

## The Economic History of the Music Industry – from 1771 until today

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### *The Royal Swedish Academy of Music 250 years – the Economic History*

Staffan Albinsson, University of Gothenburg

The Royal Swedish Academy of Music celebrates its 250th anniversary this year. It was founded in 1771 – formally by King Gustaf III. However, it was initiated by members of the Utile Dulci secret club. Its member Patrick Alströmer, son of the legendary entrepreneur Jonas Alströmer, provided financial support and deposited a large part of his comprehensive sheet music library. The academy's activities during the first decades were not extensive but after a new donation in 1813 by the then Crown Prince Karl Johan, it was able to play a vital role in the development of the Swedish music scene. This study aims to present the economic history of the academy from its early days until today. During many decades the academy was responsible for higher education in music. Since 1971 its fields of activity are within artistic development, musicology, music education and cultural policy. From its many donations it awards prizes and scholarships. It has the exclusive right to initiate court hearings based on the “Protection of the Classics”, i.e. the moral copyright. The academy may appoint a maximum of 100 Swedish and 70 foreign members (apart from members above 70 years of age).

### *Harmonious relations: Examining networks of music composers*

Karol Jan Borowiecki, University of Southern Denmark

Maria Marchenko, Vienna University of Economics and Business

Nick Ford, Lund University

Connections matter in many employment-related settings: one's career prospects can be strengthened by professional networks. This effect might be relatively more pronounced in the creative arts, where the quality of one's endeavours is less amenable to objective measurement than in other domains.

This research project examines the influence of networks on the perceived quality of musical composers. We explore the determinants of composer networks, including how these vary across time and place. We also consider whether there are longer-term intergenerational effects of networks: for example, how any given high-quality teacher might indirectly influence future composers via intermediate generations of teachers.

Research on Western composers by Borowiecki (2019) confirms the influence of teachers on their students' skills and style. Drawing on biographical information on composers from established libraries such as Pfitzinger's compendium of composer genealogies and Grove's dictionary of music and musicians, our analysis considers 17,436 composers between the years 505 and 2016, resulting in 40,940 student–teacher pairs. We take account of both the quantity and quality of composers' output: that is, both how prolific their works were and how popular their works remain over time.

### *The Business History of the 'Dansband' Music Industry*

Michael Funke, Uppsala University

Erik Lakomaa, Stockholm School of Economics

Dansband music, a genre almost exclusive to Sweden and Norway, has during the last half century accounted for a significant part of music sales and live performances in Sweden. The most successful bands have - despite record sales not being the industry's main channel - also sold more albums than, e.g. ABBA. Dansband gigs have for decades attracted tens of thousands of visitors every week, more than any other live music genre in Sweden.

The dansband genre has some particular features. Unlike in rock bands, most musicians are pro or semi-pro – playing is not about expression but running a business. Also, songs are not foremost for listening, but to supply generic live dance music. This gives the music a strong commercial potential, and a specific business model where gigs account for much of the revenue, while music sales often utilize channels (petrol stations, grocery stores and mail order) outside the traditional record trade.

Using written and oral sources, the paper analyzes the dansband music industry from a business history perspective. We also link the development in the industry to media, socio-demographic, cultural-historical and political factors. Preliminary findings indicate that an adaptation to the audience's taste as well as promotion opportunities, a standardization of products, and control over production and distribution channels have all contributed to the industry's success and longevity.

### *Effects of the Radio Revolution on the Labour Market for Musicians*

Caterina Adelaide Mauri, University of Southern Denmark

The radio revolution of the 1920s dramatically expanded access to entertainment and news, facilitating information flow and making knowledge transmission considerably cheaper. It also profoundly affected markets for live and recorded music and redefined the labor market for musicians. Radio broadcasting created a national market for music that made some musicians wealthy and brought music to places that had previously experienced little of it.

We reason that the new medium may have been both a complement and a substitute to live music for consumers, depending on circumstance. We analyze data on occupations and on radio set ownership from the US Census years 1920 and 1930 to investigate which of these effects dominates. Constructing an instrument for the share of households owning a radio set which is entirely based on natural features, we find that a substitution effect was relatively stronger in highly urban places.