

EMPLOYMENT PROSPECTS IN THE IRISH POPULAR MUSIC INDUSTRY

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Abstract

The paper conducts a statistical analysis of employment in the Irish pop music industry. In the absence of official data, the paper collects and manipulates new data sets on the industry. The analysis confirms that there has been a dramatic growth in employment in the industry, the overwhelming majority of which has occurred among musicians and composers (artists). The research also finds tentative evidence to suggest that the artist sector has been the main engine of growth for the Irish music industry as a whole. On this basis the paper then researches the employment prospects of artists. The paper finds that employment in the artist sector of the industry does not appear to offer serious job creation prospects. Most of the employment among artists is found to be precarious, low wage and of short duration. The paper, therefore, argues that employment training schemes for musicians are not economically feasible. The paper concludes that if employment in the music industry is to increase, it must occur in activities outside of the artist sector.

1. INTRODUCTION

There has recently been significant interest in the Irish media regarding the apparent success of the Irish music industry and its contribution to exports and employment. Apart from direct economic benefits, the continued success of artists such as The Dubliners, U2, The Cranberries, Enya, Clannad, Sinead O'Connor and Chris de Burgh has also generated a social benefit in terms of national pride and cultural progression. In the light of these developments there is now a general air of optimism as to the

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Table 1 Number and percentage change of artists, record companies, promoters and recording studios, 1979-1994

Year	Artists		Record Companies		Promoters		Recording Studios	
	No.	%	No.	%	No.	%	No.	%
1979	507		23		24		13	
1980	713	40.7	33	43.5	42	75.0	18	38.5
1981	719	0.8	34	3.0	20	-52.4	29	61.1
1982	670	-2.8	43	26.5	40	100.0	23	-20.7
1983	637	-8.9	37	-14.0	35	-12.5	38	65.2
1984	727	14.2	35	-5.4	40	14.3	26	-31.6
1985	707	-2.8	36	2.9	37	-7.5	29	11.5
1986	805	13.9	42	16.7	46	24.3	31	6.9
1987	888	10.2	47	11.9	42	-8.7	35	12.9
1988	1162	31.0	47	0.0	47	11.9	38	8.6
1989	1382	18.9	45	-4.3	46	-2.1	48	26.3
1990	1429	3.4	51	13.3	50	8.7	51	6.3
1991	2076	45.2	55	7.8	82	64.0	52	2.0
1992	2258	8.7	58	5.5	87	6.1	58	11.5
1993	2004	-11.2	66	13.8	90	3.4	66	13.8
1994	1982	-1.1	67	1.5	95	5.6	72	9.1
Max.	2258	45.2	67	43.5	95	100.0	72	65.2
Min.	507	-11.2	23	-14.0	20	-52.4	13	-31.6
Mean	1169	10.7	44.9	8.2	51.4	15.4	39.2	14.8
St. Dev.	603	17.2	12.2	14.0	23.6	38.1	17.1	25.6

*Note: Data derived from Hot Press Yearbooks and IMRO/Hot Press Irish Music Directories. Artists = (4.3 * No. bands) + (3.0 * No. solo artists). Due to space constraints the data in column 2 (artists) are rounded. The percentage changes calculated in column 3 are based on the original data in column 2 which was to one decimal place.*

This interpretation seems to gain further support from simple correlations with labour market indicators. In Table 4 correlation coefficients reveal a positive correlation between unemployment and the number of artists and a negative relationship between employment vacancies and the number of artists. The sample size is too small to conduct a serious regression analysis of causation but the likelihood that poor job prospects push individuals into musicianship is consistent with the survey of IMRO members by Burke (1993) where 22 per cent of the total sample claimed to be collecting some form of social welfare payment.

Since musicians depend on consumer expenditure, it is not surprising that the number of artists is positively correlated with the real manufacturing wage rate and real GDP. In the same manner the positive correlation between the real value of IMRO

performance royalty revenue and the number of artists may suggest that the supply of artists is positively related to royalty income. However, in both of these cases the small sample size and quality of the data prevent us from making strong inferences from these correlations.

Table 2 Granger Causality Tests, 15 observations, 1980-1994

Category	Artists/Companies		Artists/Promoters	
Constant	-1.82 (-0.01)	16.59 (3.35)*	226.85 (1.61)	13.51 (1.96)***
Artists(-1)	0.87 (4.07)*	0.01 (3.18)*	1.26 (4.69)*	0.04 (2.98)**
Record Companies(-1)	5.64 (0.50)	0.40 (2.18)**		
Promoters(-1)			-8.52 (-1.16)	-0.08 (-0.22)
R ²	0.89	0.91	0.90	0.84
DW	1.56	2.28	1.98	2.48

Notes: Significance * = 1% level, ** = 5% level, *** = 10% level.

Table 3 Granger Causality Tests, 15 observations, 1980-1994

Category	Artists/Studios	
	Artists	Studios
Constant	49.43 (0.33)	7.91 (2.12)***
Artists(-1)	0.77 (3.45)*	0.02 (3.23)*
Studios(-1)	8.21 (0.96)	0.35 (1.67)
R ²	0.90	0.91
DW	1.51	2.71

Notes: Significance * = 1% level, ** = 5% level, *** = 10% level.

In terms of the genre of music performed by Irish artists, the survey of IMRO members by Burke (1993) indicates that chart-based music accounts for the output of the vast majority of artists. In the survey, Burke found that 73 per cent of composers wrote chart music, 12 per cent wrote non-chart traditional music, 5 per cent wrote classical music and 6 per cent wrote commissioned music. A total of 84 per cent of the sample indicated that they were also performers and this was predominantly in the chart (92 per cent) and non-chart traditional music (93 per cent) groupings.

Table 4 Correlation Matrix, sample period 1980-1994

Category	ART	IMRO	VAC	UNEMP	R WAGE	R GDP
ART	1.00					
IMRO	0.92	1.00				
VAC	-0.73	-0.81	1.00			
UNEMP	0.59	0.75	-0.91	1.00		
R WAGE	0.86	0.75	-0.53	0.43	1.00	
R GDP	0.96	0.97	-0.75	0.70	0.83	1.00

ART = Total Artists (source: derived Hot Press Yearbooks), IMRO = performance royalties collected by IMRO (source IMRO, PRS Yearbooks), VAC = number of employment vacancies, UNEMP = rate of unemployment, R WAGE = real wages, R GDP = real GDP (source CSO).

In order to identify possible differences in the economic behaviour between genres of composers we conducted a general to specific multinomial logit of the survey data of Burke (1993). The final specific form is presented in Table 5 where charts composers are the control group. The multinomial logit identifies variables where at least one of the genre groupings is identified as being statistically different to charts composers. Therefore, the deleted (insignificant) variables indicate that there is no significant difference between charts composers and each respective composer group in relation to the specific variable. Deleted variables include unemployment, the importance of economic factors as incentives to enter the profession, as well as being a stimulant to either terminate or commence writing music. Neither did there appear to be a statistical difference in the probability of a charts composer setting up her own record label/company over any other grouping. The significant variables reveal that composers of commissioned music seem to require a higher reservation income than charts composers in order to remain in the industry, and that role models were more important for 'other composers' (e.g. church music). The results also indicate that there is a higher incidence of university education among the classical, commissioned, non-chart traditional, and the 'other' category over charts composers. In addition, jingles composers were found to be more likely to imitate current music trends than charts musicians, while the traditional and 'other' categories were found to imitate music trends to a significantly lesser extent.

In the light of this overview, it is reasonably apparent that artists in the charts category not only account for roughly half of the industry's direct employment but are likely to

play a pivotal role in the determination of employment in other sectors of the industry which depend on a vibrant artist base, namely recording studios, live venues, promoters and to a lesser extent record companies. The remainder of the paper will focus mainly on employment prospects for charts based artists.

Table 5 Multinomial Logit where chart composers are the control group

Variable	Classical	Jingles	Commissio -ned	Traditional	Other
Reservation Income	-0.003 (-0.48)	0.003 (0.80)	0.005 (2.83)*	0.002 (1.09)	-0.007 (-1.51)
Role Model	-1.793 (-1.41)	-0.635 (-0.44)	0.200 (0.32)	-0.023 (-0.05)	1.947 (1.75)***
Imitator	-1.390 (-1.06)	20.822 (14.60)*	-0.829 (-1.36)	-1.272 (-2.54)**	-1.631 (-1.88)***
University Education	4.823 (3.78)*	-33.855 (0.00)	2.262 (2.89)*	1.905 (2.70)*	2.150 (2.16)***
Constant	-3.340 (-2.78)*	-24.900 (0.00)	-3.350 (-4.70)*	-1.719 (-3.62)*	-2.93 (-2.65)*
Pseudo-R ²	0.18				
Chi-2	64.46*				
No. of obs.	190				

*Notes: Significance * = 1% level, ** = 5% level, *** = 10% level.*

3. THE PROBABILITY OF EMPLOYMENT

The Irish pre-recorded audio software market is too small to sustain a non-trading artist base². For this reason Irish artists generally attempt to export their musical output to international audio software markets, particularly the United Kingdom. According to the British Phonographic Industry (BPI) data, Irish Artists accounted for an average of 4 per cent of the UK album market over the period 1986-1993 and just 1.5 per cent of the singles market over the same period. This indicates that recent Irish success is mainly derived from album based artists. Over the same period the comparable average share of the UK album market accounted for by British artists is 51.8 per cent. This figure, however, camouflages the fact that over the same period Irish artists are arguably more successful at penetrating the UK album market than their British counterparts. If we deflate the album market share so that it represents album market share per 1,000 composers we find, using the Performing Right Society (PRS) 1993

register of Irish and British composers, that Irish composers have consistently outperformed their UK counterparts over the period 1986-1993. The data are presented in Table 6 where it appears that Irish composers UK market share per 1,000 composers is generally double that of British composers.

Without further data it is difficult to assess whether the apparent dynamism of Irish artists in the UK market is due to a generic productivity advantage acquired from Irish culture and society, or a short-term deviation from a long term parity of the performance of Irish and British artists. As far as one can assess from counting the number of Irish artists in the annual UK Top 100 albums charts, the share attributable to Irish artists does not seem to vary a great deal so that it is possible that the success of Irish artists may extend over a longer period.

Table 6 UK album market share by artist nationality

Nationality	UK	Irish
1986	2.3	3.4
1987	2.2	4.5
1988	2.1	4.2
1989	2.0	4.2
1990	2.0	2.9
1991	2.0	4.1
1992	1.9	4.7
1993	2.0	4.0
Mean	2.07	3.99
Max	2.31	4.70
Min	1.93	2.90
Std. Dev.	0.14	0.59

Source: BPI and PRS data.

While Irish charts-based artists have been successful in the international market, this does not necessarily imply that employment prospects for further artists exist. In fact, on the basis of the following three factors it seems that there is not extensive scope for a dramatic increase in employment for charts based artists:

1. Only a small proportion of artists are offered record contracts. As far as we can gauge from the data of Burke (1993) only 34 per cent of Irish based members of the PRS were offered recording contracts.
2. However, even if an artist does secure a record contract the chance of generating a significant income is small. Denisoff (1986), among others, has identified that only one out every ten records released is profitable. Thus, if

34 per cent of composers are offered a record contract this generally implies that only 10 per cent of these can be deemed to have been hired in viable employment. Therefore, there is approximately only a 3.4 per cent probability of becoming viably employed as an artist.

3. Burke (1994a and 1994b) has identified that variations in the quality of record releases, as judged by consumers, do not affect the overall size of the audio software market to any significant degree. Using the estimates from Burke (1994b) over the period 1976-1990 the UK market was found to vary by an absolute average of 1.4 per cent per quarter (standard deviation of 1.2 per cent) due to variations in the quality of current music releases. This implies that 'business stealing effects' are rife in the audio software market. Thus, the success of one artist is usually at the expense of other artists. Apart from implying that the market for music is fiercely competitive, this finding also indicates that Irish market share can only increase if new Irish artists are not in competing market segments to existing Irish artists. In general, this is unlikely to always occur and may indicate that an increasing number of artists would generate decreasing additional shares of international markets.

4. QUALITY OF EMPLOYMENT

The issues of quality and probability of employment are interrelated to the extent that only a small proportion of artists receive a reasonable income from music composition and performance. We can get an indication of the skewed income distribution among artists from the distribution of the PRS's performance royalties to its members. According to the PRS's Public Affairs Department the distribution of the 1993 performance and broadcast royalties (£128m stg.) was as portrayed in columns 1 and 3 of Table 7. This shows that 64 per cent of PRS members who earned royalty income in 1993 received less than £250 and only 8 per cent earned more than £5000. According to the PRS these proportions are reasonably stable over time.

However, these figures underestimate the uneven distribution of performance and broadcasting income as they do not account for the fact that a proportion of PRS members do not receive any income in any one year. In 1993 there were four payments made to PRS members amounting to an aggregate of just over 65,000 payments. This implies that if each PRS member was to receive four payments, the minimum number of members who would have received a payment was 16,250. The PRS do not have data for the number of members who received a payment in 1993 but given that their membership was roughly 26,000, the amount must lie between 16,250 and 26,000. For illustrative purposes we assume it to be 20,000 and use this estimate to derive the second column of Table 7. This column estimates that 72 per cent of PRS members received less than £250 in PRS royalty income in 1993, while only 6 per cent received more than £5,000. Thus the distribution of PRS income is consistent with the

argument of the previous section, namely that only a small proportion of artists appear to earn a significant income.

However, performance royalties are not the only income stream available to artists and hence the above estimates do not give us an indication of the actual income earned. An indication of the actual income derived from music composition and performance can be gleaned from the survey of composers by Burke (1993). Since this data has not been previously published and since it has not been released openly in the public domain, it is worthwhile to analyse it in this paper.

Table 7 Distribution of performance royalties to PRS members (UK and Ireland) 1993

Percentage of Recipients	Percentage of Members	Amount (£stg)
-	23	0
64	49	10-250
16	12	250-1000
12	9	1000-5000
3	2	5000-10000
5	4	10000+

Source: Data derived from PRS Estimates.

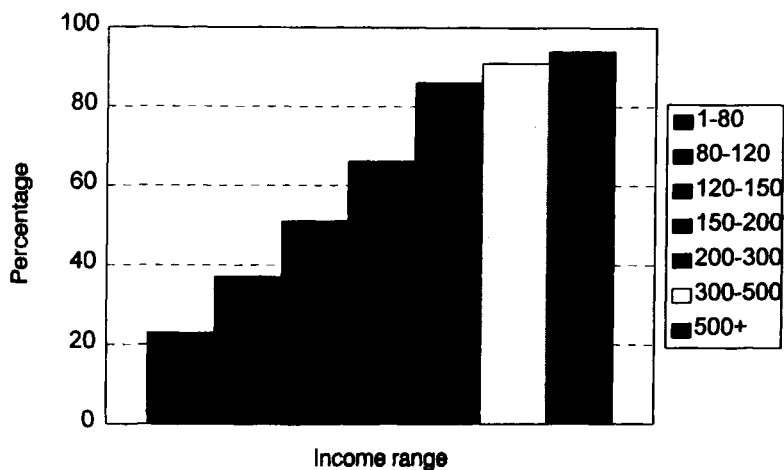
The data are derived from a postal questionnaire survey of Irish based PRS members in the period January to early March 1993. The effective sample size was 897 and the response rate was 28 per cent.

Question 7 of the questionnaire examines the labour supply behaviour of composers. It is divided into four parts. The first part asks composers to indicate their reservation wage for music composition³. The second part of the question requests composers to indicate if they are earning more or less than their reservation wage. The question then sub-divides and those who have indicated that their current income is less than their reservation wage are requested to identify how they generate supplemental income.

The data derived from the first part of question 7 are contained in Table 8 and are portrayed for charts composers in Figure 1. The figure portrays a conventional bow-shaped labour supply schedule. The data shows that the supply of composers was predominately income elastic up to a net of tax weekly income of IR£150, roughly unit income elastic between a net of tax weekly income of between IR£150 and IR£200 and income inelastic above a net of tax weekly income of £200. It is clear from the data that a significant proportion of composers were willing to remain in this career in return for a relatively low income. In 1992 the average net of tax weekly wage was

Figure 1 Composers' labour supply

Xplot: Composer labour force - income



Source: Burke (1993)

£176 and yet a quarter of the total sample, (and just short of a quarter of the charts group), were willing to stay in the profession for a net of tax weekly income of up to IR£80 or less. Some 51 per cent of the total supply of composers were willing to stay in the profession for a net of tax income of up to IR£150 or less. Also 86 per cent of the chart group and 84 per cent of the total sample indicated that they would stay in the profession for an income of up to IR£300 or less.

Table 8 Percentage distribution of minimum net income required to stay in music business over the next year

Income range (£)	Charts	Traditional	Total
1-80	23	27	25
80-120	14	13	14
120-150	14	7	12
150-200	15	13	14
200-300	20	20	19
300-500	5	10	6
>500	3	3	4
N/A	6	7	8
No. of obs.	182	30	248

However, few composers claim to earn their reservation income from composing and performing music. In Table 9 it is evident that 82 per cent (149) of the charts group, 80 per cent (24) of the non-chart traditional category and 81 per cent (201) of the total sample claimed to have made less income from performance and composing than they required to remain in the profession. These high proportions of low income composers are consistent with the distribution of the PRS royalty payments to composers.

Table 9 Income from royalties and live performances relative to minimum required income (percent)

Relationship	Charts	Traditional	Total
Greater	14	13	13
Less	82	80	81
N/A	4	7	6
No. of obs.	182	30	248

Tables 10 and 11 show how these individuals made up the shortfall in income in order to continue as composers. The most important source of supplemental income is social welfare, i.e. claiming unemployment benefit, unemployment assistance, or smallholding. Some 30 per cent (44) of the 'charts' group and 26 per cent of the total sample claimed that it was a source of supplemental income. A further 19 per cent (29) and 17 per cent (34) of these respective groups claimed it was their most important source of supplemental income.

Two points arise from these findings. Firstly, social welfare appears to be a less important source of supplemental income in non-chart music categories. This may be due to the fact that these groups are likely to be more highly skilled musicians and hence, have greater opportunities to teach music. This point is supported to the extent that higher proportions in the non-chart categories state that teaching was an important source of supplemental income. Secondly, the amount of composers actually collecting unemployment benefit or assistance, is probably understated in the data due to the fact that this activity is usually illegal. Although the questionnaire survey is anonymous, it was clear to respondents that the results were to be used for economic analysis which might stimulate policy recommendations.

It is evident from the data that most composers earn their supplemental income in employment within the music industry. The most important of these activities is performing cabaret (of 'well known other artists' compositions): 24 per cent (36) of the charts group and 22 per cent (44) of the total sample claimed this was one of their sources of supplementary income (8 per cent and 7 per cent of the same respective categories claimed it was their most important source of income). Outside of cabaret, the data tell us that composers are involved in a wide array of activities within the music industry and that these forms of employment are fairly evenly distributed.

Table 10 Methods of making up shortfall where income from royalties and live performances are less than the minimum required (percent)

Method	Charts	Traditional	Total
Cabaret performance of well known other artists' composition	24	21	22
Teaching music	14	33	19
Sound production	11	8	11
Music publishing	9	4	9
Record production	18	29	19
Social welfare	30	8	26
White collar/clerical work outside the music industry	21	21	19
Trade or manual employment outside the music industry	14	29	16
Financial support from a patron/friend/family	15	4	14
Session musician	5	8	5
Recording engineer	7	4	7
Music director	4	8	7
Other	11	4	11
Not available	0	0	0
Number of observations	149	24	201

Although most composers earn supplementary income within the music industry, a significant proportion also earn income in non-music industry occupations. Some 19 per cent (39) earn income through white collar employment and 16 per cent (32) receive income through manual labour. Most individuals in these forms of employment identify it as their most important source of supplementary income: 16 per cent (33) for white collar and 11 per cent (23) for manual labour.

In summary, the survey illustrates three pertinent points for employment in the music industry. Firstly, the quality of jobs is low so that 81 per cent of artists do not earn their reservation income despite having a low income aspiration in the first instance. Secondly, since most artists earn a supplemental income within the music industry, it implies that most estimates of industry employment are overestimated since they are likely to entail a degree of double counting of labour.

Thirdly, the social welfare system acts as an important subsidy to the music industry. In the survey an effective 22 per cent of the total sample indicated that they collected some form of social welfare. Using Department of Social Welfare data we estimated that the average social welfare payment per person in 1993 was £3668.59. Multiply this figure by 22 per cent of the number of Irish artists listed in Table 1 we were able to

estimate a rough 'ball park' of the value (in 1993 IR£) of social welfare payments being expended on Irish artists over the period 1979-1994. On average just under £1m (£943,090) was received by Irish musicians per annum with a standard deviation of just below £0.5m (£486,589).

Table 11 Main method of making up shortfall where income from royalties and live performances are less than the minimum required (percent)

Method	Charts	Traditional	Total
Cabaret performance of well known other artists' compositions	8	4	7
Teaching music	2	17	6
Sound production	3	8	3
Music publishing	1	4	1
Record production	4	4	4
Social welfare	19	4	17
White collar/clerical work outside the music industry	18	17	16
Trade or manual employment outside the music industry	10	29	11
Financial support from a patron/friend/family	7	0	5
Session musician	1	4	1
Recording engineer	1	0	1
Music director	1	0	2
Other	9	4	8
Not available	17	4	16
Number of observations	149	24	201

Considering the relative importance of charts musicians to the music industry, (and the fact that RTE spend approximately £4m on the National Symphony Orchestra and the RTE Concert Orchestra), social welfare expenditure seems to act as a reasonably modest subsidy. However, when one considers that one of the strongest findings of questions 12 and 13, (listed in the Appendix as Tables I-IV), of Burke (1993) was that 'learning by doing/failing/experience' was the most important form of skills acquisition among composers, while second and third level music education was practically ineffective as a mode of training for charts composers, the social welfare 'subsidy' to the music industry might be an efficient and reasonably cheap means of generating human capital.

5. DURABILITY OF EMPLOYMENT

Using the IMRO database of Burke (1993), Burke (1994b) estimated employment survival equations for Irish composers. The study found that composers with higher reservation incomes were more likely to survive in the industry. *Ceteris paribus*, one would expect this correlation to be negative, and its positive significance, therefore suggests that commercially orientated composers are more productive than those who are less motivated by pecuniary reward.

The same study finds that composers who have acquired a record contract are not more likely to survive in the industry than those who did not secure a record deal⁴. This would seem to be consistent with the aforementioned observation that only one out of every ten record releases is profitable. Thus, a record contract only generates a one in ten chance of success. However, in terms of durability of employment the interesting question is whether a hit record generates longevity of artistic employment. In terms of charts musicians we can test this by tracking survival rates of artists in the annual Top 100 albums charts. Burke (1994b) generated data of the number of artists featured in the annual BPI UK Top 100 singles charts who also featured in the annual BPI UK Top 100 albums charts in the same year. This study also cites the number of times these same artists featured in the Top 100 albums charts in subsequent years up to 1990⁵. Using this data we were able to generate an average of the number of base year artists who featured in the Top 100 albums charts in subsequent years. These data are presented in Table 12 for the 1983 and 1984 artist cohorts.

It is clear from the first and third columns of Table 12 that of the artists initially featured in both the annual UK singles and albums charts in the initial year, there is a significant hazard rate as we move on to subsequent years. This is sporadic due to the characteristic that there is often more than a year's duration between the sequential release of an artist's albums. However, it is noteworthy that after a period of six years only 36 per cent of the 1983 cohort and 21 per cent of the 1984 cohort had albums in the annual Top 100 albums' charts. This implies that even among artists who are successful, the durability of employment is relatively low. A more optimistic means of estimating survival rates is to examine the average number of artists featured over the entire sample. However, even through this calculation, (represented as columns 2 and 4 in Table 12), the hazard rate is extremely high. Over the six years from the base year, the 1983 cohort falls to 51 per cent of its initial value while the 1984 cohort falls even more starkly to 30 per cent of its initial value.

These estimates describe a precarious medium-term employment outlook for charts musicians, who account for roughly three quarters of IMRO membership. One might expect employment durability to be greater in the non-chart groupings and indeed the survival equations of Burke (1994b) would tend to support this view as charts based composers were found to be less likely to survive than other genres of composers.

Table 12 Artists who featured simultaneously in the BPI UK Top 100 albums and singles charts in initial years and in the annual UK Top 100 albums charts in subsequent years

Album Charts	1983		1984	
	Number	Average	Number	Average
1983	74	74	-	-
1984	65	70	77	77
1985	36	58	45	61
1986	27	51	28	50
1987	25	45	23	43
1988	10	40	6	36
1989	27	38	20	33
1990	18	35	16	23

Data derived from Burke (1994b)

6. SUMMARY AND CONCLUSIONS

The paper analysed the employment prospects of artists in the Irish music industry. Artist employment, which currently accounts for roughly two-thirds of total industry employment, was found to have increased at a dramatic rate (10.7 per cent per annum) over the period 1979-1994. However on closer examination the paper found that these growth rates concealed the fact that most of this employment is not of a high quality. The paper found that the probability of an artist releasing a profitable record was a mere 3.4 per cent. Given that Irish artists appear to be more successful than their British counterparts this estimate is likely to be lower if applied to British artists. However, even among those who do release a commercially viable record the longevity of success was found to be less than six years for the majority of artists.

Artists can of course earn income outside of the audio software market, but the paper found that in 1993 81 per cent of Irish based PRS members claimed to be earning less than their reservation income. This proportion is also consistent with the actual distribution of PRS royalty revenue, which is highly skewed towards a small proportion of composers. The fact that many composers indicated that they needed to earn supplemental income, most of which was secured through employment within other sectors of the industry, implies that current estimates of industry employment are likely to have been overestimated due to a degree of double counting. On the basis of these findings four immediate conclusions arise:

1. The current euphoria surrounding the success of the Irish music industry needs to be put in perspective. While opportunities do exist, potential artists ought to be alerted to the reality that employment in the artist sector

(particularly charts-based artists) is high risk and only offers serious sustainable employment to a very small minority. To this end potential artists should be advised to set a time limit on the duration of their artistic endeavour in order to allow a realistic opportunity to prepare themselves for alternative employment in the high likelihood that they will be unsuccessful. This is particularly pertinent in the light of the fact that most corporate firms do not train individuals who are over 25 years of age.

2. In view of the low probability of success, it is not economically justifiable to initiate government intervention in the form of training of charts-based musicians. In the vast majority of cases the training will endow artistic capital on individuals who will not be successful. It is also questionable whether such training would make a significant impact on artists' productivity. Certainly in the case of secondary and third level music education, the paper revealed that most artists claimed that this training provided little value added and Burke (1994b) also finds that it did not increase the likelihood of securing a record contract.

The paper finds that most artists learn valuable skills on a learning by doing basis and that the most important form of supplemental income is social welfare. Since the latter is estimated to cost the exchequer an average of £1 million per annum, a cheaper and more effective means of music training support may be to legitimise this effective subsidy to artistic capital development by assigning it 'workfare' status. This may also be justifiable on the grounds that music provides a positive output externality to other Irish industries; particularly tourism.

3. Since the quality of artists' employment was found to be low, the Government should play an active role in promoting their income through the recognition and enforcement of music property rights on which their income depends. This is particularly relevant to the new performance and mechanical utilisation of music property rights stemming from technological developments.
4. Employment prospects must be seriously addressed in the 'non-artistic' sectors of the industry. If the artistic sector does not appear to offer the potential for a significant increase in sustainable quality employment then employment prospects in other sectors should be examined. For example, the possibilities of extending 'artistic tax exemption' to music publishers and assigning international record companies 'international financial service' status might well provide a quality employment boost to the industry. This is particularly likely if Ireland's geographical disadvantage is eroded by the evolution of music sale through cable, satellite and computer 'superhighways'. However, in the absence of a rigorous quantitative analysis of the likelihood

of a re-location of international corporate music companies to Ireland, as well as the development of indigenous enterprise in these areas, the exact potential is currently unknown.

In sum, the paper highlights the need to view the industry as a set of interactive sectors. With this perspective it becomes clear that policy action should reflect the heterogeneity of the industry.

APPENDIX: ACQUISITION OF ARTISTIC ABILITY

Table I Methods of learning to PLAY music (percent)

Method	Charts	Traditional	Total
Secondary/primary education	8	27	14
University education	3	20	10
Private lessons	31	47	40
Friends/family	20	30	22
Self-taught	86	67	77
Music-related work experience	7	23	11
Through playing in bands	68	53	59
Other (pleases specify)	0	0	0
N/A	3	0	2
No. of observations	182	30	248

Table II Most beneficial method of learning to PLAY music (percent)

Method	Charts	Traditional	Total
Secondary/primary education	1	3	2
University education	0	3	2
Private lessons	8	17	13
Friends/family	6	10	6
Self-taught	34	30	32
Music-related work experience	2	3	3
Through playing in bands	40	17	32
Other (pleases specify)	0	0	0
N/A	8	17	10
No. of observations	177	30	242

Table III Methods of learning to WRITE music (percent)

Method	Charts	Traditional	Total
Secondary/primary education	5	17	9
University education	3	17	9
Private lessons	16	23	21
Friends/family	4	7	6
Self-taught	71	60	67
Music-related work experience	6	23	11
Through playing in bands	40	27	34
Other (pleases specify)	1	0	1
N/A	15	3	12
No. of observations	182	30	248

Table IV Most beneficial method of learning to WRITE music (percent)

Method	Charts	Traditional	Total
Secondary/primary education	3	7	5
University education	1	7	4
Private lessons	8	17	11
Friends/family	1	3	2
Self-taught	54	48	50
Music-related work experience	3	10	4
Through playing in bands	22	0	16
Other (pleases specify)	1	0	1
N/A	8	7	9
No. of observations	155	29	219

Footnotes

1. The weights were chosen by counting the number of musicians in a random sample of Irish bands and solo artists respectively.
2. See IFPI (1994) for an assessment of the extent of this constraint.
3. A reservation wage is the minimum wage acceptable to an individual in order to be willing to work.
4. Burke 1994b, also finds little evidence to suggest that composers who are highly motivated by pecuniary reward are more likely to secure a record contract than those who are less so. The culmination of these findings would seem to imply that a record contract does not increase the durability of employment except for artists who are more highly motivated by commercial incentives.
5. 1990 was the last year that the BPI published the annual Top 100 charts.

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DISCUSSION

Hugh Duffy: I am delighted to be given an opportunity to respond to the paper presented by Andrew Burke. Andrew's personal enthusiasm and appreciation of the music industry I'm sure flows not only as a result of his highly innovative research which he started with IMRO but from the fact that he is an ex-band performer himself and I suspect continues to aspire to a career in the music business. Before dealing with Andrew's paper I must say that the overview of the papers that were circulated to the members of the Statistical and Social Inquiry Society was very negative in its treatment of the conclusions advanced by Andrew. *I hope during the course of my reply to counter this negativity and show there are good grounds for optimism in the employment potential of the Irish music industry.*

IMRO were aware that there was a paucity of economic reports on the music industry in Ireland and indeed in the world.

Two and a half years ago they contacted UCD with a view to having a Newman Scholar and we were very happy that Andrew Burke was the first IMRO Newman Scholar in UCD. Unfortunately market forces intervened and the Department of Economics in Trinity College are now his employers and we have a new Newman Scholar working on some new approaches to the economic evaluation of music in the Irish economy.

Before replying to this paper I wish to put on record what we understand by the titles participants are called so that there is no confusion.

In the course of the paper, the word "artists" is used. Artists are people who perform. Some of those artists may be songwriters and some of them may not be songwriters. IMRO is only interested in artists insofar as they are singer/songwriters and in terms of their royalties we are only concerned with their royalties as songwriters.

There is another group of songwriters who are not performers and whose work is being performed by artists who may or may not be songwriters in their own life. To illustrate this more clearly, last year's Eurovision Song Contest was won by a song written by a non-performing songwriter and it was performed by two artists who are songwriters in their own right.

Having got that out of the way, *I would like to turn to the summary of the four immediate conclusions of Andrew's paper and comment on them as follows:*

In relation to no. 1, I would have to disagree with the writer that *only people who get recording contracts are successful* in that there is a vast array of potential employment opportunities which may not be employment in the definition of

employment in the fifties or sixties but nonetheless offer a maintainable flow of earnings over a lifetime arising from the pursuit of music in its broadest terms.

Regarding no. 2, I would certainly disagree with the idea of not providing secondary and third level music education. While most artists may claim that this training provided little value, it is evident to IMRO that those with second and third level music education continue in the industry and generally have the innovative abilities required to find new outlets for their creative talent.

The creator of Riverdance would probably be a very good example of what I mean. We do believe that there are valuable skills to be learned on a 'learning by doing' basis and it is unfortunate that composers are forced to rely on social welfare to supplement their income when their product is producing huge profits for the economy in general which brings us on to point number three which *suggests that the Government should play an active role in promoting the income through the recognition and enforcement of music property rights on which their income depends*. This is a theme which we have been pursuing for the last number of years and which has been vigorously opposed by the users of music. If royalties were paid by *all* users of music then the 27 percent of Andrew's sample would not need to supplement their income by having to have recourse to social welfare payments.

The company I am speaking on behalf of this evening is the Irish Music Rights Organisation. It is an association of songwriters, composers and publishers of music and it exists to collect royalties on behalf of its members and members of affiliate Societies and to pay those royalties to them. Similar organisations to IMRO exist in most countries throughout the world. The copyright that we collect royalties in respect of relates to the use of music in broadcasts, public performance (which means where you hear music in public, for example in pubs and hotels, dance halls etc.) and also from cable television companies.

The royalty rates that we charge to music users in Ireland are the lowest in Europe and we depend on maximising the income *for our members through compliance by those who use the music*.

Unfortunately there has been a steady trail of avoidance and evasion. This ranges from organisations like the Vintners Federation of Ireland (VFI), who look after country pubs and who have used every excuse why not to pay, to publicly quoted companies who, if their intellectual property rights were impinged, would have writs flying in all directions and who are quite happy to indulge themselves in expositions on the 1963 Copyright Act when they are caught using music on their premises,

With regard to No, 4, while IMRO would accept that employment prospects in the non-artistic sector of the industry should be addressed, and believe there is huge potential in this area, it should in our view be done not because in the view of the

paper the artistic sector does not appear to offer potential (a proposition that we still disagree with) but rather that this offer opens up a huge opportunity for Ireland to go for this opportunity because of the highly computer literate population and the excellence with which Ireland has now become renowned as a computer software research and development location.

Having looked at the conclusions, I now move to the introduction where the paper has outlined the various permanent new jobs in the Irish music industry. I have a very simple approach to this in that we have on our books 5,000 venues that play music at least once a week. On the assumption that those venues operate as they do at least on the Saturday night and that musicians are unlikely to be in two places at the one time, there seems to me to be 10,000 jobs on the Saturday night. These are not necessarily full-time jobs but our experience is that these venues play music on average three nights per week so that this outlet *alone offers a reasonable income three days per week for about 10,000 people.*

We are very happy to see the growth in the music industry over the last fifteen years exceed the national average but would disagree that the only outlet for singer/songwriters is for getting a contract with a recording company.

We are also very pleased that the research has suggested that the supply of singer/songwriters is positively related to royalty income which has increased significantly in recent years and will continue to do so as a result of the newly independent status of IMRO.

That brings me to the core of the problem as far as songwriters in Ireland are concerned which is the absence of an independent copyright society in this country since the formation of the State.

In 1927 when the first Copyright Act came before the Dail, W B Yeats and St John Gogarty, both Senators, were vociferous in their demand for copyright protection.

In the absence of an independent membership society, the benefits of this protection were never developed so as to ensure a viable stream of income for those creators with the result that in an independent study carried out by Stokes Kennedy Crowley for Temple Bar Properties on the Irish Popular Music Industry, they concluded that figures as high as £36m as the Irish share of world-wide performance collections were not being remitted to this country.

This is a staggering sum and even if it was overstated by 100 percent it would still represent six times the amount of money being remitted to this country annually from overseas and that is without the Eastern European and the Chinese markets which have yet to open up.

The Stokes Kennedy Crowley report also pointed out that there was a reason why there was a major gap between what it actually received by Irish composers from other countries and what should be received. They pointed to the fact that the distribution of collections from other countries is often based on broadcasting content and does not take into account the live music repertoire of pubs, hotels and other entertainment venues nor does it take into account the Irish jukebox repertoire which would be a feature of pubs, particularly in the United States. The allocation process using broadcasting content particularly disadvantages ethnic groups with strong music traditions in larger countries and they quote as examples the Irish and the Italians in the United States.

This is why the emergence of IMRO as an independent society is so important. The Minister for Arts, Culture and the Gaeltacht in his foreword to the musical directory for the MIDEM conference to be held in Cannes next week welcomes the establishment of the Irish Music Rights Organisation as an independent copyright protection and royalty collection agency. He points out that it may be a long time coming but the radical departure which separates IMRO from the UK based PRS is a powerful statement not just of the real independence of Irish music and the Irish music industry but also of our growing maturity and confidence.

The music industry in Ireland has operated without a voice since the foundation of the State. I believe the music industry despite that it is in a very strong position - much stronger relatively than industry would be in Ireland if it hadn't got IBEC and was relying on the Confederation of British industry or better relatively than the agri-industry would have been without the IFA.

The paper draws attention to the fact that only 34 per cent of Irish-based members of PRS were offered recording contracts by record companies.

This highlights the view held by some that there is not a record industry in Ireland interested in developing Irish music.

In the recent conference on the Economy of the Arts held in Dublin, this point was developed by the French Minister of Culture when he pointed out that culture only plays a minor role within the framework of the European Union and it wasn't until the Treaty of Maastricht that the European Union decided that it was time for Article 128 which states that the Community shall contribute to the flowering of the cultures of the member States while respecting their national and regional diversity and at the same time bringing the common cultural heritage to the fore.

A very good example of this is that the last two Eurovision winners who won could not get a record company to release the record before the competition so that in both the years, the record which went into the market was the result of a co-operative effort between the writer and the singers. A better example of the inability of the

multinationals to identify let alone release an Irish winner was Riverdance. The presentation of the record was financially backed by RTE and Church & General. It now looks obvious that Church & General knew more about the music scene in Ireland than did any of the major record companies operating here.

Under the quality of employment, the paper shows that 64 per cent of PRS members in Ireland earned in 1993 less than £250 and only 8 per cent earned more than £5,000. This comes as no surprise and the reason it happens is that royalty rates are far too low here in Ireland. Live music in a hotel or pub in Ireland produces between £4 and £13 for the composer and publisher of all the songs depending on size. In France the same venue with say a capacity of 400 people would pay approximately £160 for the night - twelve times more than in Ireland.

Unfortunately we are not in a position to put up the royalties to the European rate although everybody else in this country looks for their European equivalent for example, farmers are not satisfied unless they get the European rate. *The problem we have is that the product has been undervalued and under-represented because of the lack of an independent society here over the years and we must settle for low rates and high penetration.* We look forward to the new Copyright Act which will most certainly include a Tribunal and we await the advent of that Tribunal to begin to push our rates up so that Irish creators and indeed all creators begin to get adequate recompense for their works.

Finally, I would refer again to the Minister for Arts, Culture and the Gaeltacht's speech at the Economy of the Arts Conference where he suggests that the way forward is a reform in educational methods so that students are encouraged to "*ask why*" rather than "*know how*" so that instead of producing a generation of technicians we will begin to produce a generation of visionaries. While the mechanistic approach gives us some of the answers, it undervalues our product. How much for example of the £868m in 1992 which was generated by the overseas tourist industry could be attributed to the value of Irish music both in the Economy and the overseas. Who can tell us whether the visit to a concert in Germany of The Chieftains or Clannad or The Dubliners turned people's minds to have a holiday in Ireland. The economists will never be able to tell us definitively *but we know that the value of music in society is grossly undervalued whether it would be the hotel, bar or shopping centre.* All of these people use music because they know it enhances their product - but they don't want to pay even the minuscule amounts we charge.

Reply by Dr Burke: Hugh Duffy's observations are mainly concerned with areas of the music industry which directly relate to the activities of the IMRO - his employer. A significant proportion of his speech reflects the broader interests of this organisation and do not relate directly to the analysis undertaken in my paper. Therefore, in this reply I will only concern myself with the two areas where Hugh

Duffy and I are in apparent disagreement, namely the quality of artist employment and the effectiveness of education in creating employment in the music industry. In both cases Hugh cites anecdotal evidence to counter my arguments. The issue, therefore, is whether these examples are exceptions or representative of the general experience of artists. My contention is that they are exceptions so that the generality of the research conclusions still stand. The relevant data from my paper are drawn from a survey of the members of the IMRO and hence they represent the general employment experience of the membership of Hugh Duffy's own organisation. Albeit Hugh may be able to cite cases where some of his members do not conform to the general picture, but as far as the vast majority of IMRO members are concerned employment in the music industry is as described in the paper.

Since it is now ten months since the presentation of the paper and in the wake of substantial media attention of its findings, I would like to take this opportunity to make one further comment. The paper received a high media profile because it was the first research paper (to my knowledge) that indicated that the Irish music industry has still some significant weaknesses despite its impressive growth in recent years. Virtually all of the journalists I spoke to were anxious to publish the paper's findings because they provided empirical support for a view that they themselves held. They, as I, felt that although the industry had performed well it still did not offer serious employment opportunities in the artist sector (where most employment is concentrated). Some of the media even described the results of the paper as obvious (for example, see Business and Finance's review). In this light they, as I, felt that individuals (particularly the young) ought to be alerted to the business realities that are inherent in such a career choice. The paper has gone a considerable way to achieving this goal. It should be interpreted in this light rather than as some, who have in a reactionary style, taken it indicate that the Irish music industry has *no* positive economic attributes.