



Munich Personal RePEc Archive

Practice, Entrepreneurship and Subjectivity in Artist Identification with Applications to the Covid-Era

Weber, Cameron and Zhen, Ying and Arias, JJ

August 2022

Online at <https://mpra.ub.uni-muenchen.de/115712/>
MPRA Paper No. 115712, posted 02 Jan 2023 14:39 UTC

**Paper for the 6th North American Cultural Economics Workshop
November 19-21, 2022, Fort Lauderdale, FL USA**

**“Practice, Entrepreneurship and Subjectivity in Artist Identification
with Applications to the Covid-Era”**

Cameron M. Weber¹, Ying Zhen and JJ Arias

DRAFT 23 August 2022

Abstract

How we define an artist and how we use census and survey data to study artist behaviour is a cornerstone of cultural economics. Frey and Pommerehne (1989) list eight criteria for identifying an artist, from time spent on and income derived from art-making, to reputation and recognition, organizational membership and professional qualifications. We take a radically subjective approach where we use only the last of their categories, artist self-identification, to attempt a theoretical advancement in art economics. Concurrent with the professionalization of economic science at the university and positivism in economic policy emerges a quantitative focus on production in labor markets (Tribe 2022). This seems a Procrustean bed for cultural economics in that artists tend to be self-directed, entrepreneurial and self-employed and when they do work for others, do so only as a second “job” in order to support creative practice (Throsby 1994). This is not a labor market model where income is maximized and redistribution is needed for fairness. There is an over-supply of art, subsidy may not be necessary as may create moral hazard (Benhamou 2003). We use Max Weber (1919)’s original notion of avocation (substantive value) versus vocation (instrumental value) and determine that it may be wrong to fit art-making into the categories of mainstream industrial and labor economics. For our book *Artists and Markets in Music* (Routledge 2023) we are currently conducting two complementary surveys to understand how musicians have altered their social practice and craft during the covid-era. One survey is of Grammy-members where the criterion for being an artist is to make one’s living at music and follows-on a 2018 survey (Krueger 2019). The second is a grassroots snowball survey where the criterion is self-identification as a musician. The two different surveys might help us to test differing relevancies for the SAD production function in music as proposed by Samuel Cameron (2015, 2016) as well as further identifying market heterogeneity as discussed in Throsby 1994.

JEL Codes: I26, Z13, B40, O3, J82

Key Words: Arts Entrepreneurship, Musical Artist, Creativity, Covid-Era, Industrial Organization

¹ Corresponding author and presenter, cameron_weber@hotmail.com

Ah, a pianist! I see,' said Mr. Rodgers, 'an excellent pianist, but perhaps hardly a musician. Very reserved, very honest, and with a great love of animals.

Trevor was a painter. Indeed, few people escape that nowadays. But he was also an artist, and artists are rather rare.

-Oscar Wilde²

I Introduction

This paper attempts a novel heterodox approach towards the study of art and artist in cultural economics. The approach is embedded within a larger critique of the mainstream economics profession. In orthodox labor economics, with exceptions, “work effort” is seen as a cost to the employee and a benefit to the employer. The wage will clear where costs equals benefits. This brings economic efficiency in the wage-labor market because it is assumed that “workers” want to maximize their income and employers (capital) their profit. Markets, properly steered by the state when markets fail, are an instrument towards realizing a goal: that of full employment and maximum economic growth. Mainstream economics is about realizing the quantitative instrumental values of income, wealth, consumption and growth (see, Klamer 2016). This is the foundation for economic planning under the economics of industrial organization.

We reiterate an under-emphasized alternative hypothesis and find that instrumental economic thinking may not be appropriate when considering artist behavior. A well-known finding is that artists in fact don't try to maximize their income, rather seek to maximize the time spent on their craft by working for others only to the point where outside income is needed to supplement art income (see, Throsby 1994). For the same level of education, artists earn less income than those in the same scientifically-defined occupational categories. “Artists are found to work fewer hours [for others, author], suffer higher-unemployment and earn less than members of the reference group” (Alper and Wassall 2006, 814).

² The first epigram is from “Lord Arthur Saville’s Crime” (1891), and the second is from “The Model Millionaire” (1887).

This means that in neo-classical economic thinking there must be an “over-supply” of artists in that artists continuously remain in the market and continuously don’t receive the expected equilibrium money wage. Artists subjectively trade-off economic income for non-pecuniary “psychic income”. This behaviour is not consistent with the models used by economic experts for regulating the economy. Instrumental economic thinking may not be applicable to a potentially nebulous category called “artist markets”.³

Procrustean Bed

To better make this point of a Procrustean bed created for analyzing human behavior, the first section of the paper is a discussion and critique of the rise of economics as a profession under modernism, and how applied fields such as labor economics and industrial economics are now relegated to an elite under a system of control (bureaucratization) which begins with World War One nationalism (Weber 1919). Modernization theory is that there has been a “professionalization of everything”. We use Keith Tribe’s recent *Constructing Economic Science* (2022) as an entry-point to discuss how discussion in political economy transforms into an elite economic “science” and how this is reinforced in the academy beginning in the early-20th century and intensifies through today’s covid-era.

Art creation has intrinsic value (again “psychic income”) that is not reducible to utilitarian-based welfare economics. The occupational-based survey method oftentimes misidentifies those who consider themselves artists in that self-identified artists may get classified through standardized surveys into occupational categories other than the arts due to the need to supplement art income (see, Alper and Wassall 2006). Do artists really fit the category of wage-labor in a “labor market”? Our thesis is that the answer is “No”. We supplement research which has found that artists tend to be more entrepreneurial-oriented than others in society with a preference for self-employment rather than consider themselves as working for others (see, Towse 2001). Our proposal is that placing artists into a “labor market” may be a classification error.

³ “Science is what we understand well enough to explain to a computer. Art is everything else we do” – Donald Knuth, https://en.wikiquote.org/wiki/Donald_Knuth

The Failure of Market Failure

Specifically, our paper is about musical artists, musicians being an especially difficult “class” of people from which to gain information (Madden 2004). The over-supply of artists (“the starving artist” and “don’t quit your day job”) may not be a market-failure which needs correcting through, for example, subsidies determined by state bureaucracies to equalize economic wages between artists and others in expert-determined classification. Artists behaviour may not be reducible to economic thinking and to do so for public good reasons as defined in neo-classical economics may cause more harm than good in terms of allowing an environment for creative flourishing.

Our approach attempts to disentangle a perhaps overly-aggregated and mechanistic neo-classical approach to art economics with a more subjective, entrepreneur-oriented approach. The third section of the paper discusses methodologies used to identify artists and evaluate artist behaviour, including the use of surveys. We find that most historical approaches have missed the long-tail distribution of artists who practice as an avocation rather than a vocation. This means that “winner-take-all” superstar effects may be over-stated. We also discuss our innovative survey method which helps explain why we use artist subjective self-identification as the sole criteria for ‘judging’ who is an artist.

We conclude by returning to political economy. Arts are part of a larger economic biology. Without a healthy economic body the arts are less inclined to flourish (there are of course exceptions). We find that, for the US, we should be more humble in our requests for state funding of public goods because there has been structural change in the US economy over the last 15 years which requires addressing the fiscal condition of the nation-state. Cultural economists may have a predisposition towards ascribing a social value to art beyond the market, however we find that the professionalization of the arts may inhibit creativity in the economy writ-large.

II The Professionalization of Everything

What is economics and how is it different from political economy?

Political economy (moral philosophy’s precedent) began with the discussion tradition of the Enlightenment in the 18th century and then to what is now known as classical liberalism in the 19th century with an ideal of free-trade trade and a minimal state. Tribe (2022) tells the story of the rise of professional economics in

the 20th century as distinct from political economy from a new discipline to a scientific profession which is engaged in expert planning as an embedded part of the operations of the state. This mutual benefit and self-interest, between economists and the political power which they help consecrate, is willfully guided by academic economists, especially Lionel Robbins who started the first undergraduate class in economics at Cambridge University in 1903 purposefully to help promote a new “science” of experts. The laissez-faire of classical political economy is now a thing of the past.

Robbin’s goal is furthered with the publication of *An Essay on the Nature and Significance of Economic Science* with its canonical definition of economics, “Economics is the *science* which studies human behaviour as a relationship between ends and scarce means which have alternative uses.” (Robbins 1932, 5, *emphasis added*).⁴ This new science gets the name “neo-classical economics” to give a sheen of tradition, a decades-long process which Tribe calls “the scientization of economics”. In Weberian terms science becomes institutionalized as a vocation, and no longer an avocation, in the modern social economy dominated by the nation-state after WWI.

In the United States modern economic planning becomes part of the federal government during the 30 Year Crisis (WWI, The Great Depression, WWII). This creates demand for economists. After WWII the main university textbooks in economics are now written by Americans not Europeans and advanced education in the United States is no longer seen as inferior to that of Europe. The GI Bill for WWII, Korean, and Vietnam war veterans, and later guaranteed and direct student loans, means greatly expanding university education and the establishment and growth of economic science as an elite profession serving the welfare-warfare state establishment.⁵

⁴ We already find here a contradiction in applying economic science to the arts in that we have already determined that art and artists are not scarce relative to other labor markets.

⁵ The first Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel is awarded in 1969.

Further to mutual gain between economists and policy-makers and furthering the rise of experts and the administrative state, the US Employment Act of 1946 creates the President's Council of Economic Advisors. The CEA is now part of the White House to help the nation move from an "ad hoc style of economic policy-making to a more institutionalized and focused process".⁶

Now under law economists are given expert status to propose spending and taxing in the President's Budget to help ensure nation-wide employment. Concomitantly of course we have had the creation of central-banking by experts to help steer the ship of state. The Full Employment Act of 1978 further requires each administration to move toward full employment and price stability within a specific time period. The economy (society) is now seen as can be directed by the centralized state as opposed to the decentralized laissez-faire as proffered by the original political economists the Physiocrats.

New political institutions are created to enable economics as an elite and aspirational profession as opposed to a form of public discourse. "Disciplinary knowledge is knowledge that is embedded within a career structure" (Tribe 2022, 370). Economic science and the rise of the administrative state are examples of the 'professionalization of everything' or a vocational social structure. We next apply this categorical thinking to the political economy of art.

III Rethinking the Definition of "Artist"

Concurrent with the professionalization of economic science at the university and positivism in economic policy emerges a quantitative focus on production in labor markets (Tribe 2022) and accordingly the state-goal of 'maximizing' productivity in the instrumental form of a GDP measurement. This seems a bad fit for the economics of the arts in that artists tend to be self-directed, entrepreneurial and self-employed and when they do work for others, do so only as a second "job" in order to support creative practice (see, Throsby 1994). This is not a labor market model where income is maximized and redistribution is needed for fairness as determined by state-experts. There is an over-supply of art, subsidy may not be necessary and may well create moral hazard for artist behaviour (Benhamou 2003).

⁶ Quote on purpose of US CEA from, <https://georgewbush-whitehouse.archives.gov/cea/about.html>

Frey and Pommerehne (1989) list eight criteria for identifying an artist, from time spent on and income derived from art-making, to reputation, awards and other peer recognition, organizational membership and professional qualifications. We take the subjective approach in our critique of industrial organization, avoid category errors of external classification, and use only the last of their criteria, artist self-identification, in our determination as to who should be classified an artist and by whom. In this we follow Towse (2001) who describes surveys which have focused on artist self-identification as a criteria for categorization, and then how these results compare with more “externally-assessed definitions of artists, aggregated industrial classifications to examine artist employment and earnings” (48).

In this self-identification subjective classification of art (and artists, or in our case, music and musicians) we are helping to reintroduce an alternative to the administrative state which can presume to pick winners and losers and which allows the special interests, bureaucratization and economic rents that this intervention occasions. We can see the juxtaposition between the market test (free-association) for music and state-created categories (expert knowledge and regulation) in the work of cultural economist Samuel Cameron.

It might seem the definition of music is not very important for an economic approach as it might be considered to be whatever the producers and consumers say it is. Or, what government statisticians say it is. Once they give it a SIC (standard industrial classification) code and a formal name then that is the music industry” (Cameron 2015, 2).

In this paper we are not presuming to be experts in defining music or industries. Instead we use artist (musician) self-identification to help us gain insight into behaviour and decision-making at the subjective individual level for this self-defined “class” of people. As should be clear this far, a main purpose of this paper is to motivate thinking beyond the status quo practices of today’s economic science, and especially as practiced in the arts. We are specifically questioning the need to subsidize the arts based on expert knowledge as can be common narrative practice in the literature.

Tribe (2022) describes how the development of economic science plays-out during Robbins’s creation of the new field. There are the empiricists, who would use oftentimes state-created data (statistics) to find reiterations of the social problems they are concerned with from these statistics, without using economic theory (political economy) to help understand the underlying reasons for the phenomenon. On the other hand there are the rationalists, who insist upon necessary theory before any data can be understood. There may yet to be a unified approach

between the practitioners of these methodologies which satisfies the philosopher of science.⁷

On Surveys and the Definition of Artist

Most if not all artist surveys start with pre-created lists or paid advertisements seeking participants and many if not most involve remuneration for taking the survey or participating in the discussion or experiment. This means that decisions have already been made as to the question of artist determination, a form of survey-bias. For example, in 2018 the Music Industry Research Association (MIRA), headed by Alan Krueger at Princeton University, conducted a musicians' survey with more than 1,200 respondents. The majority of the respondents were members of the Recording Academy's philanthropic subsidiary MusiCares from which MIRA obtained the necessary information to conduct the survey.⁸ This respondent universe was supplemented by additional lists of potential respondents from paid list-provider American List Council (ALC, now Adstra) based on SIC codes. Respondents were given an Amazon gift card upon completion of the survey.⁹

The first question asked in the MIRA survey is if the potential respondent currently makes their living from income derived from music-making, or if not, do they aspire to do so. If the answer is in both cases "No", then the potential respondent is ineligible to take the survey. This method is biased towards those musicians who have already 'established' themselves as popular artists, and misses the long-tail

⁷ "Imitative scientism" is often thought of as when social scientists attempt to imitate the natural sciences. We might also use this term to describe economists who use and slightly tweak the work of successful economists (heads of central banks, treasury officials, IMF officers, policy-advisors, Ivy League professors) in order to become published in their specific applied field while seeking professional advancement and esteem towards realizing like-wise positions of power.

⁸ The Recording Academy is the organization which produces the annual GRAMMY Awards television show. Alan B. Krueger and Ying Zhen, a coauthor on this paper, were the lead investigators for the Princeton-administered MIRA survey.

⁹ Bowles (2016) describes how monetary exchange might trivialize and instrumentalize social exchange crowding-out intrinsic value at decentralized and local levels. He also proposes that economists need find and use heterodox data sources.

distribution in the supply and demand for music, and as facilitated by the digital economy.¹⁰

There may be a big difference between a GRAMMY member or an established business with a music-oriented SIC (NIAC) and those who play cover music in a pub or are engaged in crowd-sourcing or streaming at the margin, especially during the covid-era of live music curtailment by civil authorities. The former might follow a normal distribution, which is obtainable by economic scientists through statistics, information on the latter might not be available as readily and is the essence of the knowledge problem. We propose that both groups are musicians, eventhough the former only may be part of the universe of academic and policy research on the behaviour of artists.¹¹

Market Definitions and the Long-Tail

In the following we create two heuristics to help us understand the aggregation problem in the statistics used in economic science relating to music. In Exhibit 1 we can visualize normal and long-tail distributions in the supply of music. (These are just ideal-types and may vary with what rhetoric the analyst is attempting.) Neo-classical regulatory economists in the competition policy (anti-trust) field may for example choose a sample which is in the normal distribution in order to prove monopoly behaviour, without taking into consideration (accounting for) the long-tail competition whose inclusion would negate institutionalized and mechanistic market-concentration indexing on behalf of authorities seeking to reconfirm and expand institutional power.¹²

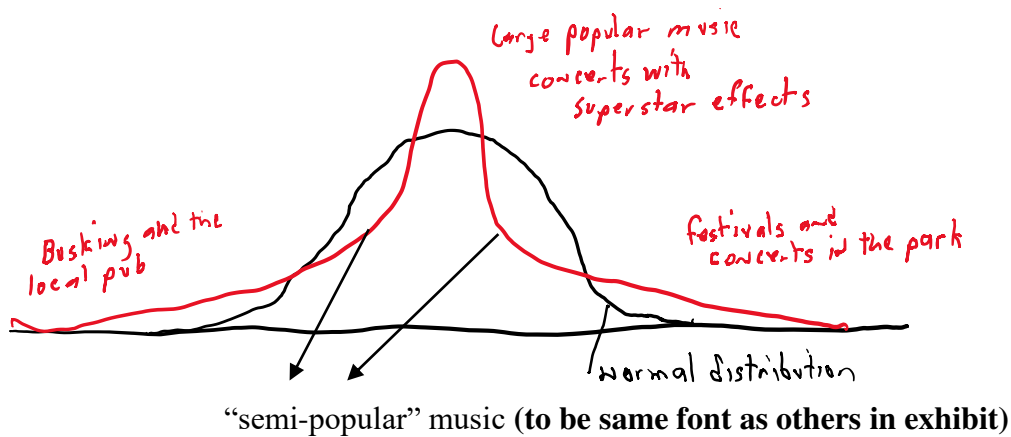
¹⁰ We fully acknowledge the value of luck, or serendipity, in the financial success of musical artists. We explore Cameron's (2015) augmented SAD production function for music later in the paper when discussing our survey research questions and results.

¹¹ We intend the use of the terms "musician" and "musical artist" as synonymous in this paper. There may be a difference, for example a musical artist may include only those who create original content. This discussion is beyond our scope here.

¹² We agree with Vassallo (2017) who finds that competition regulatory decisions can be based on arbitrary market measurements and therefore regulation itself may be arbitrary. As a corollary we agree with Rogers (2018) who finds that monopoly power in general can only be gained with state-granted barriers-to-entry. Special policy treatment is of course the classic example of rent-seeking, a subset of "political capitalism" (Holcombe 2018).

For example, Krueger (2005) uses only venues which seat 2,000 or more people in the measure of the market for live music, and Kreuger (2019) uses *Billboard* Top 100 artists in the measure of the music market to look at superstar income effects. Both of these ignore the long-tail of alternative live music such as local pubs and concerts in the park, not least to say, today, in the covid-era the live streams under the many digital platforms and practices recently.

Taking partial-equilibrium datasets and using them to generalize about society writ-large can be reductionist. We may be being generous here in that this analysis may be cherry-picking the superstar effects from the long-tail distribution and the rest of the market from the normal distribution. What to keep in mind is that the area under the long-tail distribution is greater than the area under the normal distribution, so the welfare gains are greater in the former. Reducing analysis from more general equilibrium to more partial equilibrium will by definition find more monopolistic behavior.



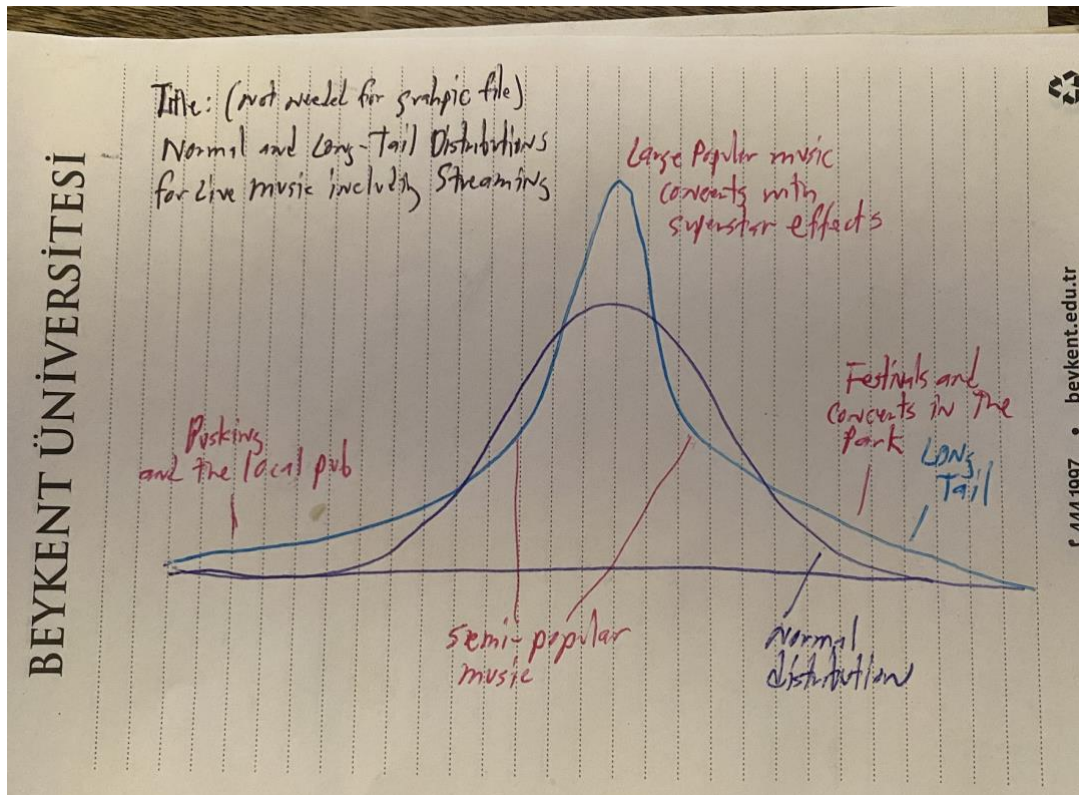


Exhibit 1: Normal and Long-Tail Supply-Side Distributions for Live Music including Streaming

Exhibit 2 reiterates the long-tail distribution but on the demand-side using Bourdieu’s class-based aesthetics on the tails. A normal distribution may miss long-tail musical genres such as those who enjoy going to small punk rock or rap or alt-country shows or those who enjoy Opera at the Kennedy Center or jazz at the Blue Note. These long tails are all alternatives to the pop charts and how superstar effects are measured for both royalties and live performance income, either in-person or streamed. These alternatives bring intrinsic value to both performer and audience, value which can’t be instrumentalized or redistributed based on economic statistics.¹³

¹³ In our forthcoming book (Weber et al 2023) we critique applied economics findings regarding superstar effects using long-tail analysis. We also have a case-study which shows increasing omnivore tastes in the US (cf., Mellander et al 2018). We do not have space for that analysis in this paper.

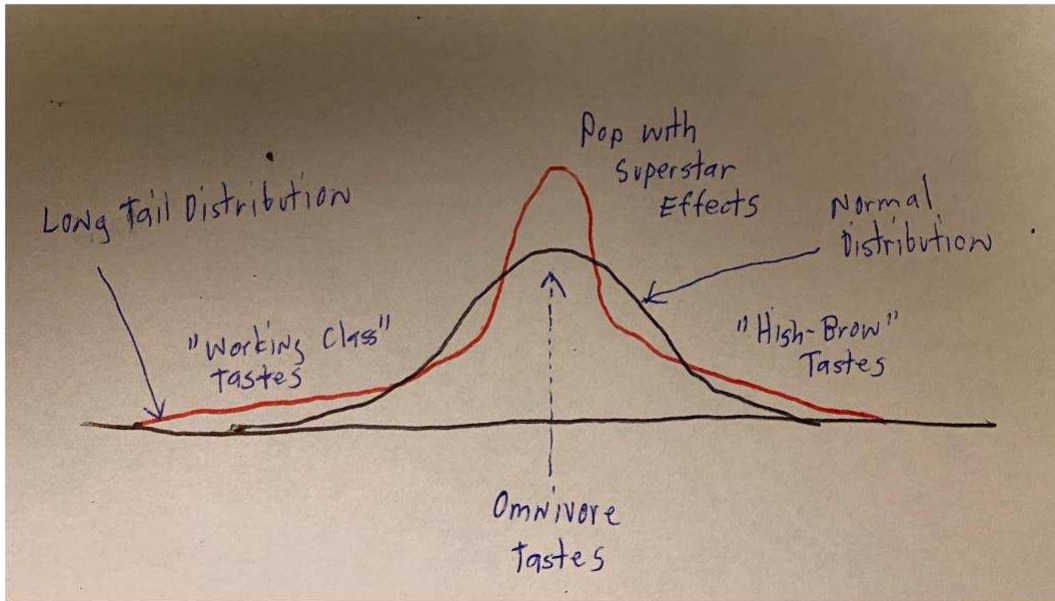


Exhibit 2: Long-Tail Demand-Side in Tastes for Music

Our Snowball Survey

In this section we present the preliminary findings of our snowball survey. The survey was conducted on surveymonkey.com and was open from January until August 2022.¹⁴ As stated no paid advertising or lists were used to attract respondents, nor was there any economic incentive to take the survey. The survey was distributed mostly through word of mouth to friends and acquaintances of the authors of this paper who then were asked to pass onward if they find the process of value. We did not use social media to distribute the survey. The first question in the survey is “How long have you considered yourself a musician?”, with the response option scaling from “0” to “75” years. Respondents indicating “0” years

¹⁴ The summary information used here is from our surveymonkey.com snowball survey as of July 31, 2022. There were 34 questions, with the average time to completion of 7.5 minutes for the survey with a 99% completion rate. For a copy of the survey please contact the lead author. Final results will be included in Weber et al (2023).

will not have their responses included in our final results as do not self-identify as a musician.¹⁵

We present the preliminary findings below in terms of the specific research questions we are trying to answer. It is not possible in this paper to address all the research questions we are interested in therefore we address primarily preliminary results which would be perhaps of most interest to cultural economists.¹⁶

1. The SAD Production Function for Music

One of the main objectives of our snowball survey is to test the augmented SAD production for music proposed by Samuel Cameron (2015, 2016). First we will give a summary and necessarily our own interpretation of this idea as we haven't found any directly-related applied research. The inputs to music production are capital, labor, serendipity, authenticity and drugs.¹⁷

Capital includes the technology present at a given time including the “natural resources” of artist or collective talent. Production is also limited by the recording or performance technology at a given time and place.¹⁸ *Labor* is measured by “effort units,” not time as in orthodox economic measurement. (Here we might suggest instead “quality of concentration units” as might better capture the creative process. Brian Eno has said that it is not time towards his practice which matters rather the quality of the concentration at a given time and place).

Serendipity is applicable to both supply and demand. Artists help create their own demand through entrepreneurship. Some entrepreneurial success maybe be blind luck through the market discovery process. Mick Jagger has said that being English he believes the reason the Rolling Stones have had such success is because they are lucky. There may be serendipity in the production process as well such as in

¹⁵ As of July 31, 2022 there were 115 respondents, five of them indicate “0” years, yet all five continue with the survey.

¹⁶ This paper contains summary data only, econometric analysis with the complete set of responses will be part of the final monograph.

¹⁷ $Q = f(K, L, S, A, D)$.

¹⁸ For example it is conventional wisdom that most songs which are successful on streaming platforms have hooks within the first 30 seconds.

mistakes which turn productive. Miles Davis is known for recording his improvisations to capture the unique combinations. For those on the spiritual side serendipity may also represent the “divine intervention” of which many artists speak when describing their inspiration and execution.

Authenticity is also tacit knowledge and practice. It is a fallacy to believe that originality only comes from the “noble savage” outside the “stuffy confines of formal linear music training” (Cameron 2015: 80-81). The truth may lie somewhere in-between and is realized through the specialization of labor. People may travel to seek authenticity, for example to New Orleans for jazz and funk music or Nashville (or Bakersfield) for originating country songs or Jamaica for reggae, as did the Clash to write *Give ‘Em Enough Rope* shortly after the Rolling Stones recorded *Black and Blue* there. Ray Davies of the Kinks wrote songs because he couldn’t play covers. The punk rock revolution reaches back to 1950s rock ‘n’ roll to realize authenticity. Artists seek collaboration with others along the temporal stages of production to realize an original vision.

Drugs can either be a form of capital as an input to the creative process or they may be an occupational hazard that has become “ritualized” and “institutionalized”. The truth is again probably somewhere in between. The choice of stimulants (or none at all) can be a means to connect audience and artist. Stimulants can also help with performance, much like cocaine in the Great War, speed with Johnny Cash and Motorhead, Red Stripe beer with early 1960s ska, and marijuana as a sacrament for the later Rastafarian reggae musicians. The Velvet Underground sings about heroin. Cameron writes of the indulgent ‘cocaine albums’ of pampered major label best-selling artists of the 1970s. Drugs can also be a proxy for madness, or the tortured artist. Or in the case of for example Beethoven, Django Reinhardt, Brian Wilson, Ray Charles, Stevie Wonder, Jerry Garcia, Tony Iommi and Kurt Cobain actual physical disability.

The production function is not testable using cardinal data, as the factors of production are tacit, so we use the value approach and ask the respondents about each of the three SAD input variables requesting ordinal responses. For the first two variables we ask, *do you think serendipity (authenticity) plays a role in the success of a musical artist?*¹⁹ For the third variable we ask, *do you use stimulants*

¹⁹ As stated earlier, we are using the terms musical artist and musician synonymously in this paper. We also note that nowhere in the survey are we defining success, leaving this interpretation subjective to the respondent. In our open-ended question, *Describe any other changes in your craft that have occurred during the covid-era*, one of the responses was, “Success is not the same as artistic success please note”.

(*teas, coffee, marijuana, wine, liquor, etc.*) as part of the creative process? The results are shown in Exhibit 3 and 4.

	Do you think <i>serendipity</i> plays a role in the success of a musical artist?	Do you think <i>authenticity</i> plays a role in the success of a musical artist?
# of Respondents	115	114
Extremely Important	17%	22%
Very Important	35%	44%
Somewhat Important	37%	25%
Not So Important	9%	6%
Not at all Important	3%	2%

Exhibit 3: Subjective Importance of Serendipity and Authenticity in the Success of a Musician

Our preliminary results show that more than 50% of our respondent musicians value both serendipity and authenticity, more so authenticity, at the extremely and very important levels of subjective utility towards what they might view as success. Very few people relatively believe serendipity and authenticity do not play a role in the success of a musical artist.

	Do you use stimulants (tea, coffee, marijuana, wine, liquor, etc.) as part of the creative process?
# of Respondents	115
A great deal	9%
A lot	18%
A moderate amount	23%
A little	22%
None at all	22%

Exhibit 4: Subjective Importance of Drugs in the Creative Process of a Musician

What is interesting to note in Exhibit 4 is that only 22% of respondents report that they do not use stimulants at all as part of the creative process. This might mean that around 75% of musicians in the survey do consider drugs as part of their practice. Combined with the findings on serendipity and authenticity this might provide preliminary support for a SAD production function for music. It will take

more robust survey data and the use of econometric techniques to determine if these preliminary results are significant.

It is generally understood (see, Towse 2001, Hoffman et al. 2021) that artists are more entrepreneurial-oriented than the rest of the populace (the labor force). Entrepreneurial theory and real-world examples tell us that entrepreneurs tend to be more optimistic and have greater risk-preference than do others. Serendipity can be realized through market discovery at a particular time and place and substantive entrepreneurial action can help realize authenticity. In a section of our survey asking for reflections on creativity and entrepreneurship during the covid-era, one question asks, *How much do you agree with this statement, "Good art can come from bad times"?* We might use individual responses to this question as a proxy for entrepreneurial attitude for those identifying as musicians. Exhibit 5 shows that a large majority of all respondents agreed with this optimistic statement.

There is no variable in the SAD production function for the industrial organization of musicians. In entrepreneurial theory unions, with long-term contracts under special rules of law and therefore sticky asset-specificity, create friction in the timely allocation of resources towards their best subjectively-determined use. A survey question in the grouping around SAD production function-related ideas asks, *Is it important to be a member of a labor union for the success of a musician?* More than 70% of the respondents answered "not so important" or "not at all important". Exhibit 5 shows that those exceptions who believe that union membership is important, who we might assume to be less entrepreneurial-oriented, are more likely not to agree with the optimistic statement.

	How much do you agree with this statement, "Good art can come from bad times"?	
	All Respondents	Those who find union membership is extremely or very important for success
# of Respondents	114	8
Strongly agree	38%	38%
Agree	41%	25%
Neither agree nor disagree	17%	25%
Disagree	1%	0%
Strongly disagree	2%	12%

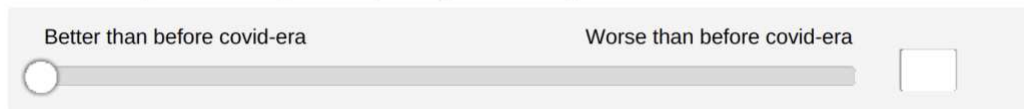
Exhibit 5: Union Membership and Creative Optimism

2. Insight on the Covid-Era

The second main purpose of our survey research is to gain insight into musician responses to the creative and economic environments created during the covid-era.²⁰ Severities of lockdowns vary in different places at different times and individuals practicing differing forms of musicianship are heterogeneously affected by enforced isolation. For example composers and songwriters may be less effected than performing artists. Those depending on collaborations for in-person recording and rehearsals and those giving music lessons have to make entrepreneurial pivots during the covid-era. Those living in rural areas are less effected than those living in the city. Those already streaming or otherwise better positioned may be better able to adapt and profit by exogenous shocks.

Our hypothesis is that musicians who find differing aspects of craft relatively more important will have differing subjective responses in their local environments during the covid-era. Exhibit 6 contains two questions we ask to see how differing priorities toward craft and practice effect subjective well-being. The questions are ordinal in nature on a continuum scale from “0” on the left-hand side to “100” on the right-hand side. The lower the number the better is subjective utility.

10. How have you been doing *creatively* during the last two years of the covid-era?



11. How have you been doing *economically* during the covid-era?

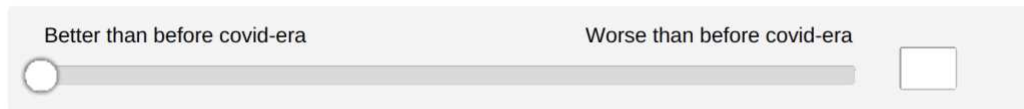


Exhibit 6: Two Questions on Subjective Well-Being During the Covid-Era

²⁰ For our purposes we are defining the covid-era as the period which begins with the National Emergency in the United States declared by President Trump as of March 1, 2020, redeclared by President Biden on February 24, 2021 and continuing through today (September 2022). Davies et al (2022) find that the Covid-19 emergency ended in England at the end 2021. This is not the case in the US with the continued national emergency and the rule of law changes that this has occurred especially in areas such as government procurement, extended temporary publicly-funded healthcare subsidies and extended temporary intergovernmental fiscal transfers.

The results are shown below in Exhibit 7. We find in all instances but one that musician respondents feel worse-off both creatively and economically during the covid-era. The only outlier is that those who use stimulants “a great deal” or “a lot” as part of the creative process (30% of respondents) report not to be worse-off during the covid-era. This might be due to the legalization of marijuana, and the disappearance of day-job office hours and commutes in many places during the covid-era. This of course is just conjecture. It also might mean that those who use drugs in their practice may enjoy more risk-taking behaviour in general and are better able to pivot in uncertain times.

We find that musicians valuing serendipity are doing worse-off creatively than all groups except those who value unions. The reason for this of course might be that inspiration from spontaneous social interaction experiences a negative shock due to “social distancing”, in some places more extremely than others.²¹

²¹ In our open-ended question, *Describe any other changes in your craft that have occurred during the covid-era*, we received 62 comments. Here is hopefully a representative sample.

“Zoom lesson/coaching”

“less contact less inspiration

“Collaborating with others is challenging as I don't want to jam virtually at all.”

“I began teaching high school full time. Stable pay but less time for performance and practice”

“I didn't have any jobs and could not practice it was quite depressing”

“The ability to work from home and stay home has allowed me to spend a lot of time composing and enjoying my piano. I have considered selling my compositions- something I'd never considered before.”

“self-employed”

“Performing more as a solo artist has caused me to expand my music recording skills”

“Must be WAY more savvy in social media now!”

“A lot more writing and home recording”

	Better or Worse <i>Creatively</i> During Covid-Era?	Better or Worse <i>Economically</i> During Covid-Era?
All Respondents		
Ordinal response ("0" = Better, "100"=Worse)	52	56
(# of respondents)	(115)	(115)
Serendipity	56 (59)	56 (59)
Authenticity	52 (75)	57 (74)
Drugs	49 (30)	55 (30)
Entrepreneurship	52 (77)	57 (77)
Union	58 (8)	77 (8)

Exhibit 7: Results on Subjective Well-Being During the Covid-Era

We asked a series of questions under the main heading of, *What type of entrepreneurial “pivots” have occurred in your craft during the covid-era?* Responses to only two of the six questions showed enough variances among relative craft-practice values to make any preliminary findings. These questions are found in Exhibit 8.

26. .

I am streaming more I am streaming less

27. .

I have more time for artistic creativity I have less time for artistic creativity

Exhibit 8: Questions on Practice “Pivots” During Covid-Era

The main finding here is that the 30% who report to use drugs in their practice relatively more than the other respondents have been best able to take advantage of the growth in streaming during the covid-era. However we note that this comes at the cost of having less time for creativity. This is an interesting finding in that our survey musicians may not consider music streaming a “creative industry”. We also as expected find that only labor union members have had less time for creativity

during the covid-era. This may be in that work on the the shop floor is uncertain, except for the very-well politically connected, especially during the covid-era.²²

	Streaming More or Less During Covid-Era?	More or Less Time for Creativity During Covid-Era?
All Respondents		
Ordinal response ("0" = More, "100"=Less)	45	38
(# of respondents)	(104)	(113)
Serendipity	43 (52)	40 (58)
Authenticity	46 (70)	38 (73)
Drugs	39 (26)	46 (29)
Entrepreneurship	44 (71)	39 (76)
Union	47 (7)	53 (8)

Exhibit 9: Responses on Practice “Pivots” During Covid-Era

We ask a general question related to outside revenue and labor union musician membership. Exhibit 10 contains the preliminary results. Perhaps in a Bourdieu-like conceptional lens we find that those who value education as an extremely or very important part of success as a musician are more likely to have the cultural capital necessary to navigate the process to receive state arts funding during the covid-era, consecrating the ruling elite. We find that 25% of our survey respondents are labor union members, which is an interesting result in that only 8% of respondents in general subjectively report that union membership is extremely or very important to success as a musician. As expected labor union members place less value on entrepreneurship relative to the rest of our respondents.

	All Respondents	Respondents Believing <i>Education</i> is Important to Success	Respondents Believing <i>Entrepreneurship</i> is Important to Success
(# of Respondents)	(32)	(14)	(23)
I have received private grants for the arts during the covid-era	50%	60%	60%
I have received government "relief" money during the covid-era	57%	86%	57%
I am a member of a music-related labor union	25%	15%	17%

Exhibit 10: Funding Sources by Practice Value-Type During Covid-Era

²² The Broadway show “Hamilton” received \$30m in covid-era ‘relief’ funds from the US federal government (Paulson 2021).

3. Does education help determine long-term survival in the arts (music)?

The next research question we are interested in is applied to the thesis that education contributes to the staying power of artists. The idea is that more education provides a network and connections and a sensibility which helps to sustain a life in the arts. One example of bias in official statistics is that this method is more likely to capture those that have remained long enough in the arts to be categorized into a music-oriented occupation than those who are newer in the field. As an alternative indicator of the relationship between education and longevity in music (see, Bille and Jensen 2018) we ask the question, *Do you think formal education is important in the success of a musical artist?*

The results appear in Exhibit 3. The average number of years our respondents have self-identified as musicians is 28 years. We divided the sample into those who have been musicians for 14 years or less, and those who have been musicians for 15 years or more and their corresponding views on the importance of education. It is not clear from these preliminary findings if indeed those who have been musicians longer consider education more important than those who have been musicians for a shorter period. A more definitive analysis requires econometrics using the final set of data from our survey method.

		<15 Years as Musician	>14 Years as Musician
	All Respondents		
# of Respondents	114	24	88
Ave. Years as Musician	28	6	35
<i>Do you think formal education is important in the success of a musical artist?</i>			
Extremely Important	5%	4%	4%
Very Important	13%	17%	13%
Somewhat Important	43%	33%	43%
Not So Important	30%	33%	29%
Not at all Important	10%	13%	10%

Exhibit 11: Education and Longevity as a Musician

4. How Does Education Relate to Art and Non-Art Income?

One finding as discussed in the literature is that education has little or no positive effect on art income. However, related findings (see, Throsby 1994, Alper and Wassall 2006) show that education has a positive effect on the non-arts income of artists. Total income and arts (music) income for the past year is self-reported in our survey, non-arts (non-music) income for the past year is the calculated difference. Exhibit 4 is preliminary results from our snowball survey related to this question.

	Respondents Declaring that Education is Not Extremely or Very Important in Success	Respondents Declaring that Education is Extremely or Very Important in Success
# of Respondents	93	21
1. Average Income	\$55,000	\$38,000
2. Music Income Only	\$8,000	\$8,000
3. Non-Music Income (1-2)	\$47,000	\$30,000
% of Income which is Non-Music Income (3/1)	86%	79%

Exhibit 12: Education and Music and Non-Music Income

Preliminary results confirm that education does not increase the earnings of musical artists. Respondents who value education earn less than those who believe that education is neither extremely nor very important. However the results do not show that education correlates to greater non-art (music) earnings in that those responding that education is not extremely or very important earn more from non-music activity (86% of income) than those who do (79%). The average income of the former category (\$55,000) is about the median of those earning income in the USA while those who believe education is more important earn less than the national median.²³ This helps to verify that art (music) may be more an avocation than a vocation. This also helps to confirm previous fundings that those with more cultural capital might have less income than those with more economic capital.

²³ We should note that those indicating that education is extremely or very important does not mean they have formal education in music, a question we did not ask directly.

5. Copyright Issues

The need if any for intellectual property right protection (for music, copyright) in the arts is an on-going debate in cultural economics. One the one hand, in neo-classical models it is seen that temporary IPR is necessary to encourage innovation so that all surplus is not captured by the consumer. On the other hand, IPR can be viewed as another form of rent-seeking, special protection which prevents competition through litigious barriers-to-entry (see, Boldrin and Levine 2008). As shown in Exhibit 13 we find that more than 50% of our respondents believe that copyright protection is extremely or very important to the success of a musical artist. We also find some evidence that IPR may be a form of rent-seeking in that those who value copyright tended to be less entrepreneurial during the covid-era in terms of substituting into streaming and finding other creative outlets.

	Do you think <i>copyright protection</i> is important in the success of a musical artist?	Respondents Finding Copyright Extremely and Very Important
All Respondents (# of Respondents)	(115)	
Extremely Important	17%	
Very Important	35%	
Somewhat Important	37%	
Not So Important	9%	
Not at all Important	3%	
I am streaming more (less) during the covid-era	45 (115)	49 (77)
I have increased (reduced) the number of creative outlets	49 (114)	53 (77)
I have more and more diverse (fewer and less diverse) revenue sources	58 (112)	59 (77)
("0" = More, "100" = Less)		

Exhibit 13: Views on Importance of Copyright and Entrepreneurial “Pivots” During Covid-Era

6. English Language and Success as a Musician

The final research question we are interested in in the present research relates to the subjective importance of the English language in the (a)vocation of a musician. We find those who value drugs, entrepreneurship and union membership more relative to other respondents tend to believe English language ability is more important and that those who value union membership tend to be more exclusionary in their language preference. Some of this might be due to the fact that contracts are usually written in English.

Is it Important to Speak English Well to Have Success as a Musician?						
		Those indicating extremely or very important:				
	All Respondents	Serendipity	Authenticity	Drugs	Entrepreneurship	Union
(# of Respondents)	(115)	(60)	(76)	(30)	(77)	(8)
Extremely important	3%	3%	4%	3%	3%	13%
Very important	9%	10%	7%	20%	13%	25%
Somewhat Important	27%	27%	24%	7%	29%	13%
Not so important	32%	27%	33%	40%	31%	38%
Not at all important	29%	37%	33%	30%	35%	13%

Exhibit 14: Views on Importance of English Language in Success of a Musician

Summary of Survey Results

We should note first that our snowball survey sample is not large enough to make general findings in that only 8% of our around 115 respondents value labor union membership for the success of a musician at the extremely or very important level (although 25% of respondents are labor union members), other value categories are more robust statistically. For this reason we can only provide a “first look” into our research questions.²⁴

With this caveat we find support for the SAD production function for music (Cameron 2015, 2016) in that the majority of respondents subjectively find that these character traits as practice are important for the success of a musician. A unique finding here is that those who use drugs as an active part of their music practice (30% of our sample) tend to have been better able to pivot towards streaming during the covid-era, but at the cost of time for creativity.

We find that labor union members (25% of our sample) value entrepreneurship less and are less optimistic about the future and have been more adversely affected creatively and economically during the covid-era. This is not an unexpected result in that entrepreneurship (as opposed to industrial organization) is tacit in the SAD production function for music.

²⁴ We are also including an Appendix to this paper which is screenprints from Survey Monkey for four questions designed to be compatible with the MIRA survey.

Those who value formal education in the success of a musician tend to have better connections (less opportunity cost) for receiving state grant-funding during the covid-era. This would follow Bourdieu's theory of elitism through state-consecration in the arts. We are unable to confirm previous findings that those who value education tend to stay in the (musical) arts longer than those who do not (see, Bille and Jensen 2018). And our preliminary findings tend to refute the result that (musical) artists who value education tend to earn higher non-art wages than those who don't value education (see, Throsby 1994).

On the other hand we are able to help confirm Bourdieuan findings which show that those with less cultural capital (who value education less) earn more income than those who value cultural capital relatively more (see Exhibit 12). When asked were one or both of their parents musicians, 29% of respondents answered "Yes" while 0% of labor union members answered "Yes". In Bourdieu's class-based aesthetics we may have anticipated that more respondents may have had a musician as a parent, but perhaps social mobility is greater in 21st century US than 1970's France.

Our preliminary findings show that musicians who value copyright as part of the success of a musician have tended to be less entrepreneurial during the covid-era, giving some credence to the idea that intellectual property rights may be a form of protectionism which creates disincentives for market discovery at the margin. Our last result of note is that the majority of musician respondents state that speaking English well is not important for the success of a musician as subjectively determined during the survey process.

III. Analytical Predispositions in the Economics of the Arts

Social scientists have pre-analytical visions (pre-cognitive value structures, or, aesthetics) which help determine objects of study and therefore results of research (Schumpeter 1954). Economists who specialize in labor economics tend to favor special treatment under law for wage-labor as a class, those whose profession is monetary economics tend to accept higher levels of inflation than the general public might like, those whose field is industrial organization might tend to believe the state should play an active role in competition policy. Environmental economists want state intervention to restructure investment towards environmental ends. It follows that cultural economists (many of whom are artists themselves) may tend to want special treatment under law for the arts, although today there may be increasing skepticism amongst some cultural economists

towards an ever-enlarging agenda as discussed in the concluding section of this paper.

Cultural economics as a field emerges concurrently with the rise of economic science as an elite profession with expert knowledge to ‘guide’ the economy in the second half of the 20th century. We briefly describe the development of the field as relating to “industrial organization” before returning to political economy. Flew and Swift (2013) find that the first key development in the creation of “cultural policy” as an institution is the formation of the Arts Council of Great Britain as led by J.M. Keynes in 1946. This power symbiosis is an example of what Tribe (2022) describes as the creation of elite economic science where economists serve the state and vice-versa.

Baumol and Bowen (1966) is seen as the first cultural economics text and contains what has become known as Baumol’s “cost disease” which states that as the economy becomes more productive the performing arts will become more costly to produce relative to the rest of the economy.²⁵ The cost-disease argument is that the state needs to subsidize ‘fine-art’ or it will become too expensive and priced-out of the market. State intervention is needed to preserve fine-art and culture, mostly provided by not-for-profit organizations, and make it available for the general public in a way that over-rides consumer sovereignty and individual preference. Art (culture) is a form of public good which should be supported by the state through technocratic administration.

The field enlarges (see, UNESCO 2009, Throsby 2010) and now includes analysis of for-profit businesses grouped into industries which have creative content, most often attached to copyright. The sources of value are music, literature, and the performing and visual arts. The cultural and creative industries (CCI) are born, and with it the responsibility of professional economists to argue for policy and planning in regard to this growth sector which instrumentalizes art and artists into jobs and GDP.

²⁵ It takes four musicians the same time to perform a Beethoven string quartet today as it did in 1800. You can’t change this with robotics. Well you can but it perhaps doesn’t realize the same value. Throsby and Winters (1979), another significant text in the development of cultural economics as a field, is also about the performing arts.

Snowball (2019) is an excellent summary of the evolution of social-economic arguments for state subsidy to the arts, what she calls ‘advocacy’ as opposed to ‘proper’ research. Snowball frames the narrative into developing and developed countries.²⁶ Countries which might be considered developed create cultural plans and maps which use intrinsic value arguments such as democratic participation and inclusion / equity to justify state intervention into the arts. Less developed nation-states (and other decentralized polities) may use instrumental values such as economic development spillover effects and economic growth and job-creation arguments for arts subsidies.²⁷ As geographies develop economic rationales for state intervention morph from instrumental values to intrinsic values but nonetheless remain.

Tribe’s co-evolutionary symbiosis is realized as art (culture) becomes what the state says it is through political resource transfers guided by experts. It is Robbins’s economic science of experts as instrumentalization for consecrating state power.²⁸ In her concluding section Snowball summarizes the varieties of national cultural policies, from “culture states (such as France), cultural protectionism (such as Canada), social-democratic culture (such as the Nordic countries) and the laissez-faire approach (such as the US)” (2019, 136).

II. Summary: Political Economy of the Arts in the USA

For our research we need to clarify why Snowball (2019) may be making a misclassification of the cultural policy situation in the US as one of laissez-faire. The US arts situation might be in certain ways termed a form of corporatism, where states and cities practice a “beggar-thy-neighbor”²⁹ form of corporate welfare in the competition to attract mainstream (labor union- and state

²⁶ Categorical institutionalization for nation-states are created during Bretton Woods and are used by experts to plan and execute international inter-governmental transfers of resources. Very few countries have “graduated” from developing to developed.

²⁷ For a critique of the Keynesian multiplier for economic development and job-creation see Towse (2010).

²⁸ We might argue that art (culture) may be subsidized through private philanthropy, but this is subject to larger macroeconomic conditions, thus the state is needed for stability.

²⁹ Or, “race to the bottom” as polities compete with each other to give more subsidies and tax breaks to attract prestige cultural projects while footing the taxpayer and future generations with the bill.

development corporation-approved) television and film productions, policies which are clearly regressive fiscally. For example crafts labor-union members tend to have greater income than the median New Yorker and bigger budget productions usually go to corporations with the ability to enforce copyright at the expense of perhaps more artistically risk-taking projects.

Public monuments on the National Mall glorify US military interventions overseas, until 1973 with the use of conscripted labor. The Kennedy Center honors program provides a platform for US Presidents to consecrate the power of the office with superstars in the performing arts. Intellectual property law in the US might be specifically designed to give copyright protection to corporate interests.³⁰ Not-for-profit organizations in the US (who as is well-known receive pre-tax donations) might have a proclivity to support partisan programming which prioritizes state solutions to social problems in order to perpetuate their tax status, locational benefits and increase their social consecration and thus monetary donations (see, Weber 2020).³¹ This situation, one might argue, is not *laissez-faire*.

The idea of corporatism in the guise of industrial organization manifests itself in the idea of state-declarations of “essential services” during the covid-era and the discretionary determination of “relief” subsidies. In general state-sponsored organizations tend to be more essential than private organizations in the US, and in New York City in particular. We agree with Flew and Swift who find that we should not be looking exclusively at partial equilibrium when analyzing arts and culture in an industrial organization epistemology,

The realm of implicit cultural policies could of course be enlarged even further: attitudes towards organized religion, systems of media regulation, international legal and economic agreements, and *overall levels of taxation and government* all impact upon the levels and forms of government supports for culture (2013, 155, *emphasis added*).

We agree methodologically that we need look at the larger political economy in order to better frame advocacy for the arts, something as discussed above may be a propensity for cultural economists. If prosperity leads to flourishing in the arts for both those in avocational and vocational pursuits, then we need a macroeconomics

³⁰ https://en.wikipedia.org/wiki/Copyright_Term_Extension_Act

³¹ For an expanded version with more graphics see, <http://cameroneconomics.ipower.com/cmw-JCE-June2020.pdf>

which lead to prosperity.³² Our survey question “Can good art come from bad times?” obviously assumes that there can be good times.

In particular we are interested in the current fiscal and monetary situation in the US. Corporatism and rent-seeking through the administrative state has led to an untenable situation, with covid-era federal transfers going to states and cities which align in partisanship with the administration in power, in many cases whether these funds are needed or not.³³ The monetary and fiscal expansion in the USA during the covid-era has led to the highest inflation in 40 years and the highest debt per capita levels in US history since World War II. To make matters worse unfunded federal liabilities are 300% greater than the on-budget spending and debt levels.

Using the logic of public choice, we might find that current expenditures (and debt monetization) now helps to create votes tomorrow where the debt is passed on until the day after tomorrow to those yet voting (or born). This is not a recipe for preserving culture, nor creating innovation in the future, rather a recipe for slowly eroding culture concurrent with an eroding investment environment and less possibilities for entrepreneurial arts innovation out into the future. In a subjective and methodologically individualist world-view, one might believe it aesthetically and ethically wrong to pass debt and unfunded liabilities to future generations based on the preferences of the current generation. We need to rethink the presumed need for positive law-making which leads to special interests and enlarging concepts of the public good with concerns of fiscal constraint.³⁴

³² “I am a warrior, so that my son may be a merchant, so that his son may be a poet,” John Quincy Adams, <https://www.goodreads.com/quotes/595745-i-am-a-warrior-so-that-my-son-may-be>.

³³ For example during the stock market boom of the easy money during the first 18 months of the covid-era before the recent tapering and tightening, the states of California and New York, and the city of New York, receive a substantial influx of capital-gains taxes. Yet the American Rescue Plan Act of 2021, which passes without any oppositional support, contains transfers to these same polities, <https://fee.org/articles/politifact-more-than-90-of-biden-stimulus-spending-not-directly-related-to-covid-19/> .

Public moneys are fungible. More federal government funds for NYC public schools and metro-transportation, and their labor union special interests, means likewise increased spending for the Mayor’s Office arts programs and for the city Economic Development Corporation for projects in the interest of the state, something we have elsewhere called “art-statism” (Weber 2017).

³⁴ Hayek (1968) creates the proposition that the state’s role properly understood in Western liberalism is to enforce a negative rights rule of law. If the state is to be involved in positive-

The US Fiscal Environment

We would like to deconstruct the rise of economic positivism concurrent with the rise of regressive debt created per person in the US. We might find that the debt per person levels have only become an unacceptable trend for the last around 15 years, since the state responses to the housing boom-and-bust starting in 2008 which are then of course exacerbated by covid-era interventions. We should be responsible as economists about identifying this structural change and perhaps be arguing more responsible long-term fiscal reforms rather than subsidies for what we are classifying as public goods requiring state-outlay. We can see from Exhibit 15 that the dynamic quantitative change in the path of debt, which we propose requires a radical rethinking of the role of government in society, including proposing subsidies and government programs for the arts.

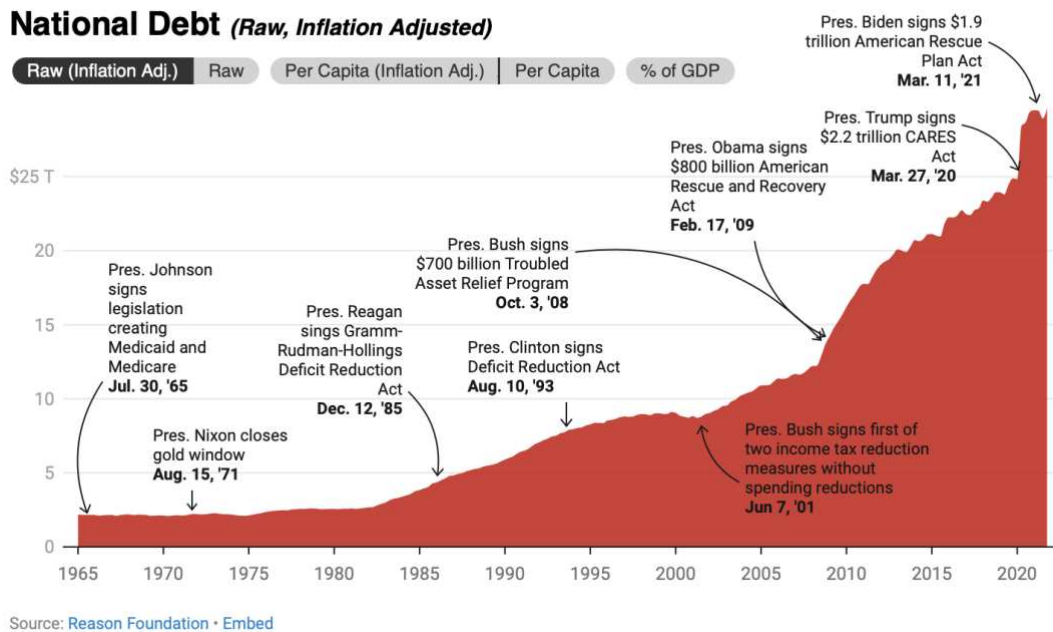


Exhibit 15: National Debt Over Time (Reason Foundation 2022)

rights redistribution, to be direct, honest, auditable and transparent in accounting, then a fourth branch of government should be created to undertake this redistributive activity.

We see an unsustainable accelerated trend in debt financing beginning with the Presidents Bush and Obama fiscal interventions in response to the housing boom-and-bust around 2008 as found in Exhibit 15.

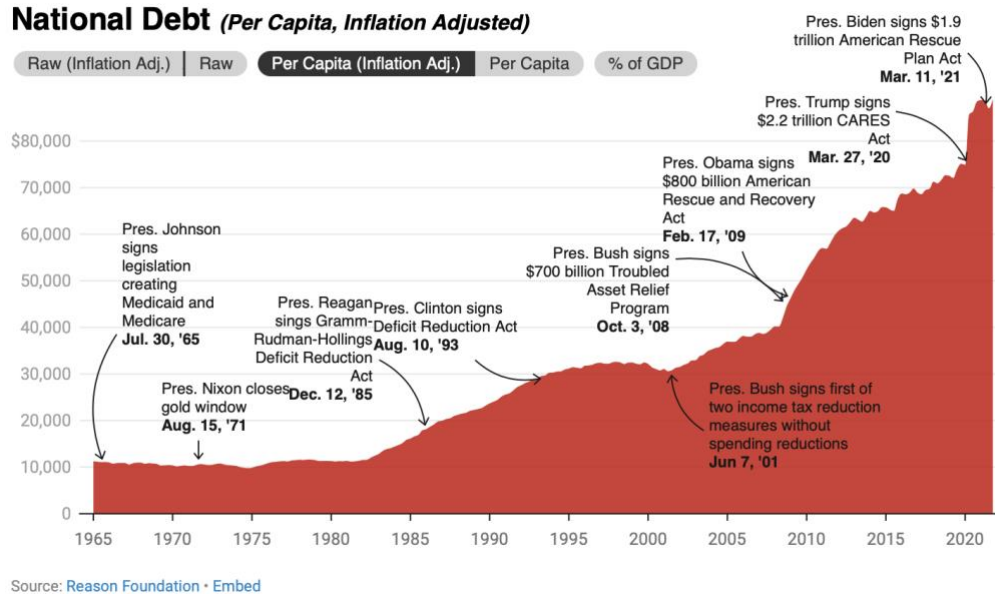
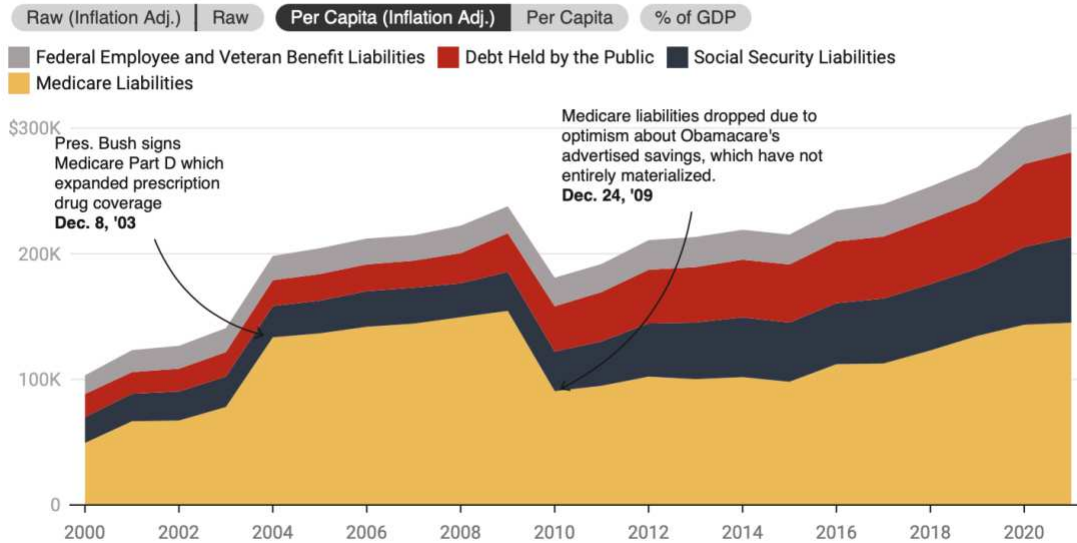


Exhibit 16: National Debt Per Person Over Time (Reason Foundation 2022)

In Exhibit 16 we find that the debt created per person is greater than \$80,000 or more than the median income in the US. Debt-finance is not buying increasing standards of living. And from Exhibit 17 we learn that unfunded federal liabilities for promised spending is more than 300% the on-budget numbers. We might agree that it is wrong to pass along around \$400,000 in debt and liabilities to future generations.

Overall Federal Liabilities (Per Capita, Inflation Adjusted)

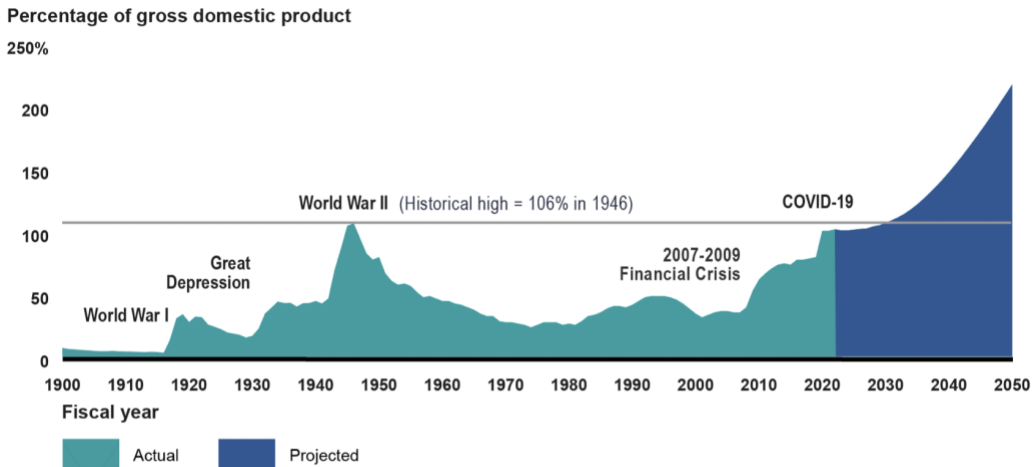


Source: Reason Foundation · Embed

Exhibit 17: National Debt and Unfunded Liabilities Over Time (Reason Foundation 2022)

The US Government Accountability Office (US GAO) has been reporting for many years that the US Federal Government fiscal situation is untenable. We can see how the expected financing costs for the federal debt alone is one of the main reasons for methodological reconsiderations when considering state spending for special categories.³⁵ We see a clear need for spending reductions in discretionary categories in that non-discretionary welfare-state spending is bankrupting the empire. Rational expectations for the future are not positive. See Exhibit 18.

³⁵ Two of the main reasons the US government is able to accumulate so much deficit financing since the Great Recession is 1) the near-zero interest rate policies of the Fed which lowers borrowing costs and 2) increased Fed purchases of US government debt (see, Weber 2022 forthcoming).



Source: GAO analysis of Congressional Budget Office historical data and GAO simulation. | GAO-22-105376

Exhibit 18: National Debt as Percentage of Economy Over Time (US GAO 2022)

Deconstructing Positivism

One solution proposed by Snowball (2019) is that cultural economists may gain more credibility if we disentangle CCI and focus more on the cultural not-for-profit sectors containing intrinsic values as opposed to the for-profit creative industries and instrumental arguments for arts funding. This change in focus might help to remove the corporate-welfare aspects of the administrative state and the crowding-out of private arts philanthropy as is more likely to be occasioned by a prosperous society.

We find that the digital economy is creating decentralization and new modalities for realizing heterogenous preferences in arts (culture).³⁶ This dynamic is another example of why centralized planning by experts for the arts is counter-productive and costly. Flew and Swift (2019) state that an inclusive cultural policy need take account of everyday culture, not a culture which can be chosen by experts. Loots etal (2022) find that new forms of financing for the arts do not necessarily need the

³⁶ We also find new modalities in the economy writ-large under the covid-era: work-from-home and some cities in the US still around 70% of office traffic, telemedicine, alternative primary schooling, alternative transportation, increase in the use of alternative currencies, the rapid increase in shop-from-home and food delivery services, and of course most predominantly the continually reduced transaction costs created by the internet and smartphone revolution. This assumes that the state will allow competition onward against these innovations which challenge vested interests.

state, “Strikingly absent in this collection of studies are modes of financing in which governments and public providers occupy center stage” (205).

Our preliminary survey results confirm that serendipity, free-association, is valued by artists (musicians) and that artists (musicians) are entrepreneurial-oriented and intrinsically self-motivated.³⁷ The original political economists, the French Physiocrats, argued for laissez-faire. A new political economy of the arts for the covid-era and beyond might do the same. Michael Hutter discusses how human ingenuity may be unlimited, a continuing source of value, but that this creativity is limited by economic scarcity. “The economy is, then, a reservoir from which art plays draw money income as a context for the maintenance of the plays. Art participants treat income not as an objective but as a constraint” (1996, 132). To summarize, it would be better for the arts if we had flourishing nation-state economies and this may require rethinking the economic science of industrial organization.

Exchange of Value Between Art and the Economy

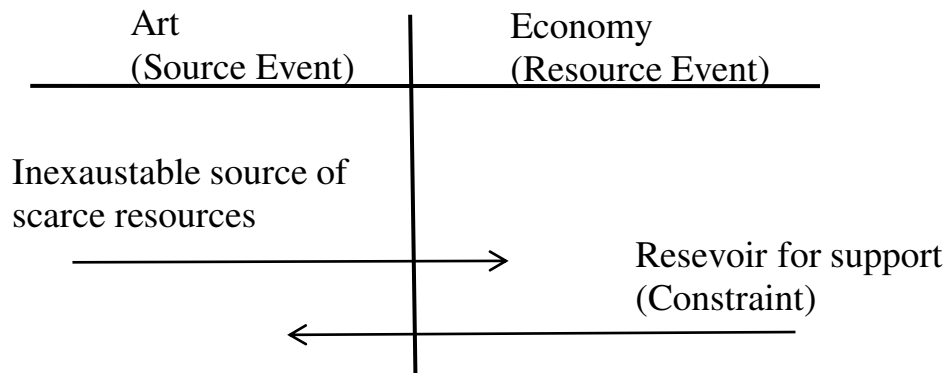


Exhibit 19: Heuristic on Exchange of Value between Art and the Economy. Diagram by authors, adapted by from ideas by Hutter 1996.

³⁷ “Serendipity is problematic in an organized market” (Cameron 2016, 6).

References

- Neil O. Alper and Gregory H. Wassall (2006). “Artists’ Careers and Their Labor Markets.” In *Handbook of the Economics of Art and Culture*, edited by Victor A. Ginsburgh and David Throsby. Oxford: North-Holland.
- Chris Anderson (2006). *The Long Tail: Why the Future of Business is Selling Less of More*. Los Angeles: Hyperion.
- William J Baumol and William G. Bowen (1966). *Performing Arts – The Economic Dilemma*. Cambridge, MA: Twentieth Century Fund.
- Françoise Benhamou (2003). “Artists’ Labour Markets.” In *A Handbook of Cultural Economics*, edited by Ruth Towse. Cheltenham, UK and Northampton, MA: Edward Elgar: 69-75.
- Trine Bille and Soren Jensen (2018). “Artist Education Matters: Survival in the Arts Occupations,” *Journal of Cultural Economics* 42(1): 23-43.
- Michele Boldrin and David K. Levine (2008). *Against Intellectual Monopoly*. New York: Cambridge University Press.
- Samuel Bowles (2016). *The Moral Economy: Why Good Incentives Are No Substitute for Good Citizens*. New Haven and London: Yale University Press.
- Jordan Campbell and Marc Joffe (2022). “Debtor Nation,” *Reason Foundation*, <https://reason.org/data-visualization/debtor-nation/>
- Samuel Cameron (2015). *Music in the Marketplace: A Social Economics Approach*. London and NY: Routledge.
- Samuel Cameron (2016). “Past, Present and Future: Music Economics at the Crossroads,” *Journal of Cultural Economics* 40(1): 1-12.
- William Davies, Sahil Jai Dutta, Nick Taylor and Martina Tazzioli (2022). *Unprecedented?: How COVID-19 Revealed the Politics of Our Economy*. London: Goldsmiths Press.

Terry Flew and Adam Swift (2013). “Cultural policy” in *Handbook on the Digital Creative Economy*, edited by Ruth Towse and Christian Handke. Cheltenham, UK and Northampton, MA: Edward Elgar: 155-161.

Bruno Frey and Werner W. Pommerehne (1989). *Muses and Markets: Explorations in the Economics of the Arts*. Oxford: Blackwell.

F.A. Hayek (1968). *The Confusion of Language in Political Thought; with some recommendations for remedying it*. London: Institute of Economic Affairs.

Robert Hoffmann, Bronwyn Coate, Swee-Hoon Chuah, Arenius (2021). “What Makes an Artpreneur? An Exploratory Study of Artpreneurial Passion, Personality and Artistry,” *Journal of Cultural Economics* 45(4): 1-12.

Randall G. Holcombe (2018). *Political Capitalism: How Economic and Political Power is Made and Maintained*. Cambridge, UK and New York City: Cambridge University Press.

Michel Hutter (1996). “The Value of Play.” In *The Value of Culture: On the Relationship Between Economics and the Arts*, edited by Arjo Klamer. Amsterdam: Amsterdam University Press: 122-138.

Arjo Klamer (2016). *Doing the Right Thing: A Value Based Economy*. London: Ubiquity Press.

Alan B. Krueger (2005). “The Economics of Real Superstars: The Market for Rock Concerts in the Material World,” *Journal of Labor Economics* 23(1):1-30.

Alan B. Krueger (2019). *Rockonomics: What the Music Industry Can Teach Us About Economics (and Our Future)*. New York: Currency.

Ellen Loots, Diana Betzler, Trine Bille, Karol Jan Borowiecki and Moram Lee (2022). “New Forms of Finance and Funding in the Cultural and Creative Industries,” *Journal of Cultural Economics* 46(2): 205-230.

Mary Madden (2004). “Part 3. The musicians survey”, *Pew Research Center* (2004), <https://www.pewresearch.org/internet/2004/12/05/part-3-the-musicians-survey/>

Charlotta Mellander, Richard Florida, Peter J. Rentfrow and Jeff Potter (2018). “The Geography of Music Preferences.” *Journal of Cultural Economics* 42(4): 593-618.

Michael Paulson. 2021. “The \$30 Million Founding Father: How 'Hamilton' Got Federal Aid,” *New York Times*, June 29.

James R. Rogers (2018). “Monopoly Isn’t Always What We Think It Is,” *Law & Liberty*, available: <https://www.lawliberty.org/2018/11/30/monopoly-isnt-always-what-we-think-it-is/>.

Joseph A. Schumpeter (1954). *History of Economic Analysis*. New York: Oxford University Press.

David C. Throsby (1994). “A Work-Preference Model of Artist Behaviour.” In *Cultural Economics and Cultural Policies*, A. Peacock and I. Rizzo, editors. Dordrecht: Kluwer Academic Publishers.

David C. Throsby (2010). *The Economics of Cultural Policy*. Cambridge: Cambridge University Press.

David C. Throsby and Glenn A. Withers (1979). *The Economics of the Performing Arts*. London: Arnold.

Ruth Towse (2001). *Creativity, Incentive and Reward: An Economic Analysis of Copyright and Culture in the Information Age*. Cheltenham, UK and Northampton, MA: Edward Elgar.

Ruth Towse (2010). *A Textbook of Cultural Economics*. New York and Cambridge: Cambridge University Press.

Keith Tribe (2022). *Constructing Economic Science: The Invention of a Discipline 1850-1950*. New York and Oxford: Oxford University Press.

US Government Accountability Office (US GAO) (2022). “The Nation’s Fiscal Health: Federal Action Critical to Pivot toward Fiscal Sustainability,” May 5, 2022, <https://www.gao.gov/products/gao-22-105376>

UNESCO Framework for Cultural Statistics (2009),
http://uis.unesco.org/sites/default/files/documents/unesco-framework-for-cultural-statistics-2009-en_0.pdf

Andrew P. Vassallo (2017). “Can One (Ever) Accurately Define Markets?,”
Journal of Competition Law & Economics 13(2): 261-280.

Max Weber ([1919] 2004). *The Vocation Lectures*, Paperback reissue.
Indianapolis, IN: Hackett Publishing.

Cameron Weber (2017). “On the Value Paradox in Art Economics,” *Research in the History of Economic Thought and Methodology* 35A.

Cameron Weber (2020). “Report from Brooklyn on the Political Economy of Art During Corona Virus Time”,
<https://economiststalkart.org/2020/10/13/report-from-brooklyn-on-the-political-economy-of-art-during-coronavirus-time/>

Cameron Weber (2022, forthcoming). “Inequality Created by Active Monetary Policy” in *Encyclopedia of Financial Crisis*, edited by Sara Hsu. Cheltenham, UK and Northampton, MA: Edward Elgar.

Cameron Weber, Ying Zhen and J.J. Arias (2023 forthcoming). *Artists and Markets in Music: The Political Economy of Music During the Covid-Era and Beyond with a Focus on the United States*. London and New York: Routledge.

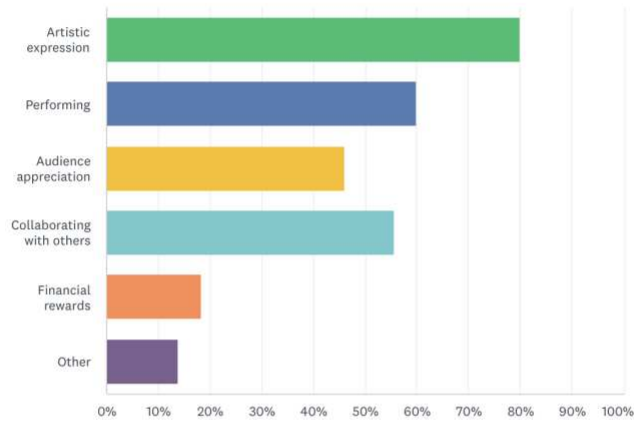
Appendix: Our Snowball Survey Questions Designed to be Compatible with the MIRA 2018 Survey³⁸

Q17

Customize Save as

What do you like most about being a musician? (Check all that apply)

Answered: 115 Skipped: 1

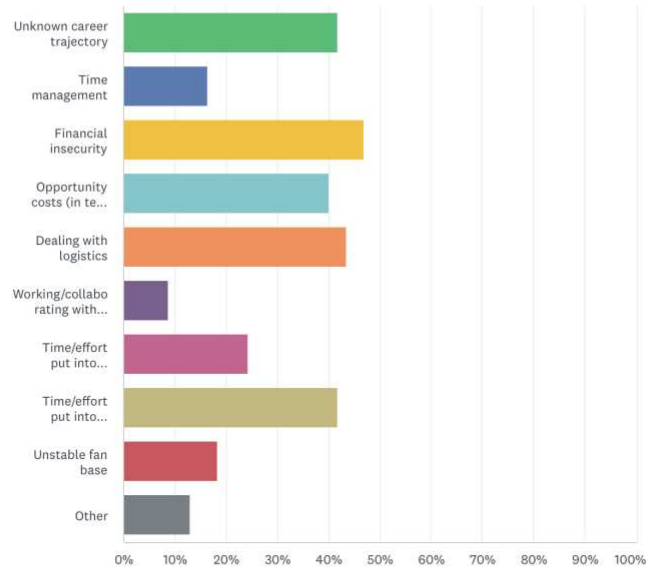


ANSWER CHOICES	RESPONSES
Artistic expression	80.00% 92
Performing	60.00% 69
Audience appreciation	46.09% 53
Collaborating with others	55.65% 64
Financial rewards	18.26% 21
Other	13.91% 16
Total Respondents: 115	

³⁸ Screenshots taken from our Survey Monkey website August 25, 2022.

What do you like least about being a musician? (Check all that apply)

Answered: 115 Skipped: 1



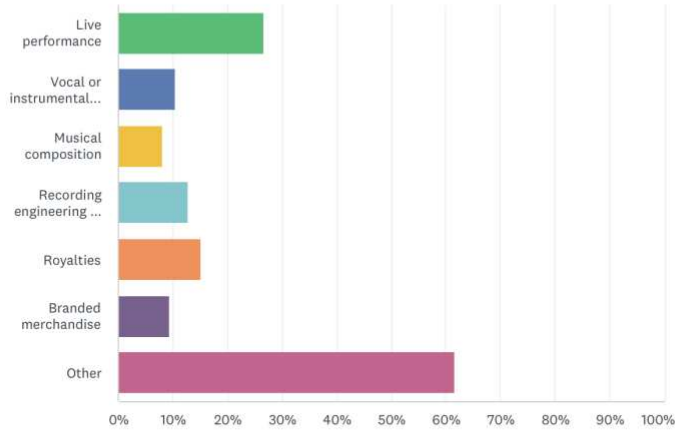
ANSWER CHOICES	RESPONSES
Unknown career trajectory	41.74% 48
Time management	16.52% 19
Financial insecurity	46.96% 54
Opportunity costs (in terms of family and other pursuits)	40.00% 46
Dealing with logistics	43.48% 50
Working/collaborating with others	8.70% 10
Time/effort put into getting paid for music streamed/played	24.35% 28
Time/effort put into marketing oneself	41.74% 48
Unstable fan base	18.26% 21
Other	13.04% 15
Total Respondents: 115	

Q31

Customize Save as

Over the past seven days from which categories did you earn income? (Check all that apply)

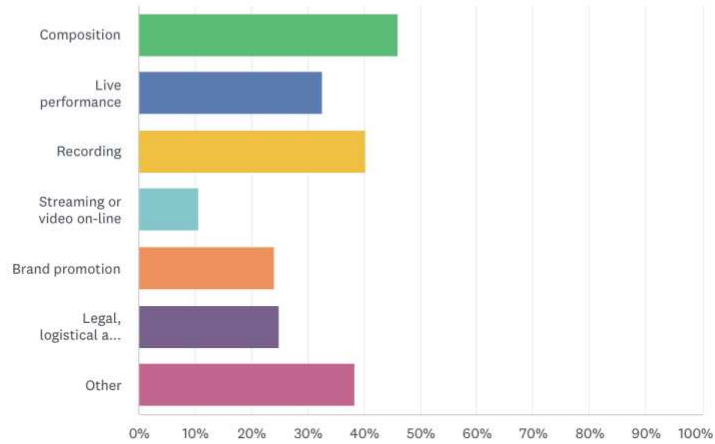
Answered: 86 Skipped: 30



ANSWER CHOICES	RESPONSES
Live performance	26.74% 23
Vocal or instrumental recording	10.47% 9
Musical composition	8.14% 7
Recording engineering or producing	12.79% 11
Royalties	15.12% 13
Branded merchandise	9.30% 8
Other	61.63% 53
Total Respondents: 86	

Over the last seven days in which activities were you engaged? (Check all that apply)

Answered: 104 Skipped: 12



ANSWER CHOICES	RESPONSES
Composition	46.15% 48
Live performance	32.69% 34
Recording	40.38% 42
Streaming or video on-line	10.58% 11
Brand promotion	24.04% 25
Legal, logistical and administrative	25.00% 26
Other	38.46% 40
Total Respondents: 104	