

SOUND EARNINGS? THE INCOME STRUCTURE OF SWEDISH COMPOSERS 1990–2009

STAFFAN ALBINSSON

ABSTRACT. Collective performing rights licensing agencies are private enterprises and their files are thus not public. Thus, the possibilities to carry out scientific research regarding the effects of performing right fees have been limited. This paper is based on new unique data provided by the Swedish Performing Rights Society (STIM) which has provided data for a large share of Swedish composers of art music with mandates from them for this study as legal requisites. The point of departure for the analysis is the basic monetary incentive theory which holds that the prospect of revenues will result in more output. Another question is whether royalty income plays a substantial role in the total incomes of composers or not. Furthermore, three factors, which are generally considered to be influential when it comes to the size of composer incomes in Sweden, are also analysed: gender, level of education and choice of domicile. Female composers are found to earn substantially less than males. Whereas in most professions higher levels of education increase income this seems to be less important for composers. Finally, the expectation is that a composer living in the national capital, Stockholm, will earn more than others is not substantiated.

When busker is beaten, it shall always be proper...
He shall never pray for more justice
than a whipped bondwoman
Elder Westrogothic Law
(Ling and Nilsson 1983, 62, my translation)

1. INTRODUCTION

Swedish composers, like their musician peers, are much better off today than in the Middle Ages. Nevertheless, the thirteenth-century Elder Westrogothic law, or at least the attitude it conveys, is occasionally referred to by Swedish music professionals as an early token of a still prevailing lack of esteem and, thus, financial remuneration from society at large and even from consumers of music. Are there any lingering tokens of this today or do Swedish composers fare better now?

The point of departure for this paper and its first hypothesis is the basic monetary incentive theory which holds that the prospect of revenues will result in more output. Will increased musical output depend on a prior increase in royalty income

for composers, i.e. a positive pecuniary experience of prior outcome? The opposite case is also studied: will increased income come from increased output? A second research question in the paper, which is also of interest when the importance of IPRs is discussed, is whether royalty incomes play a substantial role in the total incomes of composers or not. The data for these two matters could only be collected through individual mandates from voluntary participants.

Three factors are generally considered to be influential when it comes to the size of composer incomes in Sweden: gender, level of education and choice of domicile. Male composers are expected to earn more than female. But to what extent? In most professions higher levels of education will increase income. Is it the same for composers? Finally, the expectation is that a composer living in the national capital, Stockholm, will earn more than others. Data on these issues have been collected and used as control variables in econometric analyses.

The main bulk of the paper is concerned with quantitative analyses of the new data set. Furthermore, some qualitative aspects of non-monetary incentives for the creation of art music are discussed. This was inspired by a casual conversation with musician friends who claimed that they accept a performance offer based on three criteria:

- (1) is it well paid?
- (2) will it boost their market value?
- (3) will it be fun?

The sum of assessed values for all three aspects should be large enough for the proposed gig to be booked.

The conclusion of a symposium, ‘What constitutes evidence for copyright policy?’, last November at Bournemouth University was that there is a general lack of evidence pointing to desirable changes in IPR law. The symposium took the UK Intellectual Property Office’s/IPO guidance document on standards of evidence, ‘clear, verifiable and able to be peer-reviewed’, as vantage point (Kretschmer and Towse 2013). Hopefully the data here will satisfy the IPO standard.

The studied cohort is a distinct member group of the Swedish Performing Rights Society (STIM/Svenska Tonsättares Internationella Musikbyrå), namely, the members of the Swedish Union of Composers (FST/Föreningen Svenska Tonsättare). They are, as potential ‘merit good’ providers, the concern of cultural policy decisions while the vast majority of STIM members create commercially more viable music and, thus, they are rather in focus for the Ministry for Enterprise. Furthermore, it is a group which due to its relatively small size has been possible to investigate with the method here based on signed mandates for individual data collection. The target group is described in sections 2, 6 and 7.

In 2009 there were 59,054 STIM members. 25,169 of them, or 43%, received some compensation. The findings here are based only on the FST members who constituted 0.5% of the STIM members and 1.2% of those who received any amounts. Most of them collected less than 1,000 SEK in 2009. 31% received between 1,000 and 50,000 SEK. 93 STIM members (0.2%) were the real winners: more than 0.5 million SEK was transferred to each of them (STIM 2009).

Previous data on composer incomes both from Sweden and other countries exist albeit not in abundance. Some basic Swedish data on the composer income issue, mainly from Statistiska Centralbyrån (Statistics Sweden), were recently presented by the Konstnärsnämnden (the Swedish Arts Grants Committee) (Heggemann 2009a; Flisbäck 2011). Data on gender issues related to the income of artists were also recently provided by the Konstnärsnämnden (Flisbäck 2010). The Konstnärsnämnden data cover all artistic professions and only rarely do they provide information for composers specifically. Fredrik Österling's report *Komponisterna i Sverige/Composers in Sweden* (2009), also for the Konstnärsnämnden, provides in-depth knowledge of the labour market for composers of art music in Sweden but does not present more data on composers' income than Heggemann (2009a). However, Heggemann's data are for one year only (2004), whereas the data for total income in this study cover 20 years: 1990–2009. The data on all income sources for the main sample group cover five years: 2005–2009. The main focus of this study is the importance of revenues from intellectual property rights (IPRs) on the total incomes of Swedish composers and on their professional performance. This question is not discussed in any of the Konstnärsnämnden reports. However, the data collected for this study in part also shed some new light on issues discussed in these reports.

David Throsby and Anita Zednik (2010) provide an extensive study of Australian artists with the general finding embedded in its title: 'Do you really expect to get paid?' They provide specific information for composers, although their definition also, unlike this study, includes songwriters. Kretschmer et al. (2011) present data on 5,800 British designers, fine artists, illustrators and photographers. Furthermore, Kretschmer (2005) presents relevant but somewhat older data for music artists in Britain and Germany. Kretschmer and Hardwick (2007) cover 25,000 British and German writers (excluding 'writers' of music). A Dutch survey on copyright holders' attitudes toward digital rights management/DRM (Weda, Akker, Poort and Risseeuw 2011) provides some relevant data.

This paper is based on new unique data provided by the Swedish Performing Rights Society (STIM/Svenska Tonsättares Internationella Musikbyrå). Collective performing rights licensing agencies are private enterprises and their files are thus not public. The agencies normally refuse access to their archives based on judicial

and business secret grounds. Thus, the possibilities to carry out scientific research regarding the effects of performing right fees have been limited or even absent. The STIM has now provided data for a large share of Swedish composers of art music with mandates from them for this study as legal requisites.

This paper, furthermore, presents data that disclose that composers of art music in Sweden on average do not belong to the poorest segment of workers in their country. On the contrary, the average composer earned 9.3% more in 2009 than the average employee in Sweden. Other findings discussed include the strong winner-takes-all-situation, i.e. an extreme range between those few who earn the most and the vast majority who are financially much less fortunate, and the effect of a growing music stock over time on the income at a late age. Information on the gender issue and the effects of education and domicile is also presented based on the data material.

2. COMPOSERS OF ART MUSIC

The Swedish Performing Rights Society (STIM/Svenska Tonsättares Internationella Musikbyrå)¹ has three main member organisations: the Swedish Union of Composers (FST/Föreningen Svenska Tonsättare), the Swedish Society of Popular Music Composers (SKAP/Svenska Kompositörer av Populärmusik) and the Swedish Association of Music Publishers (smff/Svenska musikförläggare-föreningen). A very large majority of listed titles and subsequent revenues in the STIM database stems from SKAP members. They are almost ten times as many as their FST colleagues. Although the artistic demarcation line between SKAP and FST membership may be rather flexible, the overall principle is clear enough: the SKAP organises composers of popular music and the FST members compose art music. Most current members of the FST have an academic degree from a school that carries the tradition from the famous classical composers of opera, orchestral and chamber music. FST membership is granted by an artistic jury. As the music composed by FST members is not yet 'classical' in a strict sense, the music studied in this paper will be, as is now common in the music business, labelled (occidental) 'art music'.

Art music is a general label assigned to music in the tradition Germans call *Hochkultur*, sometimes translated into 'Art with a capital A'. It should, generally, have a higher degree of both complexity and demand for performers' skills than music of other genres. Art music is not folkly. It does not, primarily at least, strive for entertainment. Art music does not seek popularity. Fame might thus be a medal with both a flip-sided successful income effect for the composer and a flop-sided questioning among other composers of whether the music is *really* arty

¹STIM is pronounced as a word: stim.

as it has reached a level of popularity. The idea that an artist in a *beaux arts* craft should suffer in order to create important work still holds some sway.²

It would be misleading to label all music composed by SKAP members ‘commercial’. However, as their music is supposedly a more ‘popular’ kind, the incentive to create most likely, apart from popularity itself, stems from the potential income from records, concert tickets and broadcasts. All three generate demand-driven IPR revenues. Contrarily, the creation of art music is, generally, funded mainly through commission fees, temporary employment, grants and stipends. As we shall see in Figure 7, most FST members earn income from other professional activities apart from composing.

The hard struggle to which composers have to commit themselves in order to gain respect for all their efforts to bring art and joy to the people seems eternal. This is, however, shared with most professionals within artistic businesses and also by those who work in other sectors in which the results are ‘merit goods’ with, at least alleged, intrinsic positive externalities rather than goods with more direct and obvious monetary effects. As for most consumers the inclusion in the artistic world as a member of an audience or a collector makes the artistic items ‘positional goods’ (Hirsch 1977, pp. 27; Frank 1985, pp. 7), the provision of such goods rubs off positional merits onto their creators. Thorstein Veblen (1899) identified that for some goods (thus ‘Veblen goods’) the demand also increases when the price increases.

3. THE DATA

The data in this study come from four sources:

3.1. **STIM.** In order to acquire access to individual information from the STIM database, the FST members were asked to sign letters of attorney or mandate. Such proposals were sent to the 303 FST members (excluding members living abroad). Four members explicitly refused to participate. One hundred and twenty-seven or 43% did send back signed letters. The number of people studied here is thus not big but its large share of the full cohort in question should make the sample reasonably representative. This issue is further developed in section 5.

Data on revenues from Internet streaming were also provided from 2005. Due to the lack of income from this source for 98% of the composers and very small amounts for the 2% who did collect something, this variable has not been used in the analyses.

²Claimed by composer confidants in a survey I conducted for the FST in 2009. Eighty FST members presented formulations regarding professional attitudes and assessments concerning past and future incomes. The FST collected the material on my behalf but anonymised the results before conveying them (Swedish language).

The STIM registers data individually based on official individual tax identification numbers. Thus, in this sample the amounts provided by the STIM for the study may have been paid out to the person, to his/her registered firm or to his/her private company.

3.2. The Swedish Tax Agency. The data collected from the tax agency were of two kinds. The general information on annual taxation data on the aggregate individual level (not separate listings of income from various sources) from the income year 1990 onward is readily available for anyone to read at the tax agency's service points all over Sweden. These data were collected for all the FST members plus a control group. The control group was randomly selected from non-FST members born on the same day and of the same sex as a corresponding FST member.

The letters of mandate had a tick box granting access to non-public tax information from the last five years (2005–2009) on all the various actual sources of individual income. These data were sent to me from various tax authority regional offices and transferred to the data set.

If the composer has registered as a one-person firm the STIM revenues can be booked in the firm rather as salaries. To be able to benefit privately from the STIM remuneration the individual in this case, however, sooner or later has to transfer the firm-based assets to ordinary taxed income.

3.3. The Swedish Music Information Centre (*Svensk Musik*). General data on the individual outputs of FST members were collected from the Swedish Music Information Centre, a STIM affiliate promoting Swedish music both domestically and, primarily, internationally. These variables are accumulative. The data were collected according to the year of publishing, first performance or, simply, registration with the STIM.

Table 1. Variables used in the analyses

Name	Source	Period	Collected for
<i>output_STIM; total number of pieces with compensation from STIM</i>	constructed	1990-2009	all FST
<i>output_total; output_STIM plus operas</i>	constructed	1990-2009	all FST
<i>age</i>	constructed	1990-2009	all
<i>age squared</i>	constructed	1990-2009	all
<i>total IPR revenue from STIM</i>	STIM	1990-2009	confidants
<i>total taxed income</i>	Tax Agency	1990-2009	all
<i>sex</i>	Tax Agency	time-invariant	all
<i>celebrity</i>	Google	time-invariant	all FST
<i>domicile</i>	Tax Agency	time-invariant	all FST
<i>education</i>	MIC	time-invariant	all FST
<i>mandate</i>	confidants	time-invariant	all
<i>taxed income from STIM</i>	Tax Agency	2005-2009	confidants
<i>taxed income from municipalities; normally from educational work</i>	Tax Agency	2005-2009	confidants
<i>taxed income from churches; normally as organ players</i>	Tax Agency	2005-2009	confidants
<i>taxed income from universities or conservatoires; normally education</i>	Tax Agency	2005-2009	confidants
<i>taxed income from miscellaneous sources related to music</i>	Tax Agency	2005-2009	confidants
<i>taxed income from miscellaneous sources not related to music</i>	Tax Agency	2005-2009	confidants

Notes:

mandate: the non-FST reference group was collected randomly from the same Tax Agency source that provided the data for FST members.

Grands droits/big rights accrue to music for the theatrical stage, e.g. operas, operettas and musicals, whereas *petits droits*/small rights cover all other kinds of music and performances. See Albinsson (2012b) for the history behind the division

Orchestral works, chamber music and electro acoustical music/EAM are referred to as *petits droits* items compensated through the STIM system.

Operas are not part of the STIM collection of *petits droits* fees. They are compensated through direct grands droits negotiations with theatres.

output_STIM: Both STIM and the agreement on tariffs for commissions between the employers' union, Svensk Scenkonst, and the composers' union, FST, differentiate remunerations between various kinds of music mainly based on the degree of "complexity". The STIM, furthermore, claims that the grading aims to compensate composers of pieces that demand heavy work efforts and that have limited possibilities to be performed. Thus, a factor 5 here for orchestral was chosen to compensate for longer duration, a higher degree of complexity and higher per minute royalties for symphonic pieces.

output_total: a factor 10 for the number of operas was chosen to compensate for longer duration, a higher degree of complexity and higher total fees from commissions and royalties.

All monetary amounts (SEK = Swedish krona) were adjusted according to the CPI with 2009 as the base year. They were recorded in thousands. The collected observations for the chosen variables form an 'unbalanced panel' data set.

4. METHOD

I ended a previous article based on STIM data with the following statement (Albinsson, 2012a):

The size of IPR income may not be the only important element to consider. Small amounts can result in the recognition of a person's ambition to be regarded as a composer. A pay cheque from the STIM is recognition of a composer's being just that. It acts, regardless of the size of the payment, as a round of applause from the invisible audience.

The idea that IPR law pertaining to music may be appreciated also by composers who do not actually gain much financially from it is discussed in a Dutch survey on copyright holders' attitudes toward digital rights management/DRM (Weda, Akker, Poort and Risseuw 2011, pp. 29). Most respondents, including composers, wished for actions to be taken against file-sharing websites and their consumers. A considerable proportion of the respondents endorsed the use of DRM, although the data reveal that the winner-take-all syndrome is also apparent among Dutch artists leaving most royalty receivers with pittance.

This study is guided by a kind of 'incentive function' based on this notion and the above-mentioned musicians' criteria for accepting a gig. Monetary compensations are not the only possible incentives. Model (1) describes what may actually incentivise composers – both those who are obviously successful and those who are seemingly less fortunate.

$$\text{Model (1)} \quad P = f(M1, M2, M3..., R1, R2, R3..., P1, P2, P3...)$$

where P = propensity to produce, M_i = monetary incentive factors, R_i = recognition incentive factors, P_i = pleasure incentive factors

This idea is supported by, for instance, Eva Hemmungs Wirtén (2009, my translation):

The downside of such an argument [i.e. the monetary incentive] is that it tends to reduce creativity to a question of money, period. However, there is a variety of reasons besides the purely economic for people to write, to film and to paint. As in science, where symbolic rather than economic capital is the primary goal, the creativity in the cultural sector can be based on the desire to create, to share, to develop and see one's own ideas have an impact on other people's works.

Of course, the notion of incentives other than pecuniary is not new. Some authors refer to the fact that there are non-monetary considerations in the choice of

an artistic profession. However, the nature of such considerations has not been much explored. Pierre-Michel Menger (2006) lists the most important: the variety of work, a high level of personal autonomy in using one's own initiative, the opportunities to use a wide range of abilities and to feel self-actualised at work, an idiosyncratic way of life, a strong sense of community, a low level of routine, and a high degree of social recognition for successful artists. In sections 11 and 12 some of these aspects are elaborated to some extent.

Diane Leenheer Zimmerman (2011) claims that:

... in recent decades and outside the intellectual property literature, the findings of researchers in psychology and behavioural economics have cast considerable doubt on both the existence of 'rational profit-maximizers' who routinely make their choices based on economic criteria ... What these scholars posit instead is that the expression of human creativity is primarily driven by intrinsic rather than extrinsic factors.

Zimmerman discusses the differences between extrinsic and intrinsic incentives. However, a well-defined distinction between the two cannot easily be made. Is the process of recognition incentive extrinsic or intrinsic? Is it a push or pull force for the production of music?

In this study it is possible to investigate quantitatively only the monetary incentive factors. The recognition incentive is discussed mainly qualitatively. However, as will be shown below, recognition often manifests itself in extra-compositional money. The celebrity variable here is measured crudely by the number of Google hits of composer's names. It should not be generally interpreted as an indication of output quality. Nevertheless, celebrity does indicate recognition of what is regarded as interesting music by the contemporary *zeitgeist*.

The data in this study do not shed direct light on pleasure incentive issues. That field is open to further investigation. I will, however, mention some plausible scientific findings from other authors (section 11).

The data are presented in two ways:

- (1) *Descriptive statistics* – some of the findings are presented in tables and Figures 'as they are'. Normally variables in this case are grouped or sampled but they are not actually processed in any way. The chosen descriptive measures provide inputs for interpretation and analysis. This step is limited to what the imaginative eye can see.
- (2) *Econometric models* – correlations and causality patterns have been checked by the use of panel data regression models. The models are motivated, processed and analysed according to the standard procedure. For the sake

of consistency the models presented are all based on random-effects GLS regressions. Year dummies have been included in the analyses of all regression models. They are, however, omitted in the presentations.

5. THE SAMPLE

The composers who provided mandates for the collection of confidential data relate to the other groups according to table 2.

The group that provided signed mandates differs somewhat in age from the non-mandate group: the median age is two years older. Correspondingly, their mean year of membership is two years further back in time. Operas generally provide more income than other kinds of output. Thus, the almost equal mean number of operas for the two groups is beneficial for the analyses. The more extensive output for the mandate group when it comes to chamber music should be noted. Chamber music especially does not, however, generally bring in much income per piece.

Those who did not provide mandates are slightly more successful financially and celebrity-wise. The output is a little smaller for them but it pays off marginally better. As perhaps could be expected, those who did provide mandates earn somewhat less, especially compared with the output numbers. They may have chosen to participate in this study in order to obtain some clues to the reason. There is a slightly higher concentration of mid-range incomes in the mandated sample than for those composers who did not provide mandates (Table 3). Generally the differences between the two groups are not troublesome. The mean total, taxed income of the mandate group is 96% of the non-mandate group.

The most disturbing facet of the data-set is that female composers in the mandated group have total taxed incomes that are higher than those in the non-mandated group. For male composers it is the opposite. Thus, the gender issue has been omitted in the analyses of STIM incomes. However, this will be discussed below, in section 8.1, regarding total taxed incomes for all FST members.

The income penalty for composers in comparison to non-composers is 30%, see Table 2. Although the average composer earned 9.3% more in 2009 than the average employee in Sweden (SCB 2011c) the comparison with the reference group is much more negative. Thus, the data here suggest that compared to other individuals of the same sex and age the choice of the composer profession is highly financially disadvantageous.

Randall K. Filer (1986) found in a 1979 survey that the combined group of American musicians and composers earned 68% of the average employee. Thus, there was an income penalty of 32%.

Table 2. Summary statistics of groups

	FST members		Non-member group
	<u>mandate</u>	<u>no mandate</u>	
number in sample	127	168	119
median age 2009	52	50	52
female	13.4%	14.9%	
mean year membership	1993	1995	
higher education	69.3%	72.0%	
celebrity, mean no of hits	909	1019	
mean no of operas	1.4	1.3	
mean no of orch	9.3	5.6	
mean no of chamber	41.2	21.2	
mean no of eam	1.1	1.1	
mean taxed income SEK	232400	242750	341100

Table 3. Income distribution for samples in 2009

Taxed income SEK	FST members %		Non-member group
	<u>mandate</u>	<u>no mandate</u>	
< 50000	11,6	13,5	5,0
50000-150000	14,0	14,0	4,2
150000-300000	26,4	18,1	19,3
300000-500000	29,5	31,6	35,3
> 500000	18,6	22,8	36,1

According to Hans Abbing, a visual artist and cultural economist, the same was found for the bigger cohort of ‘artists’ by Wassal and Alper in 1992. However, Abbing claims, the ‘penalty’ could just as well be regarded as the value which the well-informed artist finds in other rewards, such as private satisfaction, recognition and status. Governments dislike poverty and value the arts. Hence, many subsidise artists who are not successful financially. Furthermore, Abbing found empirical evidence which shows that, because of the high value artists give to non-monetary rewards, more subsidy only makes the stock of artists bigger without increasing the average income (Abbing 2003).

6. COMPOSERS V. OTHERS

FST members had a mean taxed income during the full time span of 70% of that of the non-member reference group. The mean taxed income of 30,500 SEK per month for FST composers below the normal retiring age of 65 is significantly higher than the mean monthly pay of the professions with the lowest incomes. Composers earn 50% more on average than, for instance, sewing machine operators, horticulturists, hotel cleaners and head waiters in Sweden (SCB 2011a). However,

they earn only 37% of what the average stock broker is paid and 55% of the average physician's salary (SCB 2011b).

In the data processed here FST members show an income distribution Gini coefficient in 2009 of 0.40, while the same for the reference group is 0.33. The income distribution in the Nordic countries is significantly more equal than that in most other countries. According to the OECD StatExtract the US had a Gini coefficient in the late-2000s of 0.45 and that of the UK was 0.46. Eurostat presents a 2009 Gini coefficient for Sweden of 0.25. The coefficient for the whole of the EU was 0.30 that year.

As mentioned, the Gini coefficient for Swedish composers in 2009 was higher than for the working population as a whole. Thus, the income was not as evenly distributed among composers. The importance of the winner-takes-all phenomenon in the music business, as discussed in my previous macro-level paper, is even more evident in the distribution of IPR revenues. This was measured for the mandated group. Its Gini coefficient in 2009 was 0.76. The same measurement for all the STIM income receivers, i.e. composers of all genres, was a staggering 0.94 (Albinsson 2012a, 14).

Kretschmer and Hardwick (2007) present Gini coefficients for copyright revenues from ALCS (UK collecting society) for British authors, 0.78, and from VG Wort (German collecting society) for German authors, 0.67. In contrast, the national Gini coefficient for all employees in the UK was 0.33; in Germany it was 0.31. According to Kretschmer and Hardwick (2007), "this suggests that current copyright law may exacerbate risk" (Kretschmer and Hardwick 2007, 17-18). Kretschmer et al. (2011, 42-50) provide a measure of the Gini coefficient at 0.59 for 5,800 British designers, fine artists, illustrators and photographers, compared to a Gini coefficient of 0.36 for the UK working population.

Thus, the 'Matthew 25:29 effect', coined by sociologist Robert K. Merton, is apparent also among composers: "For unto every one that hath shall be given, and he shall have abundance." However, for composers of art music it is actually not as overwhelming as it is for composers of more commercially viable music. The simple reason for this is that none of the individuals in this study had a total revenue from the STIM of more than 250,000 SEK in 2009, while among all the approximately 60,000 STIM members 0.5% (123 individuals) had incomes of such magnitude (Albinsson 2012a). These 'outliers', who have a strong influence on the statistics, are absent in the art music case. The average STIM revenue for all the receivers in 2009 was 13,780 SEK, while for the art music composers in this sample the mean STIM income was 63% of that: 8,770 SEK. The median STIM income in the latter case of 2,685 SEK is another indication of the highly skewed IPR income distribution.

7. CONTROL VARIABLES: THE INFLUENCE OF GENDER, EDUCATION AND DOMICILE

7.1. **Gender.** Of the time-invariant variables, gender is the most important when it comes to the influence on income. In contrast to education and domicile, the sex coefficient is statistically significant. Thus, being a woman is significantly negative when it comes to the earnings from composing (see Table 4).

Table 4. The effects of gender, education and domicile on income

Dependent variable: logged total taxed income	
Random-effects (GLS), using 6195 observations	
Included 295 cross-sectional units	
Time-series length = 21	
	<i>Coefficient</i>
const	2,8688 ***
sex	-1,0711 **
domicile	0,1666
education	0,1986

Notes:

*** = statistical significance at the 1% level, ** = statistical significance at the 5% level ,

* = statistical significance at the 10% level

Thus, the data reveal that gender plays an overwhelming role in determining the size of a composer's total taxed income levels. Gender has been more discriminative for female composers than for women in other professions. Not only is the share of women among composers small, at 14.2%, while the share of women among all the employed in Sweden was 47%. The income they collect is only 58% of the average income for men in their profession (female mean income: 147,000 SEK; male mean income: 253,000 SEK). For the full Swedish workforce, women's incomes (re-calculated to full employments) are 86% of men's incomes (SCB 2011d).

Medlingsinstitutet (The National Mediation Office) (2010, 9) reports that "if using the standard weighting method which takes into account differences in occupation, sector, education, age and working hours the pay difference is 5.9 percent.". Obviously, this indicates a glaring contrast between the average income of Swedish female composers and their male colleagues.

For many decades the general political ideology in Sweden has been that men and women should have the same professional opportunities. Furthermore, they should be given equal monetary compensations in the same professions. As in some other countries there is now a law against gender discrimination in the labour market. However, it is according to the Medlingsinstitutet (2010, 14) not correct to draw the conclusion from the statistics that women are generally discriminated against

in the labour market. Differences may depend on actual differences in individual skills and productivity.

Table 5. Female average incomes in relation to male average incomes, %

	<u>Composers</u>	<u>Non-composers</u>
1990	50,85	69,64
2000	50,77	56,57
2009	65,89	79,70
full period	57,91	66,14

Shackleton (2008) discusses whether female choices of life-styles differ from the life-style choices of most men. If they do lower female incomes cannot, according to Shackleton, be regarded as gender based monetary discrimination.

A similar pattern was found by Kretschmer and Hardwick (2007, 29). British female professional authors earn on average 77.5% and their German colleagues 80.6% of their male counterparts. The more they concentrate on their authorship the smaller this share becomes. Female main-income authors earn on average only 59% (UK)/69.5% (Germany) of their male counterparts.

Fredrik Österling (2009, 42) reports that 37% of Swedish art music pieces, which had their first performances during 2003-2007, were composed by women. 91% of the pieces by male composers were financially remunerated by the bodies responsible for the first performances. The corresponding percentage for female composers was a mere 49. Of all uncompensated first performances 80% were composed by women. This supports Kristina Hultman's finding: "That some have precedence over what is objectively good is not in question. [Their] Perspectives on cultural diversity, gender equality and class risk music [which is labelled by such classifications] being associated with amateurism." (Hultman, 2006, 170).

KVAST/The Association of Swedish Women Composers was formed in 2009 to work for an increased share of music by female composers on the Swedish art music scene. Although there is no explicit claim on the KVAST web-site that old-fashioned patriarchal managements give favours to members of their male networks it is this thought that directly comes to mind when reading the data KVAST provides. Of the pieces played by Swedish orchestras in the 2008/2009 season only 1.2% were written by female composers. For works composed after 1950 the share was 6% (kvast.org).

7.2. Education. As seen in Table 4 education lacks statistically significant explanatory power regarding the level of individual incomes. The data are scrutinised descriptively in Figures 1 and 2. It should be noted that the increases over time for

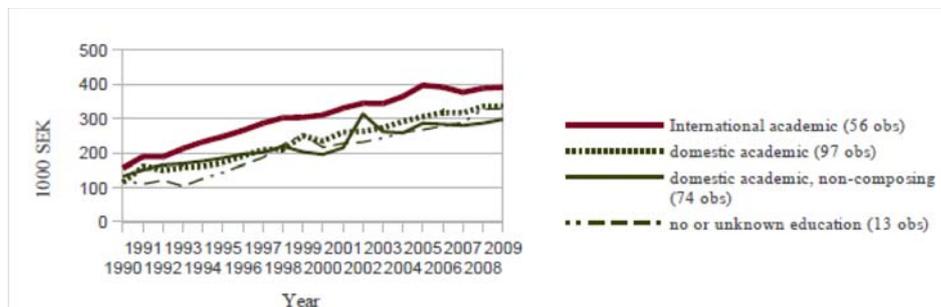


FIGURE 1. Effect of education on mean income

all the cohorts in Figures 1 and 2 are due to human capital growth effects (see section 9 below) and increases in the accumulated stock of output for the individuals studied and not to a possible general wage drift for the composers' profession.

Table 6. The STIM revenue share of the total taxed income for education categories

Education	1990	2000	2009
international academic	4,49	3,55	2,81
domestic academic	6,96	5,13	2,68
domestic academic, non-composing	3,76	5,64	3,37
no or unknown education	0,00	1,39	1,22

Many composers spend up to five years in the composition masters programmes of conservatoires. Some undertake complementary education abroad. In Figure 1 we see a positive effect of higher international education on the total taxed income. In 1990 the mean income in this category was 36% higher than for those in the domestic academic category. In 2009 the difference had decreased to only 16%. In Figure 2 we see no actual nominal growth in the income from the STIM. Thus, the general growth in the total taxed income in Figure 1 and this lack of growth in Figure 2 gives a diminished share of STIM revenues of the total taxed income (Table 6).

Ruth Towse maintains, that “we know from research on artists' labour markets that the human capital model of investment in education does not apply to artists' works in the arts”. Intermediaries between the artist and the audience, and the consumers themselves, place little or no value on formal education and “paper qualifications are irrelevant for art works; what counts is the artists' reputation and track record” (Towse, 2001). The data here generally confirm Towse's observation. However, the human capital model of investment in education may play a role

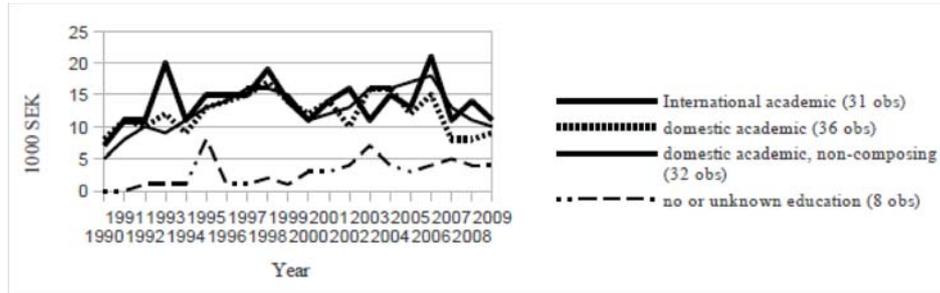


FIGURE 2. Effect of education on STIM revenues

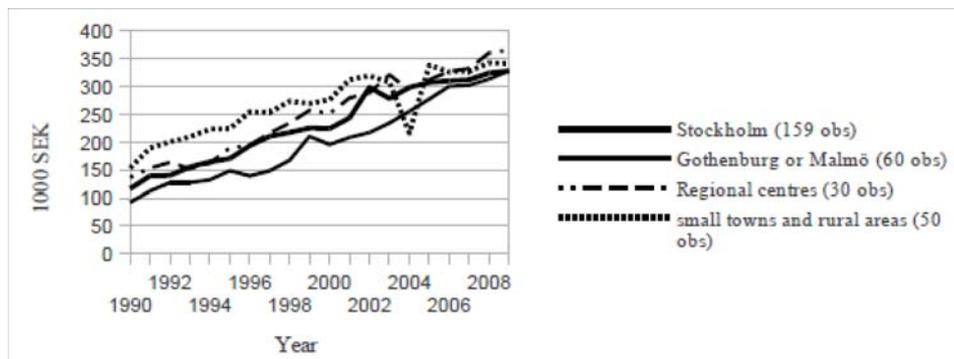


FIGURE 3. Effect of domicile on total taxed income

regarding composers' arts-related work and non-arts work, see Figure 1 and Section 11.2.

7.3. Domicile. According to Christiane Hellmanzik (2010) there was a cluster premium for paintings produced and auctioned in Paris between 1946 and 1975 of 27%. Furthermore, she found that the cluster premium in New York peaked during the same period at 74%.

Karol Borowiecki (2013) claimed that classical composers born between 1750 and 1899 “who worked in a cluster benefited significantly in terms of written compositions and have been creating around one additional work every 3 years. The location benefit is even greater for top composers ... whereas no such benefits can be consistently found for lower-ranked artists.” Borowiecki attributes this phenomenon, at least in part, to the winner-take-all character of classical music.

In this study the domicile variable tends not to support the general opinion among artists that it is beneficial career-wise to live in the national capital. The disparity between the categories has decreased over time, so that in 2009 there is practically no difference between the four different domicile options (Table 7).

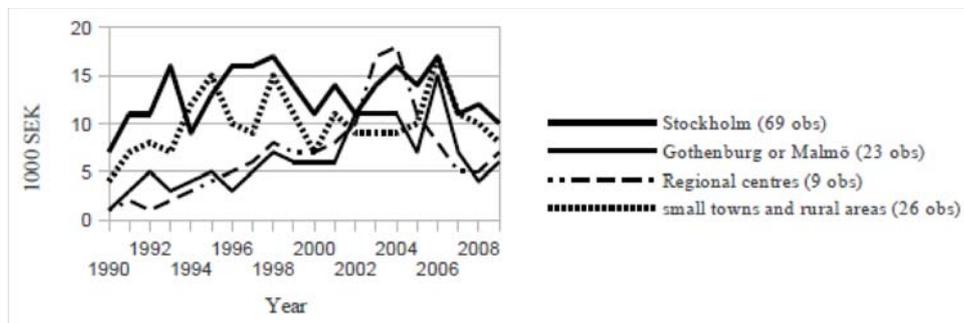


FIGURE 4. Effect of domicile on STIM revenues

Table 7. The effect of domicile on total taxed income (index Stockholm = 100)

<u>Year</u>	<u>Stockholm (159 obs)</u>	<u>Gothenburg or Malmö (60 obs)</u>	<u>Regional centres (30 obs)</u>	<u>Small towns and rural areas (50 obs)</u>
1990	100	79	117	132
2000	100	87	112	123
2009	100	100	111	104

8. THE EFFECT OF AGE ON INCOME

As for most professions, age should matter for composers. Age is a proxy variable for qualities connected to the growth of human capital. Primarily, individual skills increase formally from education and informally from the accumulated experiences of performing work tasks. Learning from professional networks, which increases over time, plays a vital role. Hence, the income is also likely to increase each year. This is covered by the age variable. The general pattern in studies of age and income is that, after a peak a few years before retirement, the income normally starts to decrease. This non-linear effect is measured by the age^2 variable. Thus, in a regression model we would anticipate a positive coefficient for age and a negative one for age^2 .

For the reference group of non-composers, the positive effect of age is much stronger than it is for composers, see Table 8. A likely explanation is that composers lack the kind of career ladder which is common to many other professions. A teacher may become a dean, a second lieutenant may eventually be promoted to squadron leader and a newly certified physician may over time climb the ladder to become the medical director of a hospital. The composer is more confined, even trapped, in his/her line of work.

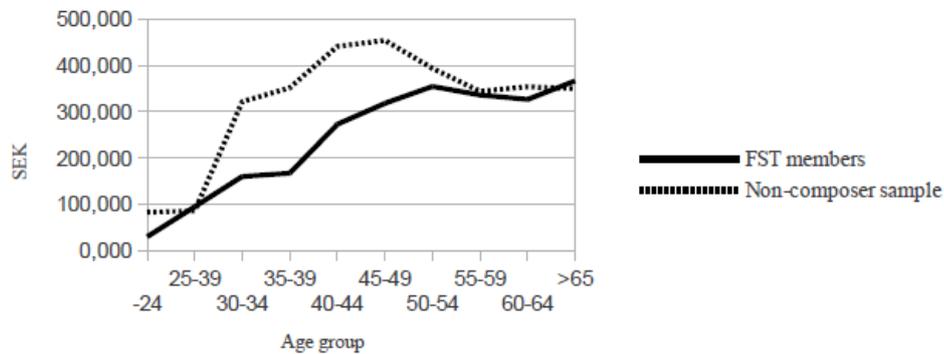


FIGURE 5. Average incomes Swedish composers versus non-composer sample, panel data for 1990-2009

Table 8. Effect of age on total taxed income

Dependent variable: total taxed income			
Random-effects (GLS), using 6195 observations		Random-effects (GLS), using 2499 observations	
Included 295 cross-sectional units		Included 119 cross-sectional units	
Time-series length = 21		Time-series length = 21	
<u>COMPOSERS</u>		<u>NON-COMPOSERS</u>	
	<i>Coefficient</i>	<i>Coefficient</i>	
const	-151,349 ***	const	-298,532 ***
age	10,3938 ***	age	23,34 ***
age squared	-0,0472296 ***	age squared	-0,237056 ***

The decline in income at a late age is much stronger for non-composers. The composers' incomes never reach the peak level of others, but, on the other hand, they hardly decrease at all after retirement. This is in great contrast to most other professions. Composers probably benefit greatly from the fact that their trade is intellectual in kind rather than being hard on the body. However, the effect of the growing stock of music over time that is covered by IPRs must play a role. Although the pieces lose their novelty after the first few years, they nevertheless are liable for royalty revenues when played. What, for instance, a dentist, a miner or a teacher produced 20 years ago does not pay off in the present other than as returns on set-aside savings. A 20-year-old piece of music brings in new income when played now.

An American study from 1979 of the combined group of musicians and composers shows an earlier peak age (45-50 y.a.) than this study (50-55 y.a.). After the age of 65 the American group earned 59% of what the general, retired worker earned while during their peak earning years the income penalty was 16% (Filer 1986). For

Swedish FST members this study shows a 10% income penalty for the peak years and no income penalty for the retired group (see Figure 5).

9. THE CELEBRITY VARIABLE

The celebrity variable used is simplistic: hits on Google. The variable ranges from 3 to 15,300 with a mean of 909. Although this skewness gives statistically significant results in only one econometric model below, there seems to be a clear correlation between the celebrity variable and the income variables, see Figure 6. Hellmanzik (2010) found the same pattern regarding auction prices for visual artists in Paris and New York between 1988 and 2007. Published column-inches mattered greatly in her study. A one inch increase in the average celebrity³ of artists brought a premium of 3.1% for artists located in Paris and a striking 9.6% for those working in New York. In this study a 0.3% increase of the *celebrity* variable gives a 1% increase in the variable *total taxed income*. Moreover, there is a positive correlation between increases in celebrity and total taxed income, see Table 12.

Table 9. The celebrity variable

No hits	mean STIM income, SEK	mean total income, SEK	STIM %	No obs
0-99	4,412	186,960	2,36	19
100-249	7,066	223,580	3,16	23
250-499	13,924	182,400	7,63	20
500-999	10,426	247,860	4,21	28
1000-1999	12,297	259,230	4,74	24
>2000	17,729	308,460	5,75	13

There has been an astonishing dip in total taxed income with a simultaneous increase in STIM royalties for composers with a lower celebrity count compared to those who have had either fewer or more hits, see Figure 6. We may perhaps see a level of recognition here where composers experience some success and grant themselves the opportunity to risk their stake at their profession of choice. But those who strive for even higher total incomes realise that money is rather to be found in other activities.

The confidants have been divided in six groups according to the numbers of hits (see Table 9). These groups are used as dummy variables in the econometric models below.

³Hellmanzik, somewhat daringly, uses the word ‘quality’ instead of ‘celebrity’ for the variable measured by column-inches.

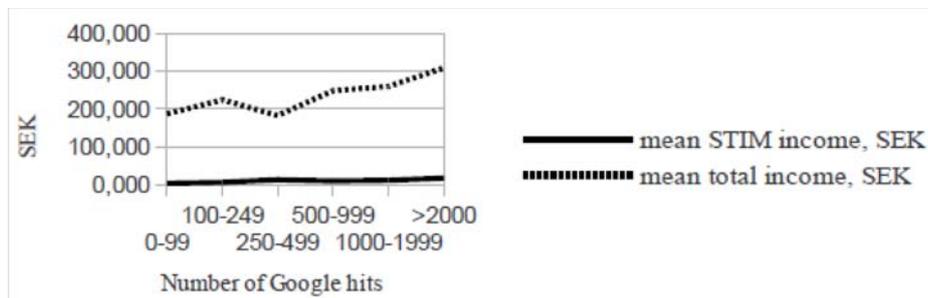


FIGURE 6. The income – celebrity correlation

10. THE MONETARY INCENTIVE CASE

The most claimed economic justification of IPRs is the monetary incentive they provide for increased output (Landes 2003; Scotchmer 2006; Balganesch 2009; Svensson 2012). The IPR legislation fences out pirates through the propertisation of the output of the composer. Artificial scarcity is created (Plant 1934). The musical oeuvre is made into a commodity that is transferable when the financial return is favourable. At least some products created under the protection of IPR legislation obviously sell well and thus satisfy the manifested consumer demands.

The monetary incentive has a micro-level implication for the individual composers. The argument is also relevant on the societal macro level. The incentive function will increase the output and thus boost music industries and their labour markets. This in turn is beneficial to consumers and the IPR legislation will provide cultural goods that may have intrinsic merit values.

10.1. Output as an effect of prior royalty income. What is tested in model (1) is the basic notion that a new piece of music will be composed if a prior positive experience of STIM incomes provides an incentive to create. In this case the time and labour invested in the creation may be expected to pay off. If a new piece is inspired this year ('first difference' in variable total output of pieces compensated through the STIM, i.e. not operas) by a recorded STIM income from last year, the regression analysis coefficient of the latter variable will have a positive sign.

The variable 'logged total STIM revenue last year' does have the expected positive sign but it lacks statistical significance. Thus, when control variables are included the result becomes somewhat inconclusive, see Table 10. Obviously other factors apart from the monetary revenue have substantial explanatory power for the output variable. According to this model prior income from performing rights is of very limited causal importance for the composing of art music.

Table 10. Output as an effect of prior royalty income, multivariate model

Dependent variable: new piece (excl. opera)		
<i>i.e. first-difference of variable output_STIM</i>		
Random-effects (GLS), using 2540 observations		
Included 127 cross-sectional units		
Time-series length = 20		
	<i>Coefficient</i>	
constant	-2,7723	*
logged total STIM revenue, year -1	0,0381	
domicile: Stockholm	-0,1230	
domicile: Gothenburg or Malmö	0,5330	
domicile: regional centre	0,3825	
education: international and domestic	-1,6296	
education: domestic	1,2461	
education: domestic; music but not composing	0,6937	
celebrity, level 2	-1,1483	
celebrity, level 3	0,8893	
celebrity, level 4	-1,0074	
celebrity, level 5	0,3472	
celebrity, level 6	0,5869	
age	0,1936	***
age squared	-0,0016	***

10.2. **Royalty income as an effect of output.** The monetary incentive notion may be shown to hold true also if royalty incomes increase when new pieces are added to a composer's portfolio, i.e. the reversed causality pattern of that in section 10.1. The rationale is that the output can be seen as an investment necessary for the *ex post* IPR revenue.

In this model lags of the independent variable are included. The unlagged variable indicating the output created the same year as the income being studied is omitted. Only output from the previous three years is included.

As might be expected the reversed model, as compared to 10.1, provides a reasonable foundation for the idea that a new piece of music results in additional royalty income. Pieces created a few years ago can have a positive effect on present royalty incomes. The year-2 lag even has some statistical significance. As in the model in Table 10 above, the control variables abstract some but not all of the explanatory power of the independent variable.

As in the 10.1 model, the place of domicile and level of education seem to be of some importance as explanatory factors for STIM royalties. Additional education abroad seems to have a negative effect on royalty incomes compared to all other educational levels including no higher education (reference dummy group). However, none of these observations are statistically significant.

Table 11. Royalty income as an effect of output, multivariate model

Dependent variable: logged total STIM revenue		
Random-effects (GLS), using 2159 observations		
Included 127 cross-sectional units		
Time-series length = 17		
	<i>Coefficient</i>	
constant	-7,8640	***
First diff STIM output, year -1	0,0176	
First diff STIM output, year -2	0,0266	*
First diff STIM output, year -3	0,0252	
domicile: Stockholm	-0,0387	
domicile: Gothenburg or Malmö	0,4216	
domicile: regional centre	0,1250	
education: international and domestic	-0,3255	
education: domestic	-1,3095	
education: domestic; music but not composing	-1,0703	
celebrity, level 2	1,0531	
celebrity, level 3	1,8818	
celebrity, level 4	0,7521	
celebrity, level 5	0,5412	
celebrity, level 6	0,1534	
age	0,2323	***
age squared	-0,0022	***

10.3. **Alternative monetary incentives.** Suzanne Scotchmer discusses three alternatives to IPR income as monetary providers for artistic creation: salaried commissions, *ex ante* contests and *ex post* prizes (Scotchmer 2006, chap. 2). The number of possible monetary prizes in Sweden is practically nil. If grants and stipends are considered to be *ex ante* ‘contests’ according to Scotchmer (they are mostly given based on competing applications), the situation is more favourable. Some are provided without any specific output demands.

Salaried positions can be tax funded or they may be given by private sponsors. Some time-limited composer-in-residence positions occur in Sweden but they are extremely rare. A dozen FST composers have been awarded salaries from the ‘guaranteed income for artists’/*konstnärslön* system provided by the national government. The system was principally abandoned in 2010. No new guarantees have been granted thereafter. The guarantees are not utilised at all or in full by all beneficiaries as income from other sources is deducted. As IPR income is one such source the state does not demand that what is composed by those with the guaranteed incomes should be considered bought out and immediately transferred to the public domain.

A disadvantage with the tax funding of music creation instead of the present royalty system is that it is not only the tax payers who get free access but also everybody else, e.g. foreign consumers. Decisions by the state regarding who will

be compensated will always be met with controversy. In the copyright system remuneration is given much more undisputedly, namely according to observed demand based on consumer taste.

The guarantees are paid out by the same institution that also provides a large amount of time-limited stipends and project-specific grants. It is not possible, in the data here, to differentiate one from the other. However, most major stipends and grants as well as most salaried commissions are included in the total taxed income variable. They are listed by the tax authority as tax exempted. Unfortunately for this study, many smaller stipends and grants are not reported to the tax authority as they are not taxable incomes.

Only 4.7% of taxed incomes were related to IPR revenues during the 1990–2009 period. The percentage actually declined from a peak of 5.6% in 2006 to only 2.7% in 2009. Thus, the direct importance of IPR incomes to the total income has diminished in recent years.

Voluntary contributions form another alternative compensation model (Liebowitz and Watt 2006). Liebowitz and Watt identify a free-rider problem regarding tipping in music-making. No tipper can expect a personal gain from a contribution. So the act must be one of altruism based on the idea that future music output will be enhanced. Author Stephen King once tried to offer a novel chapter by chapter if sufficient contributions came in. However, the money flowing in was not a river but a creek. So he gave up on the idea.

There are composers of art music who, like singer-songwriters, also perform their own music or the music of others. However, the vast majority of art music composers are highly specialised in their trade. They leave the performance of their music to equally highly specialised musicians. In this way present-day composers are unlike Shakespeare or Molière, who achieved earnings from what they had written and published, what they had staged and what they had performed.

It is possible to bundle the copyrighted work with, for instance, physical complements, advertising and informational complements. An easily copied CD may be sold with, for instance, unique autographs, posters, accessories or discounted concert tickets. In the copyrighted work more or less well hidden words from sponsors can be amalgamated. The sponsor will then pay the originator a pecuniary compensation (Liebowitz and Watt 2006). At least one of the FST composers plan to issue a limited-edition CD with a lithographic sleeve in collaboration with a visual artist.

Liebowitz and Watt also provide a thorough discussion on techniques to save the copyright system at least in part in the digital future. They mention indirect appropriation: “The ability to copy originals has two effects – it reduces the number of originals sold (a substitution effect between originals and copies), but it provides

possible indirect appropriation – that is, it may increase the willingness to pay for each original (since more use can be made of it).... It is, however, difficult to see how the market failures implied by the public good aspects of copyrightable creations are addressed in those models, if indeed they are.”

Liebowitz and Watt also discuss the idea of digital rights management/DRM, i.e. legal protection under IPR law. In the digital world, DRM mainly consist of “anti-copying mechanisms in the form of code or encryption written on the same device as the intellectual property...” (Liebowitz and Watt 2006). DRM have been less used than could be expected. There are two principal forces working against DRM: 1. hackers manage to circumvent the encryptions in a short time, and 2. DRMs prohibit the ‘fair use’ of the content which has been allowed previously or, even, secured by law, for instance, the copying for private use of legally bought items (Scotchmer 2006, 215).

10.4. Total income as an effect of output. Information on taxed total incomes is made public for all Swedish tax payers. Thus, when the effect of output on total incomes is calculated, not only royalty incomes from the STIM, but also the non-mandated FST groups can be included in the analysis. The total taxed income variable includes most major grants and stipends as well as the *grands droits* royalty income from operas. An opera commission means both substantial work-hour pay and *grands droits* royalties (which are transferred directly to the composer and, thus, do not appear in the STIM data). The commission contract most often includes royalties for a specific number of performances of the first production. Furthermore, *grands droits* performing rights are claimable for all subsequent productions.

While the evidence is not statistically significant as to whether additional music results in raised royalty incomes (see Table 11) it does have a statistically significant effect on the formation of total incomes of the members of FST. Moreover, we find a positive correlation between increased celebrity and total income. The effects of new (successful) pieces of music seem to have a bearing on other kinds of incomes rather than on STIM royalties. Thus, the composer’s creation of music can be seen as a screening vehicle for other, often more lucrative, forms of employment. Although some grants are targeted at young composers at the beginning of their careers, most are given to composers with proven track records.

The only additional information with some statistical significance is the fact that it has been disadvantageous for a composer to live in Gothenburg or Malmö in comparison with villages and rural areas (the domicile reference group in the model).

In the Throsby and Zednik (2010, 42) study of Australian artists, composers claim that they spend, on average, 37% of their work hours on the ‘most desired arts occupation’. Their expressed wish was to spend 63% of their work hours in professional field. Although this aspect is not part of the data in this study the same tendency is most likely also the case for Swedish composers. Furthermore, the Australian composers were the artist group with, by far, the highest share of copyright collecting society membership. They were also the most satisfied with current copyright protection (Throsby and Zednik 2010, 61).

Table 12. Total taxed income as an effect of output, multivariate model

Dependent variable: logged total taxed income		
Random-effects (GLS), using 5900 observations		
Included 295 cross-sectional units		
Time-series length = 20		
	<i>Coefficient</i>	
constant	-8,7326	***
first diff total output, year -1	0,0237	***
domicile: Stockholm	-0,6630	*
domicile: Gothenburg or Malmö	-1,0334	**
domicile: regional centre	-0,2823	
education: international and domestic	0,2999	
education: domestic	-0,7253	
education: domestic; music but not composing	-0,7935	
celebrity, level 2	-0,0582	
celebrity, level 3	0,4374	
celebrity, level 4	0,8147	**
celebrity, level 5	1,3404	***
celebrity, level 6	1,0398	**
age	0,5488	***
age squared	-0,0051	***

11. THE RECOGNITION INCENTIVE

Some people detest art music while others merely lack interest in it. However, many consider art music to have many intrinsic values, such as: “art is good for people, art has quality, art is right, art is beautiful, art is deep, art creates profound human emotions, it enriches, it civilizes, art is autonomous, art is authentic, art is unique, art is not commercial etcetera.” (Abbing 2010, 7). It does not really matter whether the virtues are merely alleged. As long as there are enough people who maintain such ideals to create a market for such ‘merit goods’, there will be suppliers of them. The monetary return may be small but the boost in the individual’s social esteem – and thus most likely in self-esteem as well – may be considerable and should be recognised as an incentive (Towse and Holzhauser 2002, xix). Marilyn Monroe, in one of several frequently quoted statements that were attributed to her in the article by Gloria Steinem in the August 1972 issue of *Ms.*

Magazine, put this phenomenon more bluntly: “I’m not interested in money, I just want to be wonderful.”

Fred Hirsch takes on another view when coining the concept of ‘positional goods’ as outputs of the positional economy: “The positional economy ... relates to all goods, services, work positions and other social relationships that are either (1) scarce in some absolute or socially imposed sense or (2) subject to congestion or crowding through more extensive use.” (Hirsch 1977, 27).

Rasmus Fleischer discusses the difference between industrial and artistic goods (2012, 28, my translation):

Industrial commodity production is characterized by anonymity. The buyer of an industrial product is, in principle, indifferent as to who devoted his time to the making of it ... Art is subject to opposite principles: individuality and originality. That something is recognized as a work of art means that it remains associated with an artist’s name.

It is hard to imagine an artistic product not directly and explicitly associated with its creator. The composer is an intrinsic part of his musical ‘product’. The name of a successful composer signals quality which may or may not be at hand in a singular piece of his output. Thus, composer names are brands in their own right.

For the art music lover the ‘merit’ of it may lie not only in the artistic experience per se but also in the social recognition, and thus its positional value, that attendance at a performance, supposedly, provides. This merit is conferred on the composer. One purpose of awards and prizes is to indicate that a composer’s production has merits in itself. Harold D. Lasswell describes how a system of recognition that is separate from the creator has to be in place for a new product or process to be accepted as creative (Lasswell 1959, 209–210). Bruno Frey maintains that “awards work better as an incentive instrument than monetary payment, when the recipient’s performance can only be vaguely determined” (2007, 7). As what constitutes the actual qualities of most claimed merit goods is difficult to settle undisputedly, Frey’s claim is also valid for art music. In fact, being accepted and received as members of the FST is a kind of award for Swedish composers.

As many authors have discussed (e.g. Frank 1985; Frey 2007; Besley and Ghataak 2008; Auriol and Renault 2008; Frey 2010; Kosfeld and Neckermann 2010), the prospect of non-financial awards may be incentive enough. Awards are given *ex post* based on actual achievements. The possibility of an award acts as a motivational pull force. Kosfeld and Neckermann (2010, 2) claim “that the award has a particularly strong effect on individuals who are more likely to win the award”.

Honorary awards providing a degree of status will most likely transform themselves into future material advantages. Awards and prizes enhance the winner-takes-all forces. Richard Caves describes how ‘gatekeepers’ enhance the opportunities for the chosen few in classical music (2000, 71-73).

The *motivation crowding theory* claims that being paid for some ‘merit service’, for instance for blood donation (and thus not for blood selling), will decrease the number of service providers. In the search for higher non-monetary meaning, the composers’ profession is akin to work in voluntary organisations. Bruno Frey claims that “awards are less likely to crowd out the recipients’ intrinsic motivation than monetary compensation” (2007, 7).

In a sociological experiment, Bernardo Huberman et al. find “that people tend to over-invest resources whenever ‘winning against others’ is involved, because winning confers status.” (Huberman et al. 2004, 112). Robert Frank (1985, chap. 1-5) states that it is the relative and not the absolute ranking that people value. Huberman et al., furthermore, find a common and distinct egalitarian Scandinavian mindset that is most likely valid among the individuals in this study as well. Thus, although Swedish composers live in a culture in which awards and prizes are met with considerable scepticism and the actual differences between those who are awarded and those who are not may be smaller than in many other countries, a *relatively* higher ranking is still maintained in favour of those who receive them. They may be the victims of another cultural trait allegedly claimed by Swedes themselves: ‘the Royal Swedish Envy’. Nevertheless, being envied may enhance their self-esteem.

The wide winner-takes-all concept incorporates externalities based on general reputation. The number of composed pieces may influence the outcome but only if it includes pieces that enhance a composer’s standing in the music society. Quantity could matter but quality should matter more. In accordance with the way the art music scene is constructed in Sweden, as in Europe generally, there are ample opportunities for complimentary work in education, concert production, venue administration, journalism and the like. To be able to add a scent of ‘highly esteemed composer’ to one’s CV is likely to be an asset that will pay off. Richard Caves describes this as an ‘A list property’ as opposed to being on the B list (2000, 81).

There is also the C list with amateurs! The artistic fields attract a lot of hobby labour. Filer (1986) claimed: “The community theatre is a well-accepted part of American life while the amateur insurance salesman is not.” The latter is probably not attractive because of intrinsic non-monetary values. Menger (2006) saw a growth of supply of artists in France for the 1986-2000 period which was much higher than the increase in demand for them. As a result, the median income

decreased. Françoise Benhamou (2006, 71) points at a general reduction in the duration of project contracts as a reason for the negative trend.

11.1. Self-expressed motivations for the value of composers for society. I have found no readily available variable that captures the merit good values or any good proxy variable. However, in an earlier study of the attitudes of members of the FST towards their profession they were asked to express their own motivations (footnote 2). Many of the 80 anonymous composers in the sample responded with formulations well within the merit/positional goods concept, for instance:

- “Artistic activity is generally immensely important as a creator of values and as a pioneering force in society.”
- “Artists are prophets necessary in the new society. In an increasingly consumistic and economistic spiritual climate the composer has a central task: to open a slot into a numinous reality, to provide catharsis.”
- “Creative people express themselves through art and contribute to the spiritual survival of society.”
- “Composers give people insight into other values than the materialistic and short-termed.”
- “When searching for truth in one’s art one becomes extremely careful in relation to what is considered true or false in one’s surroundings.”
- “During financial crises like the current we need visions, hope and relief.”

The same kind of quotes could possibly also be provided by members of the public interested in art music and by policy makers within culture. One respondent commented on the recognition factor compared with the financial outcome of the profession:

- “We are a kind of pauper aristocracy – everybody wants our jobs but no one wants our salaries.”

It should, however, also be noted that a small minority of the composer sample presented much more masochistic views:

- “Composing is a luxurious and narcissistic endeavour ... rather unnecessary in a wider societal perspective.”
- “The composer has an exaggerated view on his/her importance.”
- “Currently pointless.”

It is possible to manipulate the celebrity variable, as measured by Google hits. It can be boosted if the composer is active on the Internet with a home page. It does not necessarily measure the quality of music output – only the level of celebrity. Quality and celebrity are perfectly correlated only in the ideal world. With these reservations it is still possible to state that, according to the findings in Table 12 above, increased total income walks hand in hand with increased celebrity.

11.2. Occupational risk management. The opposite reason for income other than from actual composing activities is, of course, problems in finding enough and suitable employment for creative music-making. For the successful with ‘A list properties’, additional income may come from prestigious occupations in the music business. For the less fortunate B-listers, money is found in less skilled work, such as bus driving, care assistance or telemarketing.

The IPR revenues from the STIM at 8.9% did play a substantial role in the total incomes for the studied composers during the 2005–2009 period. However, other sources of income were also important: teaching in local music schools, musicianship in parishes, income from other music-related sources and income from miscellaneous sources not related to music at all. It is in this latter variable that we find the extra-musical professions in which some composers are forced to work from financial necessity. The relatively few university positions relevant to composers are highly important to those who actually occupied them.

Of course, the income structure is fundamentally different for those aged over 65. Income from pension programmes is of fundamental importance but substantial income still comes from other sources, not least from the STIM at 5.6%, for this cohort as well.

The data here only reveal the kind of employer and not the kind of professional activity. In the Throsby and Zednik study of Australian artists (2010, 66) composers were found to work in non-composing but creative work in, for instance, architecture (11%), advertising (22%), health and welfare (17%) and education and research (17%).

Menger describes artists as multiple jobholders who resemble entrepreneurs. If the latter group ‘as property owners spread their risk by putting bits of their property into a large number of concerns, multiple jobholders put bits of their efforts into different jobs’ (Menger 2006). Moreover, he not only identifies the arts v. non-arts earnings dichotomy but suggests that a threefold division of earnings is apparent, namely those derived from:

- the creativity itself and the artistic products,
- arts-related work, e.g. teaching and management tasks in artistic organisations,
- non-arts work.

The risk portfolio is the vehicle composers use to cope with financial uncertainty throughout their careers. Throsby (1994) found that when relative wages increase for non-artistic jobs the multiple jobholder spends less time on that activity. In that case it simply takes less time for artists to muster the amount of earnings that they need in order to pursue what they perceive of as their main job.

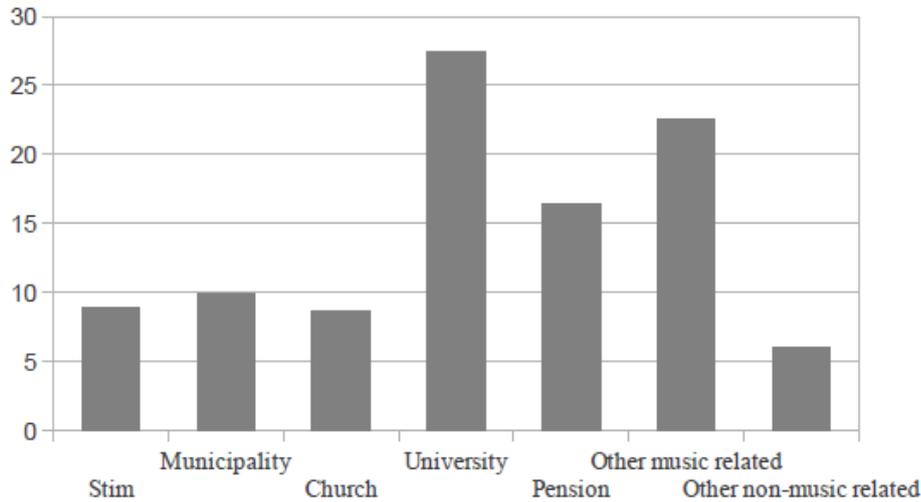


FIGURE 7. Shares of total income 2005–2009, composers aged <65 (mandate group)

Kretschmer and Hardwick (2007, 132) found that 40% of professional authors, i.e. those who dedicated more than 50% of their labour to writing, from both countries received 100% of their income from their main job.

12. THE PLEASURE INCENTIVE

All professionals within music started as amateur pupils. They are most likely to have been inspired more than discouraged by their idols. Somehow, they believed that they could walk in the footsteps of their role models and maybe become (as) successful. Foremost, however, they thought that making music was great fun! It brought pleasure in itself. Without that feeling of pleasure they would hardly have endured the struggle that accompanied making music their profession. Some of that emotion has to be involved in all the subsequent creative work. There will probably be little or no motivation left for the composing process if it is lost.

Human nature is not likely to be easily captured in economics theories, Thorstein Veblen (1898) claimed. Man on the verge of doing something “is not simply a bundle of desires that are to be saturated ... but rather a coherent structure of propensities and habits which seeks realisation and expression in an unfolding activity.....The activity is itself the substantial fact of the process”. He criticised classical economic theories for the difficulties it has when trying to incorporate “the organic man, with his complex of habits of thought, the expression of each is affected by habits of life formed under the guidance of all the rest”. Everyone involved in music knows that there is more to the making of it than only the money it might generate.

There is a whole bundle of desires to be considered. Economics still lacks proper explanations of why Homo Economicus is not a correct description of most creative artists – especially those who are not the winners in the struggle for recognition. If substantial or sufficient money for most is not the cause for creative work within music, what is? I have a musician friend on a symphony orchestra pay-roll who describes his salary as “the monthly insult”. Something other than money makes him commute to the concert hall. He belongs to a species much more common than Homo Economicus. Johan Huizinga labelled this species Homo Ludens – the ‘playing man’ (Huizinga 1938).

The idea of wage compensation for risky jobs and jobs with disagreeable features has affected economics at least since Adam Smith and Karl Marx. The modern ‘disamenity compensation theory’ seems to hold true in the composers’ case but in its reverse mode. There is little or no physical risk involved in the act of composing. Many are drawn to it because it provides an outlet for creativity and, simply, brings pleasure. As thus amenities rather than disamenities are involved, the theory accepts low pecuniary compensation.

Richard Caves claims that “a taste for creative work increases the amount of effort supplied by diverting it from humdrum tasks: *‘the starving artist’* syndrom. The prevalence and strength of tastes that affect the qualities and quantity of creative effort we call the *art for art’s sake* property.” (Caves, 2000, 4).

The creativity phenomenon was first studied scientifically by psychologist J. P. Guilford, who in his first major article also expands its importance to incorporate economics: “The enormous economic value of new ideas is generally recognized. One scientist or engineer discovers a new principle or develops a new process that revolutionizes an industry, while dozens of others merely do a passable job on the routine tasks assigned to them.” (Guilford 1950, 446). He finds many traits that constitute causal or, at least, describing factors connected to a creative personality, e.g. a fluency factor, a novelty factor, a flexibility factor, a synthesising ability factor and an analysing ability factor (Guilford 1950, 452–453). Behaviourist B.F. Skinner’s reinforcement factor is described by Jock Abra: “. . . subjects indulge in ‘trial and error’, randomly emitting various responses until accidentally stumbling upon one that is reinforced, which then becomes more likely in that situation” and “no mysterious disease called ‘talent’ is differentially endowed. Creative achievements simply reflect advantageous environments and reinforcement histories.” (Abra 1988, 407–8).

Lately creativity has also been the object of phenomenological research. Nelson and Rawlings criticise creativity research for neglecting this approach, stating that it has thus “passed over first principles – a rigorous investigation and understanding of the *experience* of creativity. The phenomenological perspective poses such

questions as: how is creativity experienced? What are the essential features of this experience? What role does this experience of creativity play in an individual's being-in-the-world (the 'lived meaning')?" (Nelson and Rawlings 2007, 219).

It is from this perspective that the emotions involved in the creative process and invested in the creative product can be studied. Nelson and Rawlings, using a small sample of only 11 artists, describe several components of the artistic process that bring some kind of pleasurable emotion. This sensation is described by the artists as a 'flow' or being in 'the zone'. Self-consciousness is broken down. There may be a state of 'liberation from the self' for some or 'being in touch with oneself' for others. However, at some point a more analytical mental process must be added in order to assess whether or not the artistic product is something that should be presented to the public.

Table 13. General structure of the meaning within individual creativity
(Simon 2009, 77, my translation)

main feature 1:	<u>discrepancies and inconsistencies</u>		
characteristic	1.1	<i>tension</i>	
	1.2	<i>dissolving the structure</i>	
	1.3	<i>driving force</i>	
		1.3.1	<i>commitment</i>
		1.3.2	<i>search</i>
	1.4	<i>trust</i>	
main feature 2:	<u>wakeful mood in the creative room</u>		
characteristic	2.1	<i>focused attention</i>	
		2.1.1	<i>flow</i>
		2.1.2	<i>change in time and space</i>
	2.2	<i>vitality</i>	
		2.2.1	<i>exploration</i>
		2.2.2	<i>activity</i>
	2.3	<i>dialogue</i>	
		2.3.1	<i>openness</i>
		2.3.2	<i>personal expression</i>
main feature 3:	<u>progression and growing</u>		
characteristic	3.1	<i>breakthrough</i>	
	3.2	<i>liberation</i>	
	3.3	<i>the creative result</i>	

Phenomenological research is closely related to the concept of 'meaning' (Simon 2009, 45–46). Judit Simon presents a graph based on the analysis of creativity based on interviews with 18 artists (Table 13).

Others, for instance author Elizabeth Gilbert in a TED talk (2009), use religious connotations, such as 'genius' or 'inspiration from God', to describe how the artist

is not fully in control of the creative process. What are described are, largely, work-process emotions that, when ‘the flow’ occurs, bring pleasure of some kind.

13. CONCLUSIONS

Although there is reason to suppose that the basic monetary incentive idea advocated by economic theory and by those in favour of intellectual property rights (IPRs) in music is relevant to composers of art music, that statement is not fully conclusive according to the findings of this study. The prospect of revenues may result in more output (Table 11). As the measured IPR revenue effect of marginal output is small, the force of the incentive should be regarded as weak. It is probable that most art music composers regard IPR incomes only as bonuses and as rounds of applause, as it were.

Thus, Ruth Towse’s findings in her pioneering 1990s work also hold true for Swedish art music composers of today: “. . . the vast majority of musicians [including composers] earn relatively little from their copyright and performers’ rights. The large sums of royalty income that copyright law enables to be collected goes mainly . . . to a small minority of high earning performers and writers.” Towse did not rule out the case for copyright. She saw IPR law as an important ‘framework for transaction’ but concluded that copyright and performing right at “their present value can only be a marginal incentive to supply.” (Towse 2000).

The question of whether or not increased IPR revenues will crowd out the need for extra-compositional sources of income is not clearly answered in this study. However, the alternative notion that more IPR income results in higher complementary income from other sources is shown in the analyses. Thus, the composer’s creation of music can be seen as a screening vehicle for other, often more lucrative, employment. The labour invested in a new piece of music will not mainly be directly remunerated from either the venues and broadcasters or the audiences but, instead, from employments in other arenas where an A-list reputation is the decisive quality when a composer is considered for a non-composing job. That is another kind of monetary incentive: a non-IPR monetary incentive which most likely is more important for composers’ output.

It is overwhelmingly clear that gender plays a huge role in composers’ income levels. Gender has been more discriminative for female composers than for women in other professions (Table 4). The income female composers in Sweden receive is only two-thirds of the income men in their profession collect on average. For the full Swedish workforce, female incomes are 86% of male incomes (SCB 2011d). The prospect of financial monetary return probably plays an even smaller role in incentivising new compositions for women than for men.

Human capital theory claims that investing in formal education will pay off later in life. The data show that the mean total incomes are somewhat higher for those who have the longest and most relevant education (Figure 1). This difference largely disappears when only IPR revenues from the STIM are studied (Figure 2).

A typical view among Swedish musical artists in general, composers included, is that career-wise it is beneficial to be based close to opera companies, symphony orchestras, major venues, music conservatoires and public service radio/TV. These, of course, occur more often in the biggest cities, with an emphasis on the national capital. The data in this study do not provide any proof of this assumption regarding either total income (Figure 3) or IPR revenues from the STIM (Figure 4) for any part of the studied period. Both the IPR revenues and the total income levels have converged considerably.

The topic of the duration of copyright has generated heated discussion since the introduction of printing privileges in medieval Italy. Individual incomes over life spans typically show growth from the late teens. After a peak in the mid-50s, for most of us our incomes tend to decrease. This non-linear pattern can be observed when combining the *age* and *age*² variables. The loss of income at higher ages is much smaller for composers than for the studied reference group (Table 8). The peak, however, occurs on a much lower level. This pattern is most likely due not only to the possibilities of IPR revenues long after a piece of music is first performed but also to the fact that composing is intellectual rather than physical in kind and it can thus be maintained into old age.

The present data show an increase in the total income from an increase in the celebrity variable (Table 12). It may well be that composers of art music strive for an increased level of recognition with indirect pecuniary effects more than for the direct monetary compensation from IPRs.

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UNIVERSITY OF GOTHENBURG, SCHOOL OF BUSINESS, ECONOMICS AND LAW, DEPARTMENT OF ECONOMY AND SOCIETY, E-MAIL: STAFFAN.ALBINSSON@ECONHIST.GU.SE