

# Talent : What do we learn from the study of artistic occupations ?

Pierre-Michel Menger  
Pierre-Michel.Menger@ehess.fr

GRIPS Tokyo

# Introduction

- **The issue** : Talent, the ultimate determinant of individual productivity?
- **The aim** : How to understand talent in the fields where it is obsessively sought after? Arts and sciences
- **The challenge** : To overcome the limits of the essentialist view and the constructivist relativization
- **The approach adopted** : Confronting two explanatory models and enriching them
- **The focus** : On the supply side more than the demand side

# Agenda

1

**Training and income in the arts**

2

**Job stratification and inequalities**

3

**Relative comparison and dynamic amplification of differences**

4

**Rosen's model**

5

**Merton's model**

6

**Selective matchings**

7

**Conclusion : Talent and hierarchies**

# Agenda

1

**Training and income in the arts**

2

Job stratification and inequalities

3

Relative comparison and dynamic amplification of differences

4

Rosen's model

5

Merton's model

6

Selective matchings

7

Conclusion : Talent and hierarchies

# Training and income in the arts

- **Earning gap** : artists' income below the average found for the category of skilled workers they are included in
- **The weak correlation between education and income in the arts** : why?
- **Two candidate explanations of the poor of earnings equations** :
  - 1) the art sector heterogeneity
  - 2) the composition of artist's income
- **A causal decomposition** : getting work, and being paid according to one's reputation
- **Multiple jobholding** : the asymmetric effect of training

# Training and income in the arts

- **Income distribution in the arts - a Paretian distribution : 20% of the employed artists earn about 80% of the total amount of wages paid**
- **Earnings distribution and skills distribution : two very different profiles**

# Agenda

- 1 Training and income in the arts
- 2 Job stratification and inequalities**
- 3 Relative comparison and dynamic amplification of differences
- 4 Rosen's model
- 5 Merton's model
- 6 Selective matchings
- 7 Conclusion : Talent and hierarchies

# Job stratification and inequalities

- A closer look to the job portfolio
- A functional categorization of jobs :
  - 1) “star jobs”
  - 2) “guardian jobs”
  - 3) “foot-soldier jobs”
- The pattern fits in with the job portfolio composition

# Agenda

- 1 Training and income in the arts
- 2 Job stratification and inequalities
- 3 Relative comparison and dynamic amplification of differences**
- 4 Rosen's model
- 5 Merton's model
- 6 Selective matchings
- 7 Conclusion : Talent and hierarchies

# Relative comparison and dynamic amplification of differences

- **Star jobs : highly skewed rewards**
- **What drives the highly unequal distribution of recognition, fame and wealth?**
- **Looking for the rare gem : oversupply as a rational response to talent detection and testing.**
- **Quality measurement : in absolute or relative terms?**
- **Rankings, tournaments, contests**
- **Talent redefined : a purely differential quality**

# Relative comparison and dynamic amplification of differences

- **Uncertainty : the fuel of the innovation engine. Exploiting it before reducing it**
- **A career under uncertainty : the tournament model and its four components**
  - 1) **Substantial interindividual differences : a meritocratic competition**
  - 2) **Imperfect information on individual abilities, generating reiterated contests**
  - 3) **Past achievements influence the current chances of succeeding (uncertainty is not pure chance)**
  - 4) **Interpreting past performances and gathering reliable information about them**
- **How the model applies to the arts : the puzzling issue of the qualities talented people are endowed with**

# Agenda

- 1 Training and income in the arts
- 2 Job stratification and inequalities
- 3 Relative comparison and dynamic amplification of differences
- 4 Rosen's model**
- 5 Merton's model
- 6 Selective matchings
- 7 Conclusion : Talent and hierarchies

# Rosen's model

- Rosen's paper on superstars in art, sports and the liberal professions
- Two basic assumptions :
  - 1) difference in degree of talent
  - 2) demand sensitivity to that difference
- To be explained : why can differences in artist remuneration be extremely disproportionate to differences in artist talent?
- It is assumed that performance quality difference can be perceived by consumers without bias
- Joint consumption technology : digitization, trading networks and duplication of commodities enable artists to serve instantly very large markets. Audiences are potentially enormous relative to the scale most of us operate

# Rosen's model

- Even if commodities cannot be reproduced (painting, live performances), careers can develop on a world-wide scale for a small number of artists in great demand
- How does talent attract demand? Quality difference is quite obvious in the case of a surgeon whose ability proves to be superior to others'. For artistic goods and services, quality difference must be perceived as important enough to trigger demand concentration
- How much greater does a given artist's talent have to be?
- Rosen's answer : even minor quality differences, when perceived even by an infinitesimal portion of the audience able to detect them cause significant reputational and income gaps

# Rosen's model

- How can minimal quality differences be perceived, if only a tiny minority of consumers has the expertise to do so ?
- Consumer behavior, a graduated scale : from influence (by critics) and mimetism (taking others' choices as information on the value of a good or performance), to investment in knowledge accumulation through experience and learning
- Rosen's model unbalanced : on the demand side, consumers learn, seek information, talk to each other, imitate each other. But on the supply side, how do artists behave? What do they learn from all the competitive tests they go through?

# Agenda

- 1 Training and income in the arts
- 2 Job stratification and inequalities
- 3 Relative comparison and dynamic amplification of differences
- 4 Rosen's model
- 5 Merton's model**
- 6 Selective matchings
- 7 Conclusion : Talent and hierarchies

# Merton's model

- **The cumulative advantage mechanism : Merton's Matthew effect model**
- **Huges divergence in occupational trajectories can be triggered even by an initial minimal advantage (specific aptitude, investment opportunity, powerful mentor's support, or even pure luck)**
- **The mechanics of cumulative advantage : a self-reinforcement process**
- **How to explain the even slight initial advantage?**
- **With the assumption that competitors have exactly the same capacities from the outset, modelling increasing inequalities between turns actually impossible**

# Merton's model

- **A counterfactual way to make the point : the chance argument**
- **Chance in highly flexible and variable project based organization of production**
- **Yet people are not equally capable of exploiting chance opportunities**
- **A test : film making in Hollywood**
- **Career through elimination tournament stages means beating chance**

# Agenda

- 1 Training and income in the arts
- 2 Job stratification and inequalities
- 3 Relative comparison and dynamic amplification of differences
- 4 Rosen's model
- 5 Merton's model
- 6 Selective matchings**
- 7 Conclusion : Talent and hierarchies

# Selective matchings

- **Selective matchings** : to associate a promising artist with professionals of equal or greater quality than his
- **The learning benefit of being selectively associated with experienced partners and getting opportunities for developing one's skills**
- **How the selective matching argument and the cumulative advantage argument of careers shaped by tournaments are connected**

# Agenda

- 1 Training and income in the arts
- 2 Job stratification and inequalities
- 3 Relative comparison and dynamic amplification of differences
- 4 Rosen's model
- 5 Merton's model
- 6 Selective matchings
- 7 Conclusion : Talent and hierarchies**

# Conclusion : Talent and hierarchies

- **Talent and inequalities in the arts : a four component explanatory model**
  - 1) differences of ability among individuals exist, yet their magnitude is impossible to determine with precision : their existence is revealed step by step, along a career and its various tests
  - 2) Factors implicated in success or how those factors are combined are impossible to observe. The veil of ignorance helps artists to nourish the hope of making a career, despite the low probability of success
  - 3) The cumulative advantage dynamic is triggered by selective attention to individuals and works : the power of signal transmission
  - 4) Selective matchings boost the operation of the cumulative advantage mechanism. Talent association has a multiplicative effect, especially when work is organized on a project basis.
- **Reputation, status and hierarchies**