

# **Summary: Valuing passion - Reinforcing the labour market in the cultural and creative sector**

## **Background**

In January 2016, the Social and Economic Council (SER) and the Council for Culture (RvC) published the Verkenning arbeidsmarkt culturele sector (Survey of the Labour Market in the Cultural Sector). In the report, the two councils concluded that the employment circumstances of many people working in the cultural and creative sector were a cause for concern. The declining number of jobs, the relatively high risk of unemployment, the growing body of self-employed people without basic social security coverage, the low and declining incomes and the weak negotiating position of workers were highlighted as key features of the current climate. The labour market climate was said to be the result of the particular characteristics of the cultural and creative sector, the government's policy of austerity and the economic crisis. In June 2016, prompted partly by the survey, the Federatie Cultuur (Culture Federation) and the FNV Kiem trade union asked the SER and the RvC to advise them about practical solutions for the structural problems affecting the sector's labour market. Jet Bussemaker, Minister of Education, Culture and Science, subsequently asked that, in their report, the two councils should additionally indicate what they saw as the respective responsibilities of the sector, the national government and the subsidising and commissioning organisations.

The SER and the RvC accordingly asked the committee that produced the original survey to put forward solutions for the issues confronting the sector. To do so, the committee drew upon the results of the Survey and new research data and literature. In addition, two discussion meetings were held with parties active in the sector. The discussion participants and others were also asked to submit position papers setting out proposals for improving the labour market position of people working in the sector.

Thirty-two position papers were received, which were considered in the deliberations reflected in this report.

## **Characteristics of the cultural and creative sector**

The cultural and creative sector realises products of intrinsic cultural, social and economic value, which are important for individuals and for society as a whole. In view of the public value of

culture, the government has a statutory responsibility to ensure that the sector remains viable. It is partly for that reason that the arts and culture sector receives public funding for certain activities. Further justification for government support is often sought in the positive external effects of arts and culture, for which artists sometimes go unrewarded. The social and economic value of the cultural and creative sector also results from its contribution to the creative and innovative capacity of the community, as well as the entrepreneurial spirit, fabric, social cohesion and image of the Netherlands.

The economy of the cultural and creative sector has a number of distinctive characteristics, which have a structural influence on the market for art and culture. First, there is an imbalance between supply and demand. That is due partly to the fact that art and culture are often produced without any direct demand, especially in the domain 'autonomous arts'. The imbalance is heightened by the strong intrinsic motivation of artists, who continue to do what they love even if they earn very little from it. Because the market is out of balance for various reasons, equilibrium prices in some parts of the sector are lower than is socially desirable. As a result, some people working in the sector – particularly the growing number of self-employed – have little negotiating power and occupy a weak position on the labour market.

In view of the particular characteristics of the sector's economy, the government's responsibility to protect the cultural system and the structural imbalance between supply and demand, the two councils consider it desirable that the government, social partners and other stakeholders work to ensure the health of the labour market. Some of the people working in the cultural and creative sector are already adequately resilient and self-sufficient. This report therefore focuses mainly on the growing body of vulnerable people working in the cultural and creative sector whose incomes are low and whose negotiating position is weak. The councils believe that special measures are required to ensure that the circumstances of such people are socially acceptable.

## **Main recommendations**

The councils have concluded that the problems of the cultural and creative sector labour market cannot be resolved by a single universal solution. The current situation has multiple causes. Consequently, headway can be achieved only by simultaneous progress on several fronts. With that in mind, the councils have identified a number of courses of action. Each one can contribute to resolution of the market's problems by improving the resilience and self-sufficiency of workers, employers and commissioning parties in the cultural and creative sector.

Four directions of travel have been identified:

1. Increasing the earning capacity of the cultural and creative sector

2. Improving the income security of cultural and creative sector workers
3. Promoting training and long-term employability
4. Strengthening social dialogue

The councils regard increasing the sector's earning capacity as a necessary condition for improving the position of the workforce. If the sector's earning capacity were greater, and demand for cultural and creative products and services would increase, this would both support higher incomes and sustain employment, enabling cultural productivity to flourish. The councils believe that the potential exists for boosting the earning capacity of the sector as a whole by drawing on various new cash flows.

Although it is an essential condition for improvement, progress in the first direction of travel would not be sufficient to realise a healthier labour market. Progress is needed in the other directions as well. For example, action is required to increase the income security of cultural and creative sector workers (second course of action), in order to ensure that workers benefit adequately from the additional money flowing into the sector.

The councils also believe that training and long-term employability need to be promoted throughout the sector (third direction of travel) in order to increase the self-sufficiency and resilience of the cultural and creative workers.

Finally, social dialogue is important with a view to limiting fragmentation of the sector. This will enhance the prospects for increasing the earning capacity of the sector as a whole. It also facilitates collaborative action to improve the labour market situation and promotes sustainable employment.

The four directions of travel are interrelated and mutually supportive. Furthermore, responsibility for bringing about progress is shared by the social partners, the national government and lower tiers of government. Nevertheless, the councils wish to emphasise that each party has a responsibility to act, and should not wait for others to act.

With a view to increasing the resilience and self-sufficiency of workers, employers and commissioning parties in the cultural and creative sector, the councils have put forward practical proposals linked to each of the four directions of travel. The party or parties responsible for taking action on each proposal are identified: the social partners and the sector itself where possible; the government, the commissioning parties and the financiers where necessary and where a significant public interest exists. The councils regard the following proposals as having priority:

### **Increasing earning capacity**

- In order to boost the earning capacity of the cultural and creative sector, the councils recommend firstly that the sector takes action to shed light on its unutilised potential and actively seeks to interface with other policy agendas, such as innovation, urban profiling and regional growth, participation and social cohesion, international diplomacy and trade, and top sector support. In the interests of optimal utilisation of the sector's potential, it is desirable that central government departments and lower tiers of government pursue integrated policies and seek to remove barriers between policy domains.
- Secondly, the councils recommend that the representative organisations, social partners and professional associations in the sector collaborate to develop a national platform for gathering, pooling and disseminating knowledge about market stimulation. The government could play a facilitating role in that context. The platform could also promote and facilitate new partnerships amongst independent players in the cultural and creative sector.
- Thirdly, the councils consider it desirable that the government encourages investment in the sector – e.g. by retaining the Cultural Donations Act, applying low VAT rates and increasing access to funding and subsidisation programmes for start-ups and entrepreneurs in the sector – and takes steps to ensure that the income that is generated is reinvested in the sector as much as possible.
- Fourthly, the enforcement of copyright law is important for the earning capacity of the many small and medium-sized artistic and creative enterprises.

### **Improving income security**

- With the aim of improving the income security of people working in the sector, the two councils advise firstly that the sector works to increase awareness. Kunsten '92, an association representing the interests of the entire artistic, cultural and heritage sector in the Netherlands, is currently developing a Fair Practice Label and the councils advise to incorporate a good employment code for employees and contractors into the scheme. Such a code could address issues such as reasonable rates of pay, responsible market behaviour, training and long-term employability, and the responsible use of volunteers. In addition, the councils recommend that the sector draws up complementary guidelines on fees and royalties, like the guidelines that has been created for exhibitions of visual artists. The existence of formal guidelines would promote reasonable rates of pay and strengthen the negotiating position of self-employed people. The government and cultural funding bodies could support the development of guidelines, which could then be cited by the national, provincial and municipal governments and the funding bodies in the conditions attached to grants and subsidies.

- The councils' second income security improvement recommendation is that the government should investigate how the scope of the competition regulations might be revised to permit collective bargaining by self-employed cultural and creative sector workers. The councils suggest that the government allows the sector scope to run trials with a view to establishing how collective bargaining might work in practice and how it would influence prices and rates of pay.
- Thirdly, the government should also allow the sector the opportunity to investigate the possibility of increasing the percentage of self-employed cultural and creative sector workers who have occupational disability insurance. Very few of the sector's self-employed workers currently have such insurance, but it might be possible to bring about change by introducing a standard insurance scheme with opt-out provisions.
- If the measures described above do not improve the income security of self-employed people in the cultural and creative sector to an acceptable degree, the councils would favour investigating the possibility of last-resort legislation to define minimum rates of pay for all self-employed people in the sector and looking into the scope for effective enforcement.

### **Promoting training and long-term employability**

- In order to promote training and long-term employability, the councils consider it of foremost importance that the social partners seek agreement regarding the funding and availability of such training. Training provisions can be included in collective labour agreements, but also in contracts with employees en contractors, and in payment guidelines. Universal training and long-term employability should also be addressed in the good employment and commissioning code referred to above.
- Secondly, the councils call on the government to promote career planning by setting up a system of development accounts for everyone working in the sector, under which the individual would have a personal budget for a self-defined career development path. The cultural and creative sector could serve as a testbed for such a system.
- The councils also suggest that the parties active in the sector join forces to create a platform whose functions would include ensuring the availability of suitable training, supporting small organisations with HR policy, and promoting research with a view to obtaining reliable information about the labour market of the cultural and creative sector. The sector does not currently have a joint labour market and training fund of the kind that other sectors have established to perform the functions mentioned. The government could play an important role in funding such a platform.

- Finally, the councils consider it desirable that the tertiary educational sector maintains the measures taken to hold intake to arts programmes at its present level, and that study programmes offer students the option of specialising in fields that maximise their employability in other sectors of the labour market.

### **Reinforcing social dialogue**

- The councils believe that strengthening social dialogue within the sector will help to enhance the earning capacity and negotiating position of vulnerable groups. It is important – partly with effective political lobbying in mind – that there is more sector-wide cooperation and that the sector speaks to the outside world with a joint message. The councils therefore urge the sector's representative organisations to join forces and act in concert wherever possible. The Ministry of Education, Culture and Science could take the initiative to organise annual or bi-annual socioeconomic consultations with the sector.
- The SER and the RvC also recommend that the social partners and representative organisations jointly investigate the funding of an inclusive social dialogue mechanism and the scope for wider use of collective labour agreements within the sector.

### **Conclusion**

The councils recognise that a number of the proposed measures would drive up costs for employers. The realisation of such measures is therefore inseparable from the financing of the sector. Progress on the four recommended directions of travel is achievable only if the sector is somehow able to secure additional income from the government and from private sources. If the cost of implementing the proposals cannot be covered by increased earning capacity and/or increased subsidies, the councils anticipate declines in artistic and cultural production and employment opportunities in the sector, to the detriment of the cultural climate in the Netherlands.

The amount of money that society devotes to art and culture is ultimately determined by consumers, the business community and the political community. As things stand, it seems to the councils that politicians and wider society sometimes have unrealistic expectations of the publicly funded culture sector. In recent years, the sector's institutions have had to contend with government spending cuts at the same time as meeting higher expectations regarding the quality and quantity of the production, visitor numbers and the generation of independent income flows. That has contributed to a rich cultural landscape, but has also been to the disadvantage of those

working within the sector. The councils consider it important that the funding mechanisms operated by the national, provincial and municipal governments and other bodies consider reasonable rates of pay for people working in the sector and the operational viability of creative institutions. Output requirements must be proportionate to the institutions' budgets, while funding awards – including project grants and the indexing arrangements for multi-year funding agreements – must take account of actual operating costs. The councils take the view that the current situation is not sustainable and call on the government to recognise that fact in the next budgetary period.

Within the cultural and creative sector, the councils observe a prevailing sense that there is an urgent need to increase the resilience and self-sufficiency of the sector and its workers. There is a clear willingness to experiment with measures of the kinds referred to in this report. The councils accordingly call on the government to work with its social partners and the sector's representative organisations to explore the scope for using the cultural and creative sector as a testbed for gaining experience with promising solutions to the highlighted issues.

[1] SER en RvC (2016) [Verkenning arbeidsmarkt culturele sector \(Survey of the Labour Market in the Cultural Sector\)](#), The Hague: Social and Economic Council/Council for Culture.

[2] The [Culture Federation](#) is an umbrella organisation for sector organisations and employers' federations for the performing arts, museums, libraries, arts centres, performance venues and visual arts. Its members are [Cultuurconnectie](#), Koepel Opera, the [Museums Association](#), the Dutch Association for Performing Arts ([NAPK](#)), the Netherland Gallery Association ([NGA](#)), the Association of Dutch Pop Venues and Festivals ([VNPF](#)), the Association of Public Libraries ([VOB](#)) and the Association of Theatre and Concert Hall Managers ([VSCD](#)).

[3] On 1 July 2016, FNV KIEM split into a union representing people working in the arts ([Kunstenbond](#)) and a union representing workers in the media and culture sector ([FNV Media en Cultuur](#)).