mincerian equation $x = a - s - 6$ where a represents age, s the education level measured by the number of years of schooling completed and 6 the age an individual normally enters school.

In Australia, Snooks (1983) conducted a study on a sample of 360 artists randomly selected. Running a regression analysis on annual earnings and on the log of hourly wages separately, he found that human capital features did not have a significant effect on both dependent variables. The determinants of artists' earnings were identified as gender, artistic specialty and number of children in the household, a proxy for parental responsibility. Note that some critics pointed to the very small sample used by Snooks that had an overall low representativity potential, especially for statistical analysis. Withers (1985) proposed a similar study on a sample constituted of 976 Australian artists. Running his equation with the log of hourly wage as the dependent variable, he found that human capital features had an impact on artists' earnings, but to a lesser level than for other occupations. With low values of adjusted R2, he

[8] Willis, R, *Wage determinants: A survey and reinterpretation of human capital earnings functions*, in O. Ashenfelter and R. Layard, eds, *Handbook of Labor Economics*, Amsterdam: Elsevier/North Holland, 1986, 525 – 602.

suggested that talent and innate abilities might play a more important role in the determination of earnings for artists. Rengers (2002) used an already existing sample of 950 Australian artists that allowed him to access detailed information regarding their earnings on the traditional labour market versus the artistic labour market, as many artists often hold multiple jobs. What he found was that human capital features did have a positive effect on artists' earnings on the artistic labour market, but that the effect was more important on the traditional labour market. Gender also was identified as a major earnings' determinant, with female artists being financially penalized when compared to male artists even though showing similar human capital features.

In the United States, Filer (1990) used data drawn from the 1980 census to estimate the effect of human capital features and other socio-demographic variables on total annual earnings. After sorting the initial 82 000 individuals classified as artists to keep only those working full-time in their arts job, he did not specify the actual size of the reduced sample. Moreover, keeping only full-time artists in his sample seemed biased, as they regularly have to work part-time in their arts job while simultaneously working on the traditional labour market to fund their art activities. His conclusions were that education did affect positively artists' income but to a lesser level than for other occupations and that the yield of human capital features on earnings were varying importantly according to the artistic specialty. Towse nevertheless disputed Filer's conclusions in 2001 as the latter used aggregate income data. Finally, Alper and Wassall (2006) conducted a longitudinal study on American artists using data also drawn from every census between 1940 and 2000. With samples varying from 3 863 to 109 469 individuals, they also regressed human capital and socio-demographic variables on annual earnings. They again found that education yields positively on artists' earnings but to a lesser level than for other occupations and that socio-demographic variables yield differently from one artistic specialty to the other. For a more detailed review of this literature one can refer to Towse (2006).

3. Methodology

Our data comes from the Canadian census of 2006 where occupations are classified according to the National Occupational Classification for Statistics (NOC-S). To be considered an artist by Statistics Canada, an individual has to have devoted more than half of his labour time in an artistic occupation, a definition that represents an important limit linked to the professional identity and financial situation of many artists[9]. To proceed to the inclusion of certain categories of artists in the sample, we proceeded to the comparison of the artistic specialties that had been selected by Alper and Wassall in 1982 and 2006, by Filer in 1990, and by Hill Strategies Research Inc. in their recent statistical study on Canadian artists' earnings (2009). To proceed to their selection, Hill Strategies used two criteria. First of all, the title and NOC-S description were used to determine whether the profession was of an artistic nature, then were selected the artists' categories that had the most recurrent possibility to ask for subsidies to the different arts councils in Canada.
Below is the list of artists we have selected for our study. Because it was in accordance with the literature we presented earlier, we chose the exact same categories as Hill Strategies[10]. In parenthesis are found the NOC-S reference codes.

1. Actors and comedians (F035)
2. Artisans and craftspersons (F144)
3. Authors and writers (F021)
4. Conductors, composers and arrangers (F032)
5. Dancers (F034)
6. Musicians and singers (F033)
7. Other performers (F132)
8. Painters, sculptors and other visual artists (F036)

[9] For example, if in 2005 a painter, for different reasons, has been working 49% of the time on his canvases, he will not be considered in the census as an artist. It does not seem sensitive to the fact that artists, for financial reasons, often hold multiples jobs. This represents a limit that has been encountered by numerous authors working with census data in cultural economics.

[10] Note that all individuals belonging to these categories (apart from 1, 5 and 6) can be self-employed as well as salaried. Secondly, if specialised teachers in arts are included in these categories, teachers of elementary school, high-school and post high-school are included in the category E1 – teachers, and thus even if they teach arts they are not considered as artists.

9. Producers, directors, choreographers and related occupations (F031)

To create our samples, we also arbitrarily filtered for a minimal level of annual earnings fixed at 5 000$ for self-employment earnings and labour earnings, to make sure artists included in the sample were engaged in the sale of their products/services and not just doing art as a recreational activity. Indeed, sometimes the earnings associated with artistic work are so low that very wealthy people could be considered artists by Statistics Canada while not having to work for a living. We chose not to restrict our artists' sample to only full-time workers; this decision would have been inappropriate considering that they often hold multiple jobs and are regularly working part-time in their arts jobs (Benhamou, 2000; Menger, 2001 ; Papandrea and Albon, 2004 ; Throsby, 2011). We removed artists that had a degree in medicine/dentistry/veterinary medicine/optometry, as its influence on the level of earnings of artists would constitute an important bias. Note that the samples have been weighted to meet Statistics Canada requirements, meaning they represent the population studied and not the actual number of individuals on whom is drawn this study. Population constituting other occupations is N = 14 994 000 individuals while the one of artists is N = 39 315 individuals. Table 2 shows variables means for artists' sample.

The dependent variable has been manipulated in order to create weekly earnings; we divided annual earnings by the number of worked weeks in 2005 and expressed the result under its logarithmic form. The independent variables, chosen according to cultural economics literature and other similar studies are the level of schooling, experience, gender, status of immigrant, status of visible minorities[11], legal marital status[12], zone of residence, household maintainer and artistic specialty. All socio-demographic variables are dummy variables. Table 1 shows descriptive statistics of both of our samples. We can see that artists are on average 3 years older than members of other occupations, which is not consistent with Filer's suggestion (1990) that artists would get less economic returns on their investment in human capital as they would be on average younger than the other members of the labour force. Also, beside a smaller

[11] Classification of members of visible minorities by Statistics Canada: Chinese, South Asian, Black, Filipino, Latin America, Southeast Asia, Arab, West Asian, Korean, Japanese, multiple visible minorities, not a member of visible minorities.

[12] Classification of legal marital status by Statistics Canada: married, widowed, separated, divorced, single.

fraction of artists who declared being members of visible minorities (11% compared to 17% for other occupations), we find that overall the statistical portraits of both samples are similar, which allow us to investigate the determinants of artists' earnings in order to identify the grounds on which the earnings differential lies.

Table 1: Descriptive Statistics Comparing Socio-demographic Features of Artists and Other Occupations.

Variables	**Artists (*N* = 39 315)**		**Other occupations (*N* = 14 954 685)**	
Age (mean)	44		41	
	Number (*N*)	Percentage (%)	Number (*N*)	Percentage (%)
Member of visible minorities (status of visible minority)	4140	11%	2 572 255	17%
Household maintainer	22 050	56%[13]	7 902 785	53%[14]
Immigrant (status of immigrant)[15]	8640	22%	3 193 065	21%
Married (legal marital status)	18 630	47%	7 644 455	51%
Urban area (zone of residence)	33 745	86%[16]	12 107 420	81%
Female (gender)	19 530	49.7%	6 984 380	47%
Male (gender)	19 785	50.3%	7 970 305	53%

Source: Statistics Canada, 2006 census, author's estimation.

[13] Because of missing values the ratio has been calculated on a total of *N* = 39 250.
[14] Because of missing values the ratio has been calculated on a total of *N* = 14 917 425.
[15] We included in this category immigrants that were not permanent residents.
[16] We removed individuals that answered "no object" in this category so the ratio has been calculated on a total of *N* = 39 090.

An important feature was found when sorting data related to the schooling variable. Indeed, while observing the general level of education of Canadian artists, we found that 53% of them had a university diploma or degree, compared to 23% for other occupations. Even though this feature of Canadian artists regarding education falls in accordance with statistical portraits already depicted by authors studying the same occupational group in other countries, it does not comply with human capital theory as defined by Becker in 1964 in which much emphasis is put on the economic importance of education.

Empirically, human capital theory can be translated into an equation allowing the regression of an individual's wage or earnings on a vector of personal and/or market and environmental variables. Inspired by the first econometric model developed by Mincer (1958), we apply the following equations (1) (2) to our first sample constituted of other occupations (a) and second sample constituted by artists (b) of every specialties. :

$$(1) \quad Ln\, w = a_0 + a_1 S + a_2 E + a_3 E^2 + \sum_{i=1}^{n} a_{4i}\, x_i + \varepsilon$$

$$(2) \quad Ln\, w = b_0 + b_1 S + b_2 E + b_3 E^2 + \sum_{i=1}^{n} b_{4i}\, x_i + \varepsilon$$

Where $Ln\, w$ represents the 2005 weekly earnings expressed under its logarithm form;

S represents the level of schooling measured by the highest certificate or degree obtained

E represents experience on the labour market measured by the proxy constituted by age and squared age[17];

ix_i represents the control variables;

ε represents the residual term

[17] Note that because the Canadian census had already stopped in 2006 giving the number of years of schooling completed as a measure of the level of education, we are not using Mincer's traditional proxy for experience. We inspired our method from P. Ebrahimi and F. Vaillancourt (2010) who studied the private and social yields of a university level of schooling in Quebec according to different disciplines. The authors used a similar methodology to ours and using the 2006 Canadian census, they encountered the same problem we did regarding the measure of education in the creation of a proxy for experience.

We apply equation (2) to the artists' sample to estimate the yield of our independent variables on the weekly self-employment earnings according to their artistic specialty to consider their heterogeneous features.

$$(2) \qquad Ln\, w = b_0 + b_1 S + b_2 E + b_3 E^2 + \sum_{i=1}^{n} b_{4i}\, x_i + b_5 OCC + \varepsilon$$

Where *OCC* represents the artistic specialty

We use traditional Ordinary Least Squares (OLS) as our estimator as it is more reliable when using multiple regression analysis. Relying on cultural economics literature, we were able to draw three principal hypotheses:

a) Human capital features – education and experience - will yield positively on artists' self-employment earnings, but to a lesser degree than for other occupations on the traditional labour market.
b) The yield of socio-demographic variables on self-employment earnings will vary greatly according to the artistic specialty.
c) We expect that being a man in both samples will translate into higher earnings.

The following section shows the obtained results that were statistically significant with $p \leq 0.05$. Note that because of the low level of adjusted R2, which could indicate that talent and innate abilities are more important earnings' determinants, we are not showing results applying to authors/writers, musicians/singers and producers/directors/choreographers/other related occupations, leaving us with 6 artistic specialties.

Table 2: Variable Means for the Artists' Sample

Variable *N = 39 315*	**Mean**	**Standard deviation**
Log weekly self-employment earnings	5,9148	2,00295
Human capital variables		
Age	44,01	30,475
Squared age	2084,1498	2776,35856
Crafts diploma	,0283	,41607

Secondary school diploma or equivalent	,1961	,99684
Apprenticeship or trades certificate or diploma	,0108	,25990
Non-university 3 months to 1 year diploma	,0142	,29753
Non-university 1 year to 2 years diploma	,0731	,65340
Non-university more than 2 years diploma	,0941	,73322
University diploma below bachelor level	,0756	,66376
Bachelor degree	,3016	1,15228
University diploma above bachelor level	,0404	,49418
Master's degree	,0968	,74231
Earned doctorate	,0156	,31141
Socio-demographic variables		
Married (marital status)	,4640	1,25213
Household maintainer	,5597	1,24641
Immigrant (status of immigrant)	,2143	1,03033
Male (sex)	,5059	1,25529
Member of visible minorities	,1018	,75924
Urban area (zone of residence)	,8630	,86334
Artistic specialty		
Actors/comedians	,0989	,74963
Craftspersons	*	*
Authors/writers	,1561	,91130
Conductors/composers/arrangers	,0189	,34200
Musicians/singers	,3262	1,17711
Dancers	,0418	,50243
Other performers	,0241	,38522
Painters/sculptors/other visual artists	,1258	,83260
Producers/directors/choreographers/related occupations	,1132	,79562

Source: Statistics Canada, 2006 census, author's estimation

* Craftspersons were excluded as constituting reference group for artists' sample.

4. Results

4.1. Artists versus other Occupations on the Traditional Labour Market

Table 3 shows results of the regression analysis applied to weekly labour earnings of other occupations in relation to artists. The reference group is constituted of (1) women from the other occupations who (2) do not have a diploma, (3) are not married, (4) are not immigrant, (5) are not a member of visible minorities, (6) are not the head of the household, and (7) live in an urban zone of residence. Note that the results section focuses on the effect of the separate variables included in our model, assuming that other things are being held equal.

Regarding other occupations' human capital features, we observe that an additional year of experience on the labour market yields a 2% increase of weekly earnings. This suggests that investing in the acquisition of experience on the labour market is, as predicted by human capital theory, associated with higher earnings. When it comes to the impact of an increase of the level of education, results show all diplomas yield an increase of weekly labour earnings except the apprenticeship or trades certificate diploma. In accordance with human capital theory, if we choose not to take account of the degree in medicine/dentistry/veterinary medicine/optometry, an increase of the level of education measured by the obtention of a superior degree or diploma shows a growing relation with weekly labour earnings for other occupations. For example, having a high-school diploma yields a 6% increase of weekly earnings when compared to having no diploma, while a Bachelor's diploma yields a 55% increase, a Master's degree a 71% increase and an earned doctorate a 112.5% increase.

Regarding the economic returns of socio-demographic variables on weekly labour earnings, we observed that being a male, married, head of household and living in an urban area is translating into respectively a 26%, 10%, 10% and 5% increase of earnings. Because of discrimination on the labour market, we can observe that being an immigrant and a member of visible minorities is associated respectively with a 19% and 18% decrease of earnings.

We can also observe that choosing a career in the arts is financially very penalizing on the traditional labour market, except if you are an actor/comedian. A plausible explanation could be that for this artistic specialty, the superstar phenomenon is more likely to be accurate within the Canadian context. According to the superstar theory, for careers

whose wages/earnings are largely determined by talent such as arts or sports' careers, only a few individuals will have the sought-after talent or the capacity to efficiently instrumentalize their networks and thereby hog the lion's share of these wages/earnings, leaving the large majority with a very little share of the pie (Rosen, 1981; Alder, 2006). Regarding the other artistic specialties, choosing an artisan/craftperson's career is associated with a 44% decrease of weekly labour earnings, an author/writer's career with a 27% decrease of earnings, a conductor/composer/arranger's career with a 36% decrease of earnings, a musician/singer's career with a 58% decrease of earnings, a dancer's career with a 23% decrease of earnings, another performer's career with a 20% decrease of earnings, a painter/sculptor/other visual artist's career with a 48% decrease of earnings and a producer/director/choreographer/other related occupation's career a 4% decrease of weekly labour earnings.

An important feature mentioned by Robinson and Montgomery (2000) in their study of a sample of American artists from different fields was that being a union member was associated with a 55% increase of art-income. Even though it is impossible for us to draw the same type of reflexion since the Canadian census do not include information relating to the status of unionization and since we also use another more general form of earnings as our dependent variable, it is worth noting that the cinema industry, in which the last category of artists included in our sample is mostly present, is highly unionized in Canada. It is also this artistic specialty that is associated with a less important decrease of earnings when compared to other occupations, while the category constituted of painters/sculptors/other visual artists, identified as Robinson and Montgomery as the category that were earning the lowest level of income, are mostly self-employed. In our case, this category is, along with musicians/singers, the one associated with the highest decrease of earnings when compared to other occupations. This suggests that a further study of the impact of the status of unionization on artists' earnings could be extremely relevant in the Canadian context.

Table 3: Regression results on labour weekly earnings comparing artists to other occupations

Model	Coefficient[18]	t Statistic
N = 14 994 000		
(constant)	5.401*	571.798
Age	.020*	49.951
Age2	.000*	-49.018
No diploma	--	--
Crafts diploma	-.040*	-11.346
Secondary school diploma or equivalent	.060*	21.780
Apprenticeship or trades certificate or diploma	.010*	2.594
	.192*	34.505
Non-university 3 months to 1 year diploma	.120*	34.391
Non-university 1 year to 2 years diploma	.188*	51.844
Non-university more than 2 years diploma	.306*	74.321
University diploma below bachelor level	.553*	185.149
Bachelor degree	.681*	130.988
University diploma above bachelor level	1.744*	412.701
Degree in medicine, dentistry, vet medicine or optometry	.714*	181.201
	1.125*	174.115
Master's degree	.105*	61.545
Earned doctorate	.105*	60.311
Married (marital status)	-.191*	-90.884
Household maintainer	.262*	151.153
Immigrant (status of immigrant)	-.182*	-72.359
Male (gender)	.052*	26.051
Member of visible minorities	--	--
Urban area (zone of residence)	.071*	5.228
Other occupation	-.438*	-31.653
Actors/comedians	-.272*	-25.202
Artisans/craftspersons	-.358*	-11.554
Authors/writers	-.578*	-77.000
Conductors/composers/arrangers	-.231*	-11.073
Musicians/singers	-.203*	-7.419
Dancers	-.478*	-39.855
Other performers	-.041*	-3.257
Painters/sculptors/other visual artists		

[18] * is for coefficient statistically significant with $p \leq 0.05$.

Producers/directors/choreographers/related occupations		

Source: Statistics Canada, 2006 census, author's estimation (R2: 0.233/Squared R2: 0.233)

4.2. Artists Versus Other Occupations on the Self-Employed Labour Market

Table 4 shows results of the application of our model to the same sample and reference group as table 1, except that the regression analysis was conducted on self-employment weekly earnings. Regarding human capital features, the yield of experience is the same for other occupations on both markets, meaning that an additional year on the self-employed labour market is translating into a 2% increase of the weekly income. When it comes to education, we can observe that again, all diplomas yield positively on self-employment earnings except for the crafts diploma and the apprenticeship/trades certificate/diploma, but generally to a lesser degree than on traditional markets. This could indicate that education is less financially compensated on the self-employed labour market. It seems that the acquisition of a higher level of education is again associated with higher earnings by showing a growing relation, as predicted by human capital theory, with the exception of university diplomas above the bachelor and the Master's level, where the positive yield of the former on self-employment weekly earnings is 3% superior than the yield of the latter.

Regarding the yield of socio-demographic variables, we can observe that being a male, married, head of household and living in an urban area is again associated to respectively a 26%, 7%, 9% and 3% increase of weekly self-employment earnings. Also, being an immigrant and a member of visible minorities is associated with respectively a 15% and 16% decrease of earnings. Table 3 and 4 shows us that discrimination based on sex and gender is important for the other occupations on both labour markets, which is in accordance with our third hypothesis.

Results from table 4 also show that engaging in an artistic career is less financially penalizing on this kind of labour market, even though being a member of the group constituted of actors and comedians is still the only artistic specialty associated with a 17% increase of self-employment weekly earnings when compared to other occupations. It seems to make sense that artists, working in flexible and contractual arrangements on the labour market, would then be less disadvantaged on the self-employment labour market. Engaging in a career in the arts remains a costly choice. Choosing an artisan/craftsperson's career when compared to another

non-arts occupation is associated with a 32% decrease of weekly self-employment earnings, an author/writer's career with a 17% decrease of earnings, a conductor/composer/arranger's career with a 31% decrease of earnings, a musician/singer's career with a 44% decrease of earnings, a dancer's career with a 17% decrease of earnings, another performer's career with a 5% decrease of earnings, a painters/sculptors/other visual artist's career with a 34% decrease of earnings and a producer/director/choreographer/other related occupation's career with a decrease of 7% of weekly self-employed earnings. Tables 3 and 4 show us that artists do face earnings differentials when compared to other occupations on both studied labour markets. That said, the following section identifies which variables are associated with an increase of self-employment weekly earnings for the six chosen artistic specialties.

Table 4: Regression results on Self-employment Weekly Earnings comparing Artists to other Occupations

Model	Coefficient	Stats
N = 14 994 000		
(constant)	5.209*	544.393
Age	.021*	50.897
Age2	.000*	-42.813
No diploma	--	--
Crafts diploma	-.060*	-16.841
Secondary school diploma or equivalent	.012*	4.371
Apprenticeship or trades certificate or diploma	-.027*	-6.514
	.117*	20.733
Non-university 3 months to 1 year diploma	.033*	9.387
Non-university 1 year to 2 years diploma	.091*	24.865
Non-university more than 2 years diploma	.177*	42.361
University diploma below bachelor level	.398*	131.600
Bachelor degree	.514*	97.668
University diploma above bachelor level	1.701*	397.243
Degree in medicine, dentistry, vet medicine or optometry	.472*	118.240
	.734*	112.237
Master's degree	.073*	-69.690
Earned doctorate	.089*	50.441
Married (marital status)	-.148*	-69.690
Household maintainer	.259*	147.693
Immigrant (status of immigrant)	-.156*	-61.574
Male (gender)	.031*	15.599
Member of visible minorities	--	--

Urban area (zone of residence)	.165*	11.982
Other occupation	-.316*	-22.548
Actors/comedians	-.173*	-15.810
Artisans/craftspersons	-.305*	-9.710
Authors/writers	-.441*	-57.980
Conductors/composers/arrangers	-.172*	-8.134
Musicians/singers	-.048	-1.730
Dancers	-.337*	-27.706
Other performers	-.076*	-5.903
Painters/sculptors/other visual artists		
Producers/directors/choreographers/related occupations		

Source: Statistics Canada, 2006 census, author's estimation (R2: 0.203/Squared R2: 0.203).

4.3. Artists on the Self-Employed Labour Market According to their Specialty

Tables 5 to 10 show significant results of the application of our model on self-employment weekly earnings of each of the following artists' subsamples: actors/comedians, craftsmen/women, conductors/composers/arrangers, dancers, other performers, and painters/sculptors/other visual artists.

Regarding the yield of human capital variables on self-employment weekly earnings in these subsamples, we can only partially confirm our first hypothesis that it would be positive, but to a lesser extent than for other occupations. Indeed, the experience variable is only associated to an increase of earnings for artisans/craftspersons up to a level of 3.7%, while for all the other artistic specialties, experience is contrarily associated with a decrease of earnings. For other performers, the negative relationship between experience and self-employment weekly earnings is up to a level of 6.5%, which could be explained by the fact that for performance artists' careers are usually short lived as physical capacities decrease with age. For painters/sculptors/other visual artists, the acquisition of an additional year on the self-employed labour market is also associated with a decrease of 4.7% of weekly earnings. This pattern relating to experience is surprising, as other authors have shown that experience is usually associated with a larger increase of earnings for artists than for other occupations, partly because as experience is accumulated they are able to create efficient networks providing more opportunities in the future and partly because they often do not retire at all (Robinson and Montgomery, 2000; Towse, 2006).

Even though we can only speculate about the reasons underlying this pattern, we suppose that this could mean that for Canadian artists, levels of earnings are more related to their reputation and/or talent than their level of experience, which is traditionally considered an important wages/earnings' determinants in human capital theory. What seems of high relevance here is that one way of building reputation relies on forging sustainable networks and that institutions do not only represent an important channel through which to achieve this goal, but also contribute to making experience a source of leverage for accessing higher earnings throughout the career. The integration of more programs of mentoring or apprenticeships linking art colleges and universities to established artists or artists' centres could enhance the possibilities of making experience more financially profitable for artists. We will comment on the effect of education on self-employment weekly earnings for artists according to their specialty later on as we wish to build upon a discussion relating to the role of educational institutions in the support of artists as an occupational group.

Regarding the yield of socio-demographic variables on self-employment weekly earnings according to the artistic specialties, we can confirm our second hypothesis that it does vary greatly depending on the field of artistic occupation. For example, being a male is associated to a 16% increase of weekly self-employment earnings for actors/comedians while for dancers it is associated to a 13% decrease of earnings. Being married might be associated with a 13% and 26% increase of earnings for respectively dancers and other performers, but it is associated with a 11% and 16% decrease of earnings for respectively artisans/craftspersons and conductors/composers/arrangers. The same phenomena can be observed for the zone of residence variable, the immigrant variable, the household maintainer variable and so forth. Our results are consistent with those of Alper and Wassall (2006) regarding the fact that the socio-demographic features have an important effect on earnings. To summarize, the variables yielding the most important increase on earnings for other occupations can be identified as gender and education, while for artists they can be identified as the status of head of household, marital status in some cases and, also in certain cases, education.

Table 5: Regression Results on Actors/Comedians' Self-employment Weekly Earnings

Model	Coefficient	t Statistic
N = 3655		
(constant)	6.164*	43.827
Age	-.018*	-2.845
Age2	.000*	3.337
No diploma	--	--
Crafts diploma	.030	.247
Secondary school diploma or equivalent	-.706*	-9.797
Apprenticeship or trades certificate or diploma	-.579*	-3.324
Non-university 3 months to 1 year diploma	-.601*	-3.740
Non-university 1 year to 2 years diploma	-.351*	-4.133
Non-university more than 2 years diploma	-.216*	-2.823
University diploma below bachelor level	-.229*	-2.631
Bachelor degree	-.418*	-5.736
University diploma above Bachelor level	-.533*	-3.801
Master's degree	-.512*	-4.737
Earned doctorate	-.675*	-3.516
Married (marital status)	-.072	-1.907
Household maintainer	.194*	5.623
Immigrant (status of immigrant)	.133*	2.760
Male (gender)	.160*	5.000
Member of visible minorities	-.024	-.468
Urban area (zone of residence)	.520*	8.230

Source: Statistics Canada, 2006 census, author's estimation
(R2: 0.103/Squared R2: 0.099).

Table 6: Regressions Results on Artisans/Craftspersons Self-employment Weekly Earnings

Model	Coefficient	t Statistic
N = 3700		
(constant)	5.121*	27.703
Age	.037*	4.697
Age2	.000*	-5.191
No diploma	--	--
Crafts diploma	-.092	-1.622
Secondary school diploma or equivalent	-.099*	-2.326
Apprenticeship or trades certificate or diploma	-.049	-.703
Non-university 3 months to 1 year diploma	-.068	-.900
Non-university 1 year to 2 years diploma	-.331*	-6.631
Non-university more than 2 years diploma	-.191*	-3.804
University diploma below bachelor level	-.425*	8.177
Bachelor degree	-.050	-.977
University diploma above bachelor level	-.353*	-3.235
Master's degree	-.002	-.021
Earned doctorate	*	*
Married (marital status)	-.106*	-4.238
Household maintainer	.125*	4.748
Immigrant (status of immigrant)	-.162*	-5.057
Male (gender)	-.015	-.591
Member of visible minorities	0.17	.397
Urban area (zone of residence)	-.008	-.340

Source: Statistics Canada, 2006 census, author's estimations (R2: 0.094/Squared R2: 0.089).

Table 7: Regression Results on Conductors/Composers/Arrangers' Self-employment Weekly Earnings

Model	Coefficient	t Statistic
N = 720		
(constant)	4.995*	5.494
Age	.038	.925
Age2	.000	-.844
No diploma	--	--
Non-university 1 year to 2 years diploma	-.965*	-2.746
Non-university more than 2 years diploma	.033	.118
University diploma below bachelor level	-.010	-.043
Bachelor degree	-.077	-.044
University diploma above bachelor level	-.315	-1.033
Master's degree	.389	1.700
Earned doctorate	-.213	-.820
Married (marital status)	-.156	-1.111
Household maintainer	.374*	2.542
Immigrant (status of immigrant)	.047	.290
Male (gender)	.298	1.892
Member of visible minorities	.199	.707
Urban area (zone of residence)	-.293	-1.359

Source: Statistics Canada, 2006 census, author's estimation (R2: 0.227/Squared R2: 0.132).

Table 8: Regression Results on Dancers' Self-employment Weekly Earnings

Model	Coefficient	t Statistic
N = 1720		
(constant)	6.046*	35.436
Age	-.007	-.964
Age2	-9.116^{E}-006	-.108
No diploma	--	--
Crafts diploma	.318*	3.853
Secondary school diploma or equivalent	.122	1.731
Apprenticeship or trades certificate or diploma	.328*	2.684
	-.135	-1.402
	-.246*	-2.850

Non-university 3 months to 1 year diploma	.326*	4.131
Non-university 1 year to 2 years diploma	-.037	-.444
Non-university more than 2 years diploma	.021	.287
University diploma below bachelor level	.321*	3.280
Bachelor degree	.378*	3.759
University diploma above bachelor level	*	*
Master's degree	.130*	3.539
Earned doctorate	.100*	3.022
Married (marital status)	.128*	3.377
Household maintainer	-.130*	-2.785
Immigrant (status of immigrant)	-.057	-1.245
Male (gender)	-.245*	-4.723
Member of visible minorities		
Urban area (zone of residence)		

Source: Statistics Canada, 2006 census, author's estimation (R2: 0.118/Squared R2: 0.109).

Table 9: Regression Results on Other Performers' Self-employment Weekly Earnings

Model	Coefficient	t Statistic
N = 975		
(constant)	7.495*	22.613
Age	-.065*	-3.734
Age2	.001*	3.580
No diploma	--	--
Crafts diploma	-.023	-.191
Secondary school diploma or equivalent	.041	.468
Apprenticeship or trades certificate or diploma	.023	.116
Non-university 3 months to 1 year diploma	.867*	3.654
Non-university 1 year to 2 years diploma	-.511*	-3.687
Non-university more than 2 years diploma	.362*	2.357
	-.126	-.905
	.437*	4.325
	-.190	-.772
	.053	.223
	N/A	N/A

University diploma below bachelor level	.263*	3.666
Bachelor degree	N/A	N/A
University diploma above bachelor level	-.088	-.925
Master's degree	-.044	-.700
Earned doctorate	-.373*	-3.489
Married (marital status)	-.536*	-5.140
Household maintainer		
Immigrant (status of immigrant)		
Male (gender)		
Member of visible minorities		
Urban area (zone of residence)		

Source: Statistics Canada, 2006 census, author's estimation (R2: 0,157/Squared R2: 0,141)

Table 10: Regressions Results on Painters, Sculptors and Other Visual Artists' Self-employment Weekly Earnings

Model	Coefficient	T test
N = 4950		
(constant)	6.852*	46.005
Age	-.047*	-8.452
Age2	.001*	9.853
No diploma	--	--
Crafts diploma	-.010	-.136
Secondary school diploma or equivalent	.051	1.109
Apprenticeship or trades certificate or diploma	-.040*	-4.429
Non-university 3 months to 1 year diploma	.343*	3.422
Non-university 1 year to 2 years diploma	.038	.673
Non-university more than 2 years diploma	-.006	-.119
University diploma below bachelor level	.407*	7.304
Bachelor degree	-.077	-1.668
University diploma above bachelor level	.056	.708
Master's degree	.077	1.361
	-.513*	-3.488
	.046*	1.983
	-.045	-1.917
	-.284*	-10.383
	.008	.344
	.133*	3.338
	-.120*	-4.377

Earned doctorate Married (marital status) Head of the household Immigrant Male (gender) Member of visible minorities Urban area (zone of residence)		

Source: Statistics Canada, 2006 census, author's estimation (R2: 0.080/Squared R2: 0.076)

The impact of education on artists' self-employment weekly earnings according to their specialty shows that it is more profitable for other occupations to invest in education than for artists, which confirms our first hypothesis. It also shows different results than those predicted by human capital theory. First of all, for actors/comedians and for conductors/composers/arrangers, none of the diplomas included in our model have been associated with an increase of self-employment weekly earnings when compared to having no diploma or degree at all. This again suggests that for these specialties, since the yield of experience is also not significant in both cases, talent might play a more determinant role in earnings determination. What has been shown in tables 5 to 10 is that sorting diplomas from the lowest to the highest level of education it provides is not showing a growing relation when it comes to self-employment weekly earnings of artists. In fact, it seems that depending on their specialty, very precise diplomas yield an increase of their earnings while others, even considered superior on the diploma/degree continuum, are on the contrary associated with a decrease of earnings. Table 6 shows the profitable diplomas according to the artistic specialty, other things being equal.

Table 11: Education Profiles Financially Profitable for Canadian Artists according to their Specialty

Artistic specialty	Profitable profiles of education
Dancers	• Crafts diploma • Apprenticeship or trades certificate/diploma • Non-university diploma for programs of more than 2 years (college, CEGEP)

	• University degree above Bachelor's level • Master's degree
Other performers	• Non-university diploma for programs from 3 months to one year (college, CEGEP) • Non-university diploma for programs of more than 2 years (college, CEGEP) • Bachelor's degree
Painters/sculptors/other visual artists	• Non-university diploma for programs from 3 months to one year (college, CEGEP) • University diploma below bachelor's level

The fact that only certain diplomas yield positively on artists' self-employment earnings raises questions regarding the adequacy of academic programs offered to Canadian artists. For instance, is the content of school programs too theoretical? We already argued for the inclusion of more on-the-job training through mentoring or apprenticeships, as it would enhance chances of making useful contacts and build reputation. What we now suggest is that it could also make the education variable more financially profitable. Making more profiles of education profitable should play an important role in encouraging artists to pursue their current pattern of acquiring a high level of education, as it represents an important investment of time and money they certainly would like to see compensated. Also, as artists often hold more than one job, we can only be in favor of encouraging them to continue to invest in schooling, as it will certainly be profitable in other job(s) such as teaching, for example, if they wish to get out of the artistic labour market. To summarize, it seems that besides recommending the inclusion of more on-the-job training within academic programs, the discussion relating to the patterns of human capital features of artists is becoming a bit obsolete. Indeed, the information relating to the little chances of success is easily accessible to anyone wishing to engage in an artistic career, but nevertheless according to the 2013 Canadian Labour Force Survey (LFS) the number of

individuals engaging in an artistic career in Canada has registered a 56% increase between 1987 and 2013 comparatively to an increase of 38% for the overall labour force[19]. In other words, aspiring artists do not seem to be discouraged by high competition and financial precariousness related to the choice of career. Artist act not only on cultural wealth but as they are highly qualified and creative workers, they also participate actively to the emergence of cultural districts by attracting employers seeking their talent.

The following section wishes to go beyond our analysis that has up to now focused exclusively on the individual level because, amongst other things, of limitations inherent to the census. Precisely, in the next section we wish to explore the different ways institutions can play an active role in improving the financial situation of Canadian artists. It is argued that human capital theory might be of a different use to the study of artists' earnings by pointing to education as the main channel through which the general skills necessary to appreciate the arts are developed. We therefore reverse our analysis by assessing initiatives that could stimulate the demand for cultural goods.

5. Discussion: Institutions and Human Capital

Human capital theory postulates that individuals will invest in the acquisition of different skills or abilities as a means to maximise utility. Put differently, this means artists are seen according to this view as rational actors capable of assessing the costs and benefits associated with the activities leading to the acquisition of human capital. Underlying the traditional equation used to measure the effect of human capital on earnings/income/wages, Mincer said that "the starting point of an economic analysis of personal income distribution must be an exploration of the implications of the theory of rational choice"[20]. Referring to Milton Friedman, he also identified two ways through which individual choice could affect the income distribution: the risk aversion level of individuals

[19] Hills Strategies Research Inc. A Statistical profile of artists and cultural workers in Canada, 2014, http://www.hillstrategies.com/content/statistical-profile-artists-and-cultural-workers-canada (accessed September 1st, 2015)
Note that Hills Strategies Cabinet use an Index set at 100 regarding the three-year moving averages they use in order to compare the growth of relatively small artists' sample with overall labour force.

[20] J. Mincer. *Investment in Human Capital and Personal Income Distribution,* in *Journal of Political Economy*, 1958, vol. 66, no. 4, 281 – 302.

and the formation of a wage differential mechanism compensating a job for its disadvantages. For artists, the use of this theoretical framework and underlying assumptions pose a few challenges. Indeed, artists are depicted in the literature as individuals with a relatively low level of risk aversion when compared to other occupations (Santos, 1976; Benhamou, 2003), which suggests that as they choose to engage in risky careers they should have access to well paid jobs. Moreover, following Adam Smith's theory of compensating wages differential (1776), the fact that artistic careers show very high inconsistency of employment should also be compensated by higher earnings in the labour market. The findings presented above show that this is not entirely the case in the Canadian context.

Also, in economics, the study of institutions has traditionally been pursued in accordance with rational choice institutionalism, where they are seen as "shaped patterns of action that economic agents devise in order to overcome uncertainty and economize on search processes"[21]. As we suppose that individuals seek to get compensated for their investment of time and/or money after having invested in education, for example, this also suggests that accessing higher labour earnings represents an important source of well-being for a large fraction of population. What is problematic here is the well-known hypothesis that artists could be more interested in maximizing their 'psychic' income deriving from working in the arts than their monetary income. For example, even if recognizing that artists are at different levels reactive to economic incentives on the labour market, Throsby underlined that:

> The primary desire to create art as a principal occupation must be recognized as the essential driving force behind an artist's labor supply decisions. In this respect artists may be seen as similar to academics, researchers, and other professionals where non-pecuniary motives relating to work satisfaction exert a significant influence on patterns of time allocation. Nevertheless, artists as a group differ by virtue of the fact that their professional creative work alone is, in the majority of cases, unlikely to generate a living wage over a reasonable period of time, either because the hourly earnings are too low and/or because remunerative work opportunities are not available.[22]

[21] G. Morgan and M. Hauptmeier. *Varieties of institutional theory in comparative employment relations*, in A. Wilkinson, G. Wood and R. Deeg eds, *Oxford Handbook of Employment Relations - Comparative Employment Systems*, Oxford: Oxford University Press, 2014, chapter 9.

[22] C.D. Throsby. *The production and consumption of the arts: a view of cultural economics* in *Journal of Economic Literature,* 1994, vol. 32, no.1, 1 – 29.

Putting the concept of the desire to participate to the lottery of success that represents artistic careers aside, the Canadian situation of artists suggests that it seems unlikely that they invest in education to access higher earnings. We assist to a paradox in cultural economics where the application of strictly quantitative methods can hardly measure or estimate the implications of the fact that "education and learning may yield utility directly to the individual rather than a deferred utility of potential earnings. Furthermore, occupational choice may not be determined solely by financial reward because people may choose an occupation for non-pecuniary motives such as a preferred lifestyle"[23]. Also, as psychic income was defined by Thurow in 1978 as "a term used to characterise all manner of non-monetary costs and benefits derived from work, such as fame, power, companionship, discomfort and risk to life"[24], it seems to us like the study of artists' motivations, time allocation and remuneration on the labour market could benefit from the mix of quantitative and qualitative methods allowing a better understanding of the dynamics underlying their career paths. For example, situating the experiences of artists to try to have a contextualized understanding of their allocation of time might allow us to identify if they're trying to maximise their monetary income or their psychic income when considering rational choice assumptions. Even though artists can most definitely switch from one pattern of maximisation to another, the tradition of economics in our opinion can go further than the strict analysis of rational behaviour of artists on the labour market to include a study of their motivations and subjective preferences at a given time, which are difficult to measure with econometric tools. Also, as we pointed before, even the most detailed source of statistics in Canada did not contain any information about the presence/absence, amount or portion of grants and/or bursaries in total self-employment earnings, which prevented us to estimate the effect of state interventionism in the determination of their earnings. This represents a serious limit since artistic and cultural sectors rely heavily on public funding.

The subjective dimensions of artistic remuneration, for example work patterns, the importance of psychic remuneration and so forth are also

---

[23] R. Towse, *Human capital and artists' labour markets*, in V. Ginsburgh and D. Throsy, *Handbook of the economics of arts and culture*, Amsterdam: North Holland Elsevier, 2006, chapter 24, 865 – 894.

[24] L.C. Thurow, *Psychic income: useful or useless?* In *American Economic Review*, 1978, vol. 68, no. 2, 142 – 145 in M. Rengers, *Economic lives of artists: studies into careers and the labor market in the cultural sector*, University of Utrecht, 2002, 194 p.

difficult to overcome with econometric analysis. An alternative which might help researchers get a deeper understanding of the dynamics occurring on the artistic labour market would be to link the economic behavior of artists to the idea that "actors learn what frames of meaning, cognitive schema, and normative templates are legitimate and expected in these particular fields and what sanctions exist for those unwilling to conform"[25]. The very fact that talent plays a major role in artistic remuneration raises questions about how talent is consecrated. The people shaping and establishing the different criteria necessary for an artist to be considered talented often have either the appropriate schooling level and/or experience that makes them experts in their fields. Again, it is partly their human capital that gives them legitimacy. An artist deciding not to comply with these constantly evolving but institutionalized trends and criteria might decide to expose its work through alternative channels, but he or she will suffer the consequences of not being exposed in major venues. Since art should not be made after factoring the different limits and boundaries that are implicit to arts institutions, this represents a paradox recognized by Becker (1982) who emphasized the idea that rationality can translate into different forms of behavior that can be difficult to measure with econometric tools.

Indeed, the multiplicity of institutional logics that are shaping "individual preferences, organizational interests and the categories and repertoires of actions to attain those interests and preferences"[26] seems accurate if we agree that artists might not be investing in education to maximize their earnings throughout their careers. Following the same logic, the application of human capital theory on the occupational group constituted by artists considers the subjective dimensions that we identified that are not necessarily of relevance for other occupations. Yet human capital theory and its focus on the benefits of education still have a lot of offer in cultural economics as it can also indirectly participate to the financial support of artists through its capacity to develop the cognitive frame necessary to arts appreciation. Indeed, encouraging the formation of a human capital that allows understanding and appreciation of the arts

[25] G. Morgan and M. Hauptmeier. *Varieties of institutional theory in comparative employment relations*, in A. Wilkinson, G. Wood and R. Deeg eds, *Oxford Handbook of Employment Relations - Comparative Employment Systems*, Oxford: Oxford University Press, 2014, chapter 9.

[26] G. Morgan and M. Hauptmeier. *Varieties of institutional theory in comparative employment relations*, in A. Wilkinson, G. Wood and R. Deeg eds, *Oxford Handbook of Employment Relations - Comparative Employment Systems*, Oxford: Oxford University Press, 2014, chapter 9.

would enlarge the fraction of population that is open to arts consumption. As artistic goods have been depicted as addictive goods (Becker and Murphy, 1988), such a strategy might contribute to the formation of sustainable consumption habits that will translate into a raise of demand for arts goods.

As the need to create for artists constitutes most probably the cause of the growing number of candidates engaging in this lottery of success even knowing the very little chances of success, stimulating demand for arts goods should be regarded as a part of the equation. As Becker and Stigler (1977) have shown, investing in the development of the human capital features that are necessary to appreciate certain types of experience goods such as artistic goods will result in more sophisticated choices by consumers in addition to raise the productivity of the time allocated to the activity. The dynamics participating to the development of taste is also playing an important role shaping the consumption patterns of cultural goods, as emphasized by Lévy-Garboua and Montmarquette (2002) when they argued that individuals were not necessarily aware of their own tastes and that their discovery was mostly relying on accumulated experience also known as their learning-by-doing model. For Bourdieu, there are two principal channels through which individuals can develop their cultural capital, either the domestic or scholastic sphere. What interests us here is the latter; as we have argued that educational institutions can have a direct effect on artists' human capital features, but also on the general population's human capital features allowing them to appreciate artistic goods.

The fact that the more educated tend to consume more art under various forms has been proved in many empirical studies (Bourdieu, 1984; DiMaggio and Useem, 1978; Peterson, 1992), even though again none of these studies have been conducted on a Canadian sample. What institutions provide is described by Bourdieu as the possibility to offer the cognitive skills necessary to the appreciation of the arts and encouraging the transmission of knowledge. Apart from the level of education that has been identified as playing a major role in the range of artistic goods that is consumed – either lowbrow, middlebrow or highbrow forms of arts, the variables that have been identified as major determinants of the level of arts consumption is the time available for leisure activities (Withers, 1980, Diniz, Ghama, Golgher and Machado, 2014), changes affecting family structures and the general aging of the population (DiMaggio and Mukhtar, 2004).

Our results as well as the above discussion have a lot to offer for Canadian policymakers. Indeed, the fact that the traditional family

structure seems to be more and more decomposing into the proliferation of single-person households and single-parent households have deep implications regarding the time available for leisure activities. As education can enhance the skills necessary to art appreciation for the first category of household, the encouragement of parental support during mandatory cultural activities included as part of academic programs also represents a way educational institutions can act on stimulating their interest in artistic goods and services. To summarize, estimating the human capital yield on artists' earnings might represent an important source of knowledge allowing us to identify the attributes that are most in demand on the market. What it cannot do is tell us why Canadian artists are still investing so much in education even though most diplomas do not yield an increase of their artistic earnings. Since there are numerous dynamics still difficult to measure with traditional econometric tools when it comes to the artistic labour market, the debate revolving around human capital might have to shift towards learning more about different ways institutions can provide artists with more opportunities to create sustainable networks in their respective fields while providing the population with the skills necessary to art appreciation. With regards to this first proposition, the revision of academic arts programs to see whether they provide students with adequate networking opportunities, which seem to represent a more powerful tool for artistic success than diplomas should be considered. As education is without a doubt one of the most promising ways to reduce social and economic problems by encouraging positive socioeconomic externalities such as social mobility, the second proposition underlines the potential of educating the Canadian population as an indirect way of supporting the arts, which contributes to the well-being of our society.

ADAPT International Network

ADAPT is a non-profit organisation founded in 2000 by Prof. Marco Biagi with the aim of promoting studies and research in the field of labour law and industrial relations from an international and comparative perspective. Our purpose is to encourage and implement a new approach to academic research, by establishing ongoing relationships with other universities and advanced studies institutes, and promoting academic and scientific exchange programmes with enterprises, institutions, foundations and associations. In collaboration with the Centre for International and Comparative Studies on Law, Economics, Environment and Work, (DEAL) the Marco Biagi Department of Economics, University of Modena and Reggio Emilia, ADAPT set up the International School of Higher Education in Labour and Industrial Relations, a centre of excellence which is accredited at an international level for research, study and postgraduate programmes in the area of industrial and labour relations. Further information at *www.adapt.it*.

For more information about the E-journal and to submit a paper, please send a mail to *LS@adapt.it*.

DEAL Centre for International and Comparative Studies Law Economics Environment Work
THE MARCO BIAGI DEPARTMENT OF ECONOMICS
UNIVERSITY OF MODENA AND REGGIO EMILIA

ADAPT International.it
Building the Future of Work