

**New or Small Firms in the Screen-based Media Industry:  
Startups, Self-employment, and Standing Reserve**

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“Self-employment may be seen either as a survival strategy for those who cannot find any other means of earning an income or as evidence of entrepreneurial spirit and a desire to be one's own boss” OECD Factbook 2009<sup>1</sup>

## Introduction

Media industries display a very high rate of new firm formation, a key driver of innovation, employment growth, and economic development. Small or young media firms are also believed to provide (or potentially provide) correction to regressive effects of media ownership concentration by ensuring ethnic, regional, and generational diversity of media voices in an effective marketplace of political and social ideas. In many Western countries, large populations of self-employed individuals and microenterprises have emerged in the screen-based media industry, notably in the creative content, software, and technical craft segments of the industry such as film and video production, post-production, Internet publishing, and sound recording.<sup>2</sup>

Examination of processes and outcomes of new firm formation in the screen industry sheds light on some of the deeper issues and challenges of innovation, growth, and public policy in the cultural economy. In particular, we need to better understand management practices, strategies, and capabilities that underpin economic viability and growth among smaller firms in the screen-based media industry. The research literature offers three different perspectives on the rise of self-employment and entrepreneurship in media industries, each leading to rather different frameworks for understanding management and business practices in small media firms. First, unusually high levels of new firm formation in various media industry branches suggest that the industry renews itself on a regular basis, implying high levels of entrepreneurial opportunity in the industry despite notoriously high levels of ownership concentration. Thus, an abundant supply of startups and micro-firms presumably ensures innovation, diversity of voices, and future generations of media firms. This is the "startup" perspective on new firms in the media industry. Second, the “Hollywood model” of vertical disintegration is regarded as the paradigmatic way to organize production in cultural industries, accommodating diverse creative, self-reliant, fulfilling, non-standard lifestyles through flexible project-based self-

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<sup>1</sup> <http://massetto.sourceoecd.org/vl=4816921/cl=12/nw=1/rpsv/factbook2009/06/01/04/index.htm>

<sup>2</sup> In this paper, screen-based media encompass film, television, and interactive digital media. A microenterprise is defined in Canada as a firm with fewer than five employees, including ‘indeterminate’ or zero-employee firms (i.e. self-employed individuals without employees). Some jurisdictions define microenterprises as firms with fewer than ten employees.

employment, although at the cost of income insecurity for many. This is the "self-employment" perspective on new or small firms in the media industry. Third, expanding pools of precarious media freelancers, self-employed workers, and media microenterprises are regarded as a cultural proletariat or reserve army of labor that is always on call and readily exploitable by larger incumbents. This is the "standing reserve" perspective.

Clearly, the industrial and geographic context of new firm formation is important. The locus of entrepreneurial opportunity for new entrants is not stable in space or time, and entrepreneurial dynamics differ substantially in the creative content, small-scale technical craft, and the more technology- and resource-intensive software and transport layers of the industry. Furthermore, it is impossible to ignore the economic and political power of national and transnational media conglomerates and their established suppliers. An open question is what economic and cultural role can, should, or might new or small entrepreneurial screen-based media firms play in small, open economies like Canada's, where creative industries are encouraged in support of cultural sovereignty as well as in pursuit of the rewards of an economically viable cultural sector. In this chapter I provide a qualitative discussion of entrepreneurial dynamics in the screen media industry, illustrating with examples from research on self-employed media workers and small media firms in English-speaking Canada.

### **Untangling self-employment, small business ownership, and entrepreneurship**

As a faculty member in English-speaking Canada's principal broadcast school, I have observed that most students who choose to enter the screen-based media industry are not motivated by conventional entrepreneurial aspirations such as the desire to create a firm or achieve economic independence. Several factors, however, increase the propensity for these media students to develop 'enterprising selves' and career strategies that embrace self-employment, or even active entrepreneurship that seeks to create a successful firm. Students are increasingly aware of the low likelihood of finding salaried employment and so they endeavor to prepare for self-employment, usually by making as many contacts as possible in the industry before graduation. Senior industry players acting as guest speakers tell media students to pay greater attention to the business aspects of media practice (and sometimes the students take the advice). Students may take the courses in entrepreneurship and media management that often are offered in media and business schools. Industry associations publish reports emphasizing media firms' outstanding needs in business, management, and marketing (i.e. WIFT, 2004). Government agencies publish career-management manuals for cultural workers that emphasize the need for competencies in project management, business planning, marketing, financial and legal matters, and strategy (CHRC, 2009). Popular television shows such as *Dragon's Den* shine favorable light on entrepreneurship (Boyle and Magor, 2008). Finally, involvement with digital media of-

ten puts media students into contact with students in faculties of business, engineering, and computer science who are aware of the culture and practices of venturing in the IT industry. And in all industries, workers with income from self-employment must register as a business and file tax returns accordingly, inducing many self-employed individuals to see themselves as small business owners rather than as workers lacking salaried employment.

Entrepreneurs “create, define, discover, and exploit opportunities” (Zahra, Sapienza, and Davidsson, 2006), and scholarly research on entrepreneurship seeks to explain “how, by whom, and with what effects” this happens (Shane and Venkataraman, 2000). It is conventional to distinguish between greater and lesser degrees of entrepreneurial behavior. Thus distinctions are drawn between major forms of entrepreneurship - risky introduction of new economic activities leading to a change in the marketplace - and minor forms of entrepreneurship entailing relatively lower risk, less innovation, or simpler forms of business such as freelancing, franchising, or riffs on business as usual (Dale, 1991; Davidsson, 2005; Eckhardt and Shane, 2003; Stam, 2008).

In this chapter I am concerned with self-employment - “the simplest kind of entrepreneurship” (Blanchflower and Oswald, 1998: 27) - as a source of new firm formation in the screen-based media industry. Self-employment is widespread across many industries. In 2008, about 2.6 million Canadians were self-employed – that is, they owned businesses with or without employees. Some self-employed persons may appear to be the equivalent of short-term employees without benefits, as when downsized employees are hired back as on limited-term contract as ‘consultants’ (Dale, 1991). But most self-employed persons are owner-operators of small firms, especially microenterprises - the “smallest of the small businesses” (Clinton, Tottterdell, and Wood, 2006). About 78% of all firms in Canada are microenterprises.

The Canadian tax system treats the self-employed individual as a firm, which by definition has the capacity to incur business expense and risk. A self-employed individual literally operates as a microenterprise. Registration as a business is required by the Canada Revenue Authority when revenues from self-employment exceed \$30,000; self-employed persons must pay value-added tax on business transactions, and are ineligible for public employment insurance. Since a firm with employees must contribute to their employment insurance and other benefits, a strong economic incentive exists for firms to have arm's-length suppliers rather than employees. Tax authorities clearly distinguish self-employed persons from employed individuals. Attributes considered by the Canada Revenue Agency to indicate self-employment include ownership and maintenance of necessary tools and equipment, absence of security or benefits, discretion to hire helpers and subcontractors, maintenance of one's own workspace, maintenance of a business presence, financial liability for completion of contracted work, and possibility to realize a profit or incur a loss.

Growth is not the primary objective of most microentrepreneurs, as evidenced by the many “push” and “pull” factors that motivate self-employment (Wiklund, Davidsson, and Delmar, 2003). Loss of employment, unemployability, parenting or eldercare responsibilities, need for a second income, semi-retirement, and professional and personal aspirations and lifestyle preferences are key considerations in choice of career and employment mode (Beaucage, Laplante, and Légaré, 2004). These considerations are particularly true in creative industries, where many individuals find work intrinsically rewarding – or at least more rewarding than available paid employment (Banks, 2006). For university students who harbor entrepreneurial intentions, the most important distinction is that between paid employment and self-employment, not between major and minor forms of entrepreneurship (Valliere, Gedeon, and Davis, 2009). Students aiming for self-employment express significantly greater optimism and degree of self-efficacy than students seeking paid employment (Ibid.).

Self-employment thus reflects considerable variation in degree of entrepreneurial ambition, and self-employed persons bring a wide range of capabilities and resources to bear on new ventures, leading to widely varying performance outcomes. Microenterprises in general exhibit very low growth potential: only one percent of microenterprises grow to the next size category of firm in ten years (Industry Canada, 2001). Growth-oriented ventures are generally initiated and led by persons who have experience and training in an industry, and who prepare the venture and launch it with resources and a competent team (Friar and Meyer, 2003). These entrepreneurs identify or create an opportunity that supports an expectation of growth in spite of the risk involved. Among the smallest firms in Canada, the factors that explain firm growth are entrepreneurial intent, higher levels of education, informal networking with customers and suppliers, business partnering behavior, product innovation, adoption of e-business technologies, managerial delegation, focus on the local market, age, and size (younger, smaller firms grow faster) (Papadaki and Chami, 2002). Since entrepreneurs who create firms and employ workers have to organize, motivate, and manage people around functional firm-level tasks, successful entrepreneurs need to be jacks-of-all-trades and bring a broad skillset to the endeavor, rather than deep but narrow subject matter expertise (Lazear, 2005). Because most self-employment is neither primarily growth-oriented nor supported by pronounced entrepreneurial capabilities or resources, self-employed persons generally earn lower incomes than their salaried counterparts, although they report higher levels of work satisfaction (Beaucage, Gosselin, and Bellemare, 2006; Hamilton, 2000).

How do new entrants with enterprising capabilities identify and exploit openings in the media industry? What kinds of niches are found or created in the mature segments of the media industry? How do entrepreneurs find and exploit opportunities in the technologically dynamic segments? And what happens to ‘non enterprising’ self-employed persons in the media sector? One sees major differences in strategy, management capability, and performance among three

classes of the smallest media firms: sole-proprietor microenterprises that are formed for survival purposes; sole-proprietor or employer microenterprises that are intended to be viable and valuable firms but which are not primarily driven by growth aspirations (we can call them self-reliant, lifestyle, or 'transgressive' firms after Fenwick [2002], because these firms discount corporate enterprise values ); and firms that are created and resourced with growth objectives in mind, although they may not seek to maximize growth. One may also expect differences between ventures designed to exploit new content, and ventures designed to exploit new technologies, since the investment models in copyright-based and patent-based industries differ so greatly.

### **Self-employment and entrepreneurship in the screen-based media industries**

Most management-oriented studies of media firms focus on large firms. With the exception of a scattered literature on Internet startups, media venturing has not received a great deal of attention. Fewer than 80 articles on media entrepreneurship were published between 1970 and 2005 (Hang and van Weezel, 2007).

Many branches of the media industry are populated by a few very large incumbents (mainly transnational or domestic conglomerates) associated with a relatively small population of medium-sized firms and very large numbers of microenterprises and freelancers. Longitudinal analyses of media industries show a great deal of volatility (entry and exit) through vertical disintegration, technological discontinuities, regulatory intervention, and organizational innovation. In North America this volatility has opened up opportunities for new entrants every decade. With the exception of publishing, media industries in the U.S. have exhibited very high rates volatility since the 1950s, culminating in higher than average rates of volatility in the 1990s (Hoag, 2008). Funk's (2008) analysis of entrepreneurial opportunity in the U.S. broadcasting sector from the 1920s through the 1990s illustrates how openings have regularly appeared in vertically-disintegrated layers of the industry.

Moreover, firm size does not translate automatically into economic performance. Kolo and Vogt (2003) find no correlation between firm size and performance in the media industries, except in radio where size is positively related to performance, and in the entertainment segment where size is negatively related to performance. Even large media empires can fall (Picard, 1996). A case in point is CanWest, a basically viable media and communications conglomerate in Canada that took on too much ill-timed debt for expansion and is currently in receivership.

The above research illustrates how the locus of entrepreneurial opportunity shifts among layers and segments of the media industry over time. Industry dynamics differ substantially in the transport, software, and content layers of the screen-based media industry, reflecting varying

opportunities for entrepreneurial entry afforded by vertical disintegration and the emergence of new distribution channels. The software and creative content layers normally co-evolve through market pull and technology push (McKelvie and Wiklund, 2008). When new industry segments open up, value networks of firms emerge that may number in the thousands of small specialist providers, as is currently the case among software application developers for mobile platforms (see Funk, 2009). The transport layer is very susceptible to returns to scale and so supports correspondingly larger firms, especially in the absence of regulation to the contrary.

Table 1 shows the distribution of firms by size in 29 media industry segments in Canada in December, 2008. The transport layer of the industry is dominated by large firms that control distribution infrastructure: broadcasting, cable, telecommunications carriage, and exhibition. Medium and large firms with more than 100 employees represent over 60 percent of the firms in most of these segments. To successfully enter a promising niche in the transport layer of the screen industry requires assembling a considerable package of financial, technological, and human resources. Since telecommunications and broadcasting infrastructure are highly regulated, entrepreneurial access to these channels of the transport layer requires a license, which can be quite expensive. The lowest barriers to entry in the transport layer are in the pay and specialty television and satellite broadcasting segments, where 70 percent of the firms in Canada are microenterprises. The software or middleware layer of the screen industry is also in the middle in terms of the mix of firm sizes: in software publishing about 70 percent of the firms are microenterprises. At the extreme end of the spectrum are the creative content and technical craft segments of the industry: writers, performers, film and video producers, music publishers, audio recording studios, post-production houses, and Internet publishers, where more than 85 percent of the firms are microenterprises. Many of these latter segments are not susceptible to economies of scale and so do not have a dominant market leader. The modest resources needed to enter the creative content and technical craft segments of the screen industry include skills that are generally acquired in a post-secondary institution, access to increasingly affordable production equipment such as software and cameras, and enough actionable social capital to obtain work.

The flexible or even precarious working conditions in the screen-based media industry are well known. Many media microenterprises are survival vehicles for freelancers or displaced workers, and cannot be considered as 'enterprising' firms (Baines, 1998; Baines and Robson, 2001; Neff, Wissinger, and Zukin, 2005; Paterson, 2001; Randle and Culkin, 2009; Saundry, 1998). Media labor precariousness has increased as many graduates from post-secondary media and communication programs enter the labor market, and as senior individuals who have been made redundant in waves of industry consolidation and privatization set up shop as freelancers. These new self-employed workers enter a media labor market that is internally segmented and stratified by gender, ethnicity, and age (Bielby and Bielby, 2001; 1996; Christopherson, 2008).

Labor market segmentation along these lines can persist for decades, as screenwriter employment and income data published by the Writers Guild of America clearly indicate (WGAW, 2009). Collective bargaining arrangements support well-defined job roles and compensation scales in film and television, but not in other segments such as advertising. In interactive digital media collective bargaining has not emerged in North America. Instead, free agency and employment flexibility prevail, and fluid job roles, piece work, and on-the-job learning are widespread (Christopherson & van Jaarsfeld 2005).

These conditions lead to large numbers of tiny firms. Although the predominance of very large firms in the media sector does not represent a barrier to entry for media entrepreneurs (Hoag and Compaine, 2006), it does represent a barrier to growth. A high degree of labor flexibility is very favorable to established firms, since it permits them to shift risks onto their suppliers, who procure crews and specialized inputs from geographically dispersed labor pools (Bilton, 1999; Christopherson, 2005; CFTPA, 2006). The availability of abundant lower-cost, more flexible production talent in urban centers outside of Hollywood is an important driver of production outsourcing (Christopherson, 2005). Outsourced film and television production employs mainly domestic below-the-line labor and so does not directly support development of indigenous creative business capabilities (Davis and Kaye, 2010). Independent film and television production firms benefit from having access to highly flexible and experience production labor, however. Executive film and television producers regard management of project-based production as a relatively unproblematic organizational capability compared to the business development, product development, relationship management, and marketing capabilities their firms require for success (Davis, Vladica and Berkowitz, 2008). Firms with a dozen or fewer employees can easily expand project-based production by several orders of magnitude when production contracts are available without adding salaried employees (Ibid.). Moreover, small independent content creators are more easily persuaded to cede their intellectual property rights to established firms when other avenues to valorize their IP are remote.

Innovation in experience goods entails significant economic risk. Therefore, flexibility, network-based production, and free agency are important functional characteristics of cultural or creative industries (Caves, 2000). Pioneered by the film industry, the “Hollywood model” of work organization is often presented as the vanguard of a new form of work organization required for high levels of creativity, innovation, and flexibility: individualized, highly networked individuals configure and reconfigure on a project-by-project basis to produce unique, highly skill-intensive creative products (Grantham, 2000; Leadbeater, 2000). Flexible specialization induces “portfolio careers” characterized by interspersed periods of salaried employment, contract employment with large or small firms, self-employment, and unemployment (Jones, Borgatti, and Walsh, 1998; Robertson and Henderson, 1999). The literature on cultural and creative workers also emphasizes time and again their desire for self-expression and creative control, not market

or customer orientation which are regarded as hallmarks of enterprise culture (Caves, 2000; Darmer, 2008; Hirsch, 2000; Menger, 1999). To these essentially non-economic traits we can add economic advantages of flexibility that very small firms sometimes can exploit. For example, in the Canadian independent film and television production sector, self-employed executive producers often partner on a project-by-project basis with established firms that supply overhead services, infrastructure, contacts, credibility with broadcasters, and creative involvement (Davis and Nadler, 2009).

The careers and work experiences of Toronto-area screenwriters illustrate the ways that portfolio careers incorporate elements of freelancing, self-employment, enterprise, and entrepreneurship. Most of the time screenwriters work on a project-by-project basis, and many combine screenwriting with other income-generating activities, especially producing, directing, showrunning, editing, acting, journalism, teaching, camera work, writing novels or non-fiction books or theatrical plays, corporate media, owner of a production company, or entirely unrelated employment such as truck driving. The work of screenwriting thus combines a sequence of projects with a variety of customers or employers, providing great work variety. These microentrepreneurs of cultural production must manage many risks:<sup>3</sup>

Project-based work is difficult at the beginning. It gets easier as you become a more popular writer. It's unpredictable so you don't know how much money you'll make or what your income will be year to year. It's feast or famine: you have a lot of work but are too busy, and then you'll have nothing going on. You don't have dental benefits.

You have to work nights, weekends, holidays, long and not ideal hours. There's an expectation that you will sacrifice your life to the job because of the limited time. Writing can take over your life with no balance. I was unable to turn work off. You can't control when you're inspired or not to write. You can't write when it's noisy. It's hard in the big city to find peace and quiet. You need to create the environment in which you can be creative.

There's debt out of university. It was hugely hard for the first five years and I lived at home for about a year. The lack of work can be financially brutal and also demoralizing and depressing. It led to the break-up of a relationship.

The work is so subjective that you have no qualitative barometer. There is the constant revision, the criticism, you're slammed all the time - people changing what you're doing. The funding structure is bizarre. It is exasperating trying to finance projects here.

There is isolation, delays and waiting, bullshit and runarounds, but that's normal. There is insecurity, uncertainty, not just monetary but being concerned about whether you made the right choices. Everything else comes back to that, the fear of being out of step with time and fashion,

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<sup>3</sup> These are composites of remarks made by Toronto-area screenwriters.

that you are peripheral or irrelevant to your trade. You have to ask yourself, “Am I the only guy in step in this parade?”

For many, however, the psychological rewards of cultural microentrepreneurship are as important as the financial rewards:

You have a great deal of freedom to choose what you are going to do and pursue things you care about, to set your own agenda. The clichés of being your own boss are true in sort of a romantic way. You can work odd hours and set your own schedule. You can be at home, you can have a family. You can wear what you want. You can be in touch with who you are – you don’t have to perform or change character.

When you need money you can go out and find work and earn some money. There are no office politics. If you have conflicts with people you’re not stuck with them forever. You can walk away, step out of situations you feel are untenable.

You get to work on stuff you love, which is statistically rare in the workforce. You get to have a life because you need to draw on life experiences. You need to fill up the tank and just resting isn’t going to do it. People pay you to dream.

These remarks illustrate how self-employment as a screenwriter is concurrently risky and seductive. Portfolio careers must be actively and effectively managed, requiring a great deal of self-awareness and self-discipline (and some good fortune) on the part of the entrepreneur (Gold and Fraser, 2002). The individual bears principal responsibility for career path creation, for the maintenance of career momentum, for reinvention of his/her professional self over time, and for absorbing the risks of failure. The psychological rewards of success are attractive enough to motivate high levels of self-discipline as well as self-exploitation (Banks, 2006; McRobbie, 2004).

Most of the firms in the screen-based industry supply so-called humdrum inputs. A shortcoming of the research literatures on media entrepreneurship and media self-employment is that they focus primarily on the creative content and interactive digital segments, saying little about new firm formation and firm-level management in the wide range of craft, professional, technical, and service firms that support the screen-based media industry. For example, nearly 1600 firms are listed in the 2007 *Ontario Film and Television Production Guide* in the Greater Toronto Area. These include production companies, investment and insurance firms, legal services, talent and recruitment agencies, unions and guilds, publicists, training institutions, production services (equipment rentals, props suppliers, transportation, etc.), post-production (animation, audio, closed captioning, editing, negative cutting, storage, etc.), distribution (bookers, theaters, marketing print delivery), and exhibition firms (concessions, ticketing systems, broadcasters, digital channels, etc.). The path dependence of the Toronto screen industry agglomeration certainly conditions the growth potential of most of these firms which, although independent, are directly or indirectly economically dependent on the business success

of a relatively small number of key industry players – in the case of Toronto, these are primarily domestic broadcasters and Hollywood studios, but also some established production firms with export capabilities as well as a growing population of new media firms with customers in a variety of sectors.<sup>4</sup>

When the industrial environment is volatile and the urban environment is economically diverse, entrepreneurs can enter a segment from a variety of directions. Bathelt (2004) identifies six origins of media firms in Leipzig: local startups, spinoffs from the university, unintentionally self-employed individuals, spinouts from public firms, and transplants and branches of establishments from elsewhere in Germany. Indergaard (2004) relates how individuals entered the New York interactive media industry from a broad range of industries: arts, corporate mass media, information technology, finance, and advertising. Britton (2007) discusses the importance of skills developed in the entertainment and business services sectors for the emergence of interactive digital media firms in Toronto.

But some entry points and institutional antecedents provide better initial advantage than others, supporting “dominance by birthright” - stronger performance than competitors (Klepper and Simons, 2000). For example, before starting their firm, most of the members of senior owner-management teams of the group of successful independent firms that produce children’s programming in Canada had prior management experience at the senior level in domestic or foreign private or public media firms (Davis, Vladica & Berkowitz, 2008). Their startups were deliberate ventures that drew on irreplaceable prior experience and high-level contacts in the industry. Equivalent video production firms started up by university graduates do not enjoy the same credibility, leverage, or social capital in industry, and they are often asked by broadcasters to partner with established firms.<sup>5</sup> On the other hand, film and video production firms established by recent graduates are more likely than older production firms to have access to digital media technical and cultural skills - increasingly attractive attributes. In this sense, a shift of demand towards interactive digital media presently provides an advantage to younger self-employed individuals and entrepreneurs who have pertinent cultural, technological, and social capital, and recent links to post-secondary institutions.

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<sup>4</sup> Said one independent producer in an analogous industrial environment in the UK: “we are no more independent than a tick burying its head in a gorilla’s arse. Basically, you go where it goes” (as cited in Quinn, 2007).

<sup>5</sup> The Canadian film and television production industry was much more open to recent university graduates three decades earlier when several film students from Queen’s University established a production firm that grew to become Alliance Atlantis, a major publicly-traded Canadian media firm with broadcasting, distribution, and production interests until its takeover by CanWest and Goldman Sachs in 2007.

## Conclusion

Vertical disintegration, outsourcing, downsizing, and post-secondary education programs have led to the emergence of large pools of flexible, free-agent, project-based media labor. Self-employed persons with non-salaried income establish themselves as microenterprises because the tax regime requires it. Most are not 'enterprising' firms, but some are, or become so. A few media microenterprises grow into larger firms, depending on the skill or luck of the entrepreneur in locating or creating opportunities. But prospects for growth in the lower ranks of the creative content and technical craft segments of the film and television industry are very constrained. These segments attract many people who regard media as a vocation, and entry barriers are very low. The interactive digital media and software segments of the screen industry currently present entry-level opportunities with greater growth potential and are attracting investment and individuals from a variety of institutional origins - including migrants from the content production and technical craft segments of the television and film industries.

In this chapter I have explored the implications of shifting loci of opportunity for new entrants in media industries, and the range of entrepreneurial ambitions and capabilities at play. Multiple factors encourage self-employed individuals to develop minor or major degrees of self-identity as media entrepreneurs and businesspersons. 'Enterprising selves' create value for customers through content production, delivery of professional and technical services, and other firm-based media practices. But ambitious ventures require much greater access to financial, organizational, and human resources than are available to the typical media microentrepreneur. Dedicated entrepreneurs know they have to assemble these more considerable resources if they want to effectively pursue their business goals.

Relationships between art, commerce, and employment have substantially shifted in creative industries (Ellmeier, 2003). These industries present an ongoing economic conundrum. Should they be regarded as a welfare sector requiring permanent subsidy, or a set of stovepipe industries that might be made economically viable in some cases? Do they represent a sector with potential growth spillovers into other sectors, or are they the equivalent of a decentralized cultural R&D lab that nurtures innovation across wide swaths of the economy? (Potts and Cunningham, 2008). At issue are the path-creation capability of the population of very small firms in the media sector and the personal risks of perpetual membership in the labor pool's standing reserve, compared with the alternatives which range from exit or underemployment to hybrid occupations. Since salaried employment in screen-based media is growing much less quickly than self-employment, I suggest that media education, which typically emphasizes inculcation of production skills and aesthetic conventions, also needs to better prepare students for inde-

pendent practice, including development of capabilities that support creation and management of viable small new firms.

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Table 1: size distribution of firms in Canadian media industry segments at 6-digit NAICS level (Business Register, December, 2008)

micro (<5)	small (5-99)	medium and large (>100)	N	NAICS segment
98.8%	1.2%	0.1%	4248	711513 - Independent Writers and Authors
97.7%	2.2%	0.1%	4403	711512 - Independent Actors, Comedians and Performers
96.0%	3.5%	0.4%	453	512230 - Music Publishers
93.7%	5.5%	0.8%	12510	512110 - Motion Picture and Video Production
93.4%	5.6%	1.0%	301	512220 - Integrated Record Production/Distribution
93.0%	7.0%	0.0%	756	512240 - Sound Recording Studios
93.0%	7.0%	0.0%	57	512290 - Other Sound Recording Industries
88.2%	10.4%	1.4%	212	512210 - Record Production
86.4%	10.7%	2.9%	1071	512190 - Post-Production and Other Motion Picture and Video Industries
84.8%	13.0%	2.0%	1326	511130 - Book Publishers
84.2%	14.1%	1.7%	291	511190 - Other Publishers
83.0%	14.8%	2.2%	1091	519130 - Internet Publishing and Broadcasting and Web Search Portals
82.0%	15.8%	2.2%	361	512120 - Motion Picture and Video Distribution
78.9%	17.4%	3.4%	1610	517910 - Other Telecommunications
78.2%	16.3%	5.2%	1476	518210 - Data Processing, Hosting and Related Services
74.8%	23.1%	2.1%	2017	511120 - Periodical Publishers
73.6%	20.4%	5.5%	201	515210 - Pay and Specialty Television
70.9%	24.0%	4.1%	196	517410 - Satellite Telecommunications
69.7%	23.9%	5.7%	297	511140 - Directory and Mailing List Publishers
68.3%	23.1%	8.2%	2038	511210 - Software Publishers
67.1%	27.9%	4.5%	222	519190 - All Other Information Services
63.2%	31.6%	5.1%	117	519110 - News Syndicates
62.8%	28.4%	7.3%	524	517210 - Wireless Telecommunications Carriers (except Satellite)
60.5%	31.0%	7.9%	648	517112 - Cable and Other Program Distribution
58.1%	28.6%	8.5%	611	517111 - Wired Telecommunications Carriers (except Cable)
47.5%	44.0%	7.7%	1475	511110 - Newspaper Publishers
41.2%	53.9%	4.6%	928	515110 - Radio Broadcasting
38.6%	33.2%	26.6%	319	515120 - Television Broadcasting
28.8%	67.2%	3.9%	772	512130 - Motion Picture and Video Exhibition