Economics of New Music

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II. … What Crisis?

Against these pessimistic conclusions, I will now consider in more detail the three elements of the supposed crisis: recordings, the audience, and music in education, and in addition the alleged public shunning of new music.

CD Sales

The data presented above illustrating the decline in CD sales are drawn from leading industry bodies – the RIAA and the BPI – and could on that basis be considered authoritative. However, the very small size of "classical" as a market segment poses a problem. The RIAA data presented in Figure 3 include a margin of error of +/-2.8%. Therefore, the market share of classical music in 2006 could have been as high as 4.7%, and similarly for previous years. The data could therefore be considered an unreliable measure, despite the apparent trend.

That CDs are a robust format, which is not suffering the rapid decline alleged by the RIAA, can be seen by considering non-sales data (such as consumer attitudes), and by considering sales that are not included in the RIAA's statistics. For example, Figure 5 below, drawn from the 2007 Digital Music Survey (Ruppert *et al.*, 2007), shows that respondents intend to buy more CDs in future, rather than less, and that this has been the trend since 2005 (when the survey began).

Figure 5: Future CD Purchase Behaviour (Ruppert *et al.*, 2007)
Responses to the question "Will you continue to buy CDs in the future?"

	2005	2006	2007
Yes, more than I used to	9%	10%	12%
Yes, at the same rate as before	57%	64%	59%
Yes, but fewer than before	30%	21%	24%
No	4%	6%	5%

If the major labels are reporting lower shipments and lower sales, but consumers are reporting increased consumption, then the difference can be explained by considering the growth in independent CD production. Over the past 10 years, new technology has allowed high-quality CD production at increasingly low cost, resulting in a great increase in independent, commercial labels as well as, possibly, a fall in the retail price of a CD (see Figure 2). The growth of independent releases has been particularly marked in the classical sector, due in part to lack of good provision in record stores: organisations believe they can market and stock their own recordings more effectively than the large chains which now dominate CD retail, and due to reduced distribution costs, direct access to the consumer results in a higher profit for each disc sold even if the disc is priced lower than a comparable shop-sold disc. For example, John Eliot Gardiner founded his own label, Soli Deo Gloria, after Deutsche Grammophon (i.e., UMG) cancelled his project to record all 198 Bach cantatas. The London Symphony Orchestra's LSO Live label has also been successful, selling more than 500,000 copies of over 40 discs[14], and the Wigmore Hall, the Brodsky Quartet, the London Philharmonic Orchestra, the Hallé Orchestra, and composer Michael Nyman have all also launched independent labels. The Wigmore Hall claim that they need sell only "400 to 500" discs (priced at £9.99) in order to break even on a project (Sweeting, 2005). Moreover, perhaps the most successful classical label today – Naxos, with 15% of the UK classical sector (Lee, 2003) – is an independent label and is not a member of the RIAA or of the BPI[15].

Digital Sales

Of course, the CD is not the only format in which classical music is sold. Of rapidly increasing significance is the MP3 digital download, the largest retailer of which is Apple's iTunes service. Classical music appears to be making particular progress in digital downloads; for example, eMusic (the second largest online music retailer, after iTunes) claims a 12% share for classical music[16], compared to the 2–3% for the CD market (Figure 3). The growth in digital downloads is very fast: 65% from 2005 to 2006 for individual track sales, and 101% for album sales (Nielsen SoundScan, 2007). For individual artists, digital downloads are also vital; for example, Janine Jansen's 2005 recording of Vivaldi's *Four Seasons* took 75% of the first six months' sales through downloads (Higgins, 2006). In addition to sales of individual albums or single tracks, new services such as Naxos Music Library and Rhapsody offer unlimited downloads and online streaming audio for a monthly or annual fee. The RIAA – suffering from a downturn in CD sales (see Figure 1) – provides a telling comparison with digital album and single sales:

[14] According to the LSO website, www.lso.co.uk/aboutlsolive, accessed on 12 November, 2007.

[15] According to the RIAA and BPI membership lists, www.riaa.com/aboutus.php?content_selector=aboutus_members and www.bpi.co.uk/index.asp?Page=about/content_file_89.shtml respectively, accessed on 12 November, 2007.

[16] EMusic press release, 23 January 2008, accessed at www.emusic.com/about/pr/pr2008123.html on 18 March, 2008.

Figure 6: Digital album and single sales, 2004–2007 (RIAA 2008, ii)
(In millions, net after returns, showing year-on-year % change)

	2004	2005	2006	2007
Download singles:				
Units shipped	139.4 (n/a)	366.9 (+163.2%)	586.4 (+59.8%)	809.9 (+38.1%)
Dollar value	138.0 (n/a)	363.3 (+163.3%)	580.6 (+59.8%)	801.8 (+38.1%)
Download albums:				
Units shipped	4.6 (n/a)	13.6 (+195.7%)	27.6 (+103.3%)	42.5 (+54.0%)
Dollar value	45.5 (n/a)	135.7 (+198.2%)	275.9 (+103.3%)	424.9 (+54.0%)
% of total revenue[17]:				
Physical	98.5%	95.7%	91.8%	86.4%
Digital	1.5%	4.3%	8.2%	13.6%

Even against this spectacular growth, classical music stands out as a particular beneficiary of digital downloads. Combining both digital and physical album sales, most non-classical genres struggle to grow even with the boost of digital downloads, but Figure 7 shows that the "classical" genre is experiencing the fastest growth:

Figure 7: Album sales by genre, digital and physical combined (Nielsen SoundScan, 2007)
(In thousands, showing % year-on-year change)

	2005	2006	% change
Alternative	120,797	109,672	-9.2%
Christian/Gospel	39,211	39,715	+1.3%
Classical	**15,875**	**19,447**	**+22.5%**
Country	75,327	74,886	-0.5%
Jazz	17,139	15,720	-8.3%
Latin	35,907	37,774	+5.2%
Metal	64,473	61,557	-4.5%
New Age	4,412	3,412	-22.7%
R&B	143,392	117,005	-18.4%
Rap	75,062	59,534	-20.7%
Soundtrack	22,849	27,177	+18.9%

The reasons for classical music's success in digital downloads (and to a lesser extent in direct-to-consumer CD sales) are the sheer number of recordings which are now available, including entire back-catalogues which could never be sold on a space-constrained shop floor, and the unlimited availability: once a recording is available digitally online, it by definition can never go out of stock, and is available immediately. The implications of large, easily available catalogues are significant, and are considered further below (in Chapter III, in particular the section "The Long Tail").

[17] Includes all physical sales (CDs, cassettes, vinyl, etc.) plus digital singles and albums. This data is presented differently by the RIAA in their report; I have excluded the "mobile" category (e.g. ringtones), which significantly contributes to overall digital sales from 2005 onwards, because these sales are unlikely to be relevant to a discussion of classical music or new music.

It is difficult to separate "new music" from "classical music" in analysing industry statistics for digital downloads, but the opportunity for new music, which is by definition unproven and so relatively unlikely to be taken up by major record labels, is if anything potentially greater than for established and well-known music. If the sale of recordings of new music presents a financial risk to established ensembles, then offering recordings as digital downloads offsets a great part of this risk by eliminating duplication and distribution costs. The greatly reduced production cost of CDs is also attractive to producers of new music; it is cost-effective and even profitable to produce a short run of discs for a small number of enthusiasts, and the incentive for independent release and low-cost digital distribution is greater for new music producers than for established acts and labels.

Audiences

It has been argued above that concert hall audiences are ageing, and their numbers are low, and possibly declining. However, the "audience" for classical music, and perhaps especially new music, is not confined to the concert hall. Audiences are far larger (and, as shown above, growing) when recorded music is taken into account, and (as will be shown here) when venues for live music other than the concert hall are considered.

The make-up of the classical music audience for live events, as discussed previously, is popularly supposed to include larger numbers of older people. Figure 8, below, provides more detail:

Figure 8: Attendance at rock, classical, and pop events (Mintel, 2006)
Respondents aged 15 or over who have attended a concert or festival in the three years to end-2005.

	Any mixed event	Any rock event	Any classical event	Any pop event
Gender				
All	26%	22%	**14%**	13%
Male	23%	24%	**14%**	8%
Female	28%	20%	**15%**	17%
Age				
15–19	32%	26%	**8%**	6%
20–24	25%	19%	**6%**	11%
25–34	35%	19%	**11%**	11%
35–44	16%	26%	**15%**	19%
45–54	20%	25%	**19%**	14%
55+	24%	11%	**36%**	11%
Demographic Class				
AB	21%	22%	**21%**	11%
C1	27%	23%	**12%**	12%
C2	27%	17%	**10%**	15%
DE	30%	25%	**8%**	15%

It is notable, as shown in Figure 8, that the make-up of the audience for live classical events is not markedly smaller than for "pop" events for younger age groups. However it is also notable (as highlighted by Johnson, q.v.) that the audience for classical events tends towards the more affluent demographic classes, and the predominance of older age groups is well illustrated. The organisers of the survey (Mintel, 2006) offer the following explanation for the age effect:

> Attendance at classical events … is common in the more mature age groups (…) Like certain types of cuisine such as French, it would seem that certain tastes of musical genres develop as consumers age and are exposed to more diverse experiences and sounds.

This rather large leap of logic is at odds with the assertions of Maxwell Davies and Johnson that (school) education is the key driver in consumption of classical music, but can be reconciled if, perhaps, there was a "golden age" when the 55+ generations were at school, a time when classical music was a higher priority in education than today. This is precisely what Maxwell Davies argues, q.v., "during the 1960s…"; Maxwell Davies became Director of Music at Cirencester Grammar School in 1959.

It could also be the case that while pop music appeals to a very specific age and class, classical music has a more universal appeal, and that the reason that classical music audiences appear to be full of older people is that, in fact, the population as a whole contains more older people. The comparison is illustrated in Figure 9:

Figure 9: Classical event attendance in the UK and US compared to national demographics (Mintel, 2006)
UK classical event attendance from figure 5; US adults attending events at least once in 12-month period to August 2002.

	Any classical event (UK)	UK national average[18]	Any classical event (US)[19]	US national average, 18+
Age				
15–19	8%	6%	18–24: 9%	18–24: 13%
20–24	6%	6%		
25–34	11%	14%	14%	18%
35–44	15%	15%	20%	21%
45–54	19%	13%	25%	19%
55+	36%	28%	32%	29%
Demographic Class				
AB	41%[20]	26%	61%	34%
C1	24%	29%	11%	13%
C2	19%	21%	11%	17%
DE	16%	24%	17%	36%

[18] Source: Office for National Statistics, 2005, *Key Population and Vital Statistics* for age data, and National Readership Survey (NRS Ltd), 2006, *NRS Estimates of UK Population by Social Grade Jan-Dec 2006*.

[19] Source (for US classical event and national data): National Endowment for the Arts, 2004, *2002 NEA Survey of Public Participation in the Arts*. Demographic class does not correspond directly to UK equivalents, as these data are based on income bands alone and do not take into account profession or perceptions of "class", as is the case with the standard UK socio-demographic groups.

[20] Expressed as a percentage of those offering one of the available responses, for ease of comparison to the US data.

The data in Figure 9 show, with reasonable clarity, that the age classification of classical music audiences in both the UK and the US is remarkably similar to the age classification of the broader population, which is further supported by research specifically comparing demographics of classical music and pop music listeners (Prieto-Rodriguez/Fernandez-Blanco, 2000). On the other hand, if classical music audiences are highly representative of the national population, then that is the affluent part of the population, for there is a clear skew in favour of more wealthy socio-demographic classes, an effect particularly marked in the US data. This is an expected trend; economic theory explains that the more affluent a society as a whole, the greater the proportion of disposable income across all classes that will be spent on "luxury" goods and leisure activities. Common sense also dictates that when struggling to feed one's family, perhaps there are more important priorities than going to hear Beethoven; the "E" socio-demographic segment in Figure 9, for example, is defined in the UK data as "those at the lowest level of subsistence, … state pensioners, casual or lowest grade workers", and in the US data, those earning less than $20k per annum. In any event, it may be concluded, from these data, that the disproportionately aged classical music audience is broadly an illusion.

The audience for classical music, and in particular new music, is not just confined to the concert hall, however. At a time when the recorded work is ever more considered as the "object", and when live (or live-recorded) events can be increasingly easily streamed over the Internet, the wider "off-site" audience is becoming an essential part of the reception community for new music, perhaps even more so than the "on-site" concert hall audience. Moreover, at a time when a new work is typically performed live only once and recorded (and with new music increasingly consisting of recorded electronic sounds only), the "off-site" audience is often the only audience; over time the audience will only have an objective relationship with the recorded work.

The 2007 Digital Music Survey (Ruppert *et al.*, 2007) found that 10% of respondents "are very interested and willing to pay to see webcasts of live performances as they happen", and that 8% "are very interested and willing to pay a subscription to a service which offers a menu/catalogue of live performance webcasts". These are healthy levels given the proportion of the population attending classical music events in person, and indicate two different, viable business models for a healthy and large market. Recently, the world's great opera houses (including La Scala, the Royal Opera House, and the Metropolitan Opera, the last of which in 2008 streamed a production of *La Bohème* to a cinema audience of 170,000, and a production of *Peter Grimes* to around 80,000[21]) have begun to stream operas live to cinemas. The Bayreuth Festival made their 2008 production of *Die Meistersinger von Nürnberg* available on the Internet, and the relatively high fee of €49 attracted approximately 10,000 viewers to the six-hour broadcast, despite some reported technical glitches[22].

Digital distribution allows the audience to be located anywhere, and not just in the music's country of origin, and effective search technologies allow geographically remote listeners to discover and hear new music. These developments are potentially extremely significant for music; no longer do potential Bachs have to walk hundreds of miles to hear today's Buxtehudes when a simple Internet connection is all that is required. Furthermore, the research cited above supports the idea that people are willing, as well as able, to do this; the growth of digital broadcast radio and Internet radio stations, catering for ever more specific tastes, provides further evidence.

The globalisation of music will also inevitably result in an explosion of diversity, as many different composers and ensembles are exposed to an ever wider mass-market. It can already be seen (for example through social networking websites such as MySpace, where users are able to classify their musical tastes by a wide variety of genres and sub-genres[23]) that listeners are becoming more eclectic in taste, and that genres are becoming ever more blurred and diverse. Classical music has, no doubt, fallen victim to clever marketing just as much as any other type of music, but digital distribution and globalisation will render this relatively ineffective. Audiences can ultimately be relied upon to make their own decisions given the opportunity; the immediacy of digitally distributed music (and the associated freedom of information) can trump both the slick salesman and Johnson's "pretentious and stuffy layer of social ritual almost designed to repel the uninitiated" (Johnson, 2002).

The Fear of Piracy

One great fear of the major record companies in recent years has been what has become known as "piracy". The ease of digital distribution that empowers the new technology has also resulted in widespread copying of digital files between people, without paying the record company (or the artist). The copying takes place between acquaintances, but also over ad-hoc networks of

[21] Midgette, 2008 (i)

[22] Midgette, 2008 (ii)

[23] Ruppert *et al.* (2007), found that 75% (2006) growing to 86% (2007) of UK consumers aged 13–55 have used either MySpace, YouTube, Facebook, or Bebo.

strangers enabled by "peer-to-peer" software (Napster is one famous example). The record companies are understandably concerned, and call this kind of activity "theft" and "piracy", and regularly issue press releases claiming that millions of dollars are being lost as a result.

There are other points of view than those of the record companies. The terms "piracy" and especially "theft" imply that real revenue is being taken away from the record companies. However, there is no evidence that the music shared in this way would otherwise have been bought in the form of CD singles and albums by consumers from record shops. If one teenager is capable of downloading thousands of tracks in a month, it stretches credulity to suppose that the same teenager could afford to buy those tracks legitimately, but this is essentially the argument of the recording industry. The rampant sharing of music files is more similar to playing music loudly to a large group of one's friends or to passers-by than it is to a horde of teenagers looting the record store.

The existence of "piracy" may in fact benefit the artist, and even the record companies, for the lost sales (which are not lost at all, having never been made in the first place) are in reality a form of free advertising for the music, causing what might be termed a "fan recruitment effect". The challenge now for the artists and record companies is to find ways of developing this new audience: those willing to copy and (presumably) listen to music freely, but are not willing to pay the price demanded by music retailers. The recording industry, in the form of the RIAA, has instead chosen to take legal action against the file sharers it can catch[24], to introduce cumbersome, invasive, and ultimately flawed "digital rights management"[25], and has successfully lobbied governments to put pressure on network operators to monitor the activity of customers, and take action against any involved in sharing music[26]; all of which strategies appear to have had little more effect than (if even as much as) a thumb in the dyke.

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[24] Since 2003, the RIAA have taken action against 40,000 individuals, most of whom have settled out of court for a fine of around $4,000 (McBride 2008).

[25] For example, Sony BMG, in 2005, introduced "Extended Copy Protection" software on their CDs which was installed when a user attempted to play the CD on a Microsoft Windows PC. The software modifies the way in which Windows plays CDs, and as a result compromised security, and was difficult to remove; eventually Sony BMG issued a product recall (Taylor 2005). Flawed software aside, it is simple to bypass any digital rights management by analogue re-recording, leading the US Congress in 2006 to quixotically attempt to ban analogue outputs on all hi-fi systems (the Audio Broadcast Flag Licensing Act of 2006, HR 4861).

[26] UK Government legislation announced by Baroness Vadera on 24 July 2008 requires broadband service providers to undertake surveillance and reduce connection speeds of households that ignore warnings about illegal downloads logged on their connections (BERR 2008).

Some artists, frustrated with the tactics of record companies, have risen to this challenge, and taken matters into their own hands. The band Radiohead (who, while generally regarded as a mainstream act, by no means produce bland pop, and feature in their line-up the "classical" composer Johnny Greenwood) released their 2007 album *In Rainbows* on the Internet, allowing fans to download the album at no charge, and simply asked for a donation for each download. A survey[27] of 1.2 million downloaders worldwide revealed that 38% paid for their download, and that the average amount paid for a download was $6 (for an average per download overall, i.e. including those downloaded free, of $2.26). Despite the high number of people downloading free, Radiohead still received an average payment per "record" higher than they would have done from their record company had the album been released traditionally. It remains to be seen whether classical musicians can profit in the same way, but the BBC's offer of Beethoven's first five symphonies, in June 2005, saw 657,399 downloads in just one week[28]. In the final section of this thesis, I examine a number of alternative models that may prove ideal for classical music, in particular to composers of new music.

New Technology and Radio

New technology is having a great impact on radio, or more precisely, on the listening activity that in the past was catered for by radio. As expensive analogue bandwidth is taken over by commercial radio, classical radio stations have moved online, where there are limitless available "frequencies". Indeed, the Internet became in 2004 the second most used media channel in the UK (after television), pushing radio into third place[29], and a recent search for commercial or public (i.e. not amateur) classical music radio stations has identified 155 stations broadcasting from 32 countries[30].

Radio has evolved after moving online; innovations include on-screen content showing the current playlist and background notes, "on-demand" listening options (such as the BBC's "Listen Again" feature), and interactive listener forums. Possibly the most radical approach to radio has been taken by Pandora, which has a playlist, personalised to each listener, which constantly updates itself based on the listener giving a "thumbs-up" or "thumbs-down" to each previously-played track. Pandora has performed a complex and deep analysis of every one of the

[27] ComScore (2007)

[28] BBC Press Office, 16 June 2005.

[29] Forrester Research keynote speech to IAB delegates, 3 April 2004.

[30] www.classicol.com/classical.cfm?music=radio, accessed on 10 September 2008.

thousands of tracks available, and is therefore able to – with respectable accuracy – predict what the listener might be interested in hearing. This enhances the chance of a serendipitous discovery for which traditional radio was justly known.

A key aspect to online radio, whether as sophisticated as Pandora or as simple as a local buff's podcast, is that advertisers no longer need to interrupt the music at frequent intervals. Advertisers can use the screen to place adverts (which themselves have evolved from simple billboards to immersive games and mini-cartoons); in addition, advertisers can use personalisation technology (such as Google Adwords) to target adverts at individuals more likely to follow them up, reducing the advertiser's waste and the "noise" faced by the listener. Moreover, advertisers are typically no longer required to pay to display their advert, they only pay when a visitor clicks through and follows up the advert. This revolution in advertising, which has caused some pain to traditional media, is of great benefit to online media including radio.

Finally on the subject of Internet radio, a station with an audience diminishing in one country is able to pick up listeners in every other country on the planet. With the world's population available, anyone can set up a niche online radio station (and the cost is now very low), they can be located easily by modern search filters, and they can support themselves through targeted advertising provided by a third party such as Google. This type of audience, consisting of fragmented pockets anywhere in the world, each with an equal ease and immediacy of access, is typical of the changes now taking place.

Music Education

The age breakdown of the classical music audience discussed above shows that audiences broadly match the age make-up of the population as a whole, but that social grades are skewed in favour of the more affluent. The UK social grades in Figure 8 and Figure 9 correlate with educational achievement, and there is also specific US data showing that educational achievement correlates with classical music consumption (broadly, the UK social grades C1, B, and A could be considered equivalent to the US "some college" education level and above), presented in Figure 10:

Figure 10: Educational level reached compared with classical music consumption (NEA 2004)
US adults attending events at least once in 12-month period to August 2002

	US national average, 18+	Classical music participants
Education		
Grade school	6%	0.2%
Some high school	10%	1.5%
High school graduate	31%	10%
Some college	28%	28%
College graduate	17%	35%
Graduate school	8%	25%

That there is a correlation between higher levels of education and interest in classical music does not, by itself, mean that higher levels of *music* education result in a greater level of consumption of classical music, or even, necessarily, in a more "literate or informed" appreciation (Maxwell Davies, 2006). Indeed, the data suggest that a greater level of general education in the population would correspond to an increase in interest or participation in classical music, regardless of improvement in music education. There may be plenty of anecdotal and statistical evidence indicating an improvement in other educational and social outcomes when music education provision is increased, and that may be an argument for increased provision, but this is independent of the link between general education and classical music consumption[31]. National investment in education is rising[32], and this should, if the inferences drawn from the data are correct, cause an increase in the level of consumption of classical music independently of the level or quality of music education in schools. A better education generally leads to a higher socio-demographic grade and the chance of a higher income, factors which correlate with increased consumption of classical music: this feedback effect explains the pattern of classical music audience demographics, rather than an elitist conspiracy of the middle classes, or the denial of an education in music to the destitute.

As far as the reception of new music is concerned, it is important that the audience have a certain independence of critical judgement. This is acquired through repeated exposure to new music (which, as illustrated above, is increasingly accessible), but is also learned by building a critical sensibility through an advanced general education. Critical judgement, as well as the democratisation and globalisation of new music, are significant in aiding the discovery of new

[31] Such evidence is typically presented by arts advocacy groups, however, and there is less evidence to suggest that a certain amount spent on improving music education has a greater effect than the same sum spent improving a similarly neglected area, such as foreign language provision. This is, however, not an argument within the scope of this thesis.

[32] According to HM Treasury, "spending on education is up by 58%" in the 10 years to the March 2008 budget (in the Budget Speech 2008).

music beyond expensive marketing efforts. Therefore, if educational standards are improving in society, then there should be a beneficial effect for new music, whether or not there is any improvement in music education provision in schools.

As noted previously, the UK Government's *Music Manifesto* does not single out classical music for special treatment, but does focus on instrumental performance as well as composition. If such a curriculum were truly generalist, and supported by activities designed to promote the critical faculty of listening, the effect for new music would be positive; however, the suspicion remains that the music "industry" (by which is generally meant the mass-market music sold by the four major record labels) is a powerful force in shaping policy. Moreover, since the *Music Manifesto* was conceived (when David Blunkett was Secretary of State for Education), funds have not been particularly forthcoming. Instead, the focus (under subsequent ministers) has shifted to vocal music, which naturally does not require the purchase of expensive musical instruments or an army of peripatetic instrumental teachers, and so for a lower cost results in the same extra-musical social outcomes valued by the politicians. This short-term utilitarian approach is perhaps a greater factor than Maxwell Davies' "atmosphere of philistinism actively encouraged from on high" (Maxwell Davies, 2007).

Of course, the consumption of music is not the same as the production of music – composition and performance – and there must be a steady flow of new composers and performers to fulfil the requirements of consumption. The particular drivers for new composers (and new compositions) are considered in the following chapters. New performers (of conservatoire quality) are already produced in very high numbers: as already stated, few graduates of conservatoires (let alone performance-specialist graduates from universities) can hope for a life-long career in performance. There is no "crisis" in the training of skilled musicians (in that there are plenty forthcoming; there is no crisis of shortage), but it is an individually expensive vocation, and the monetary compensation is not generally very high.

The remuneration of musicians is treated in depth in Baumol and Bowen (1967, 291–302), in which a theory of "cost disease" is proposed. Briefly, the theory states that the cost of live musicians will always increase faster than the ability of society to pay for live music, and that there will be a corresponding pressure on both the remuneration of musicians and on the state and private benefactors to provide increased subsidies. If subsidies are cut, then the "cost disease" theory implies that live music would indeed face something of a crisis: there would be fewer performers, fewer concerts, and therefore less music. However, the theory does not fully take into account the effect of recording revenues on live music, especially given the change in technology available directly to musicians since the 1960s, and was devised before the present dramatic change in consumption patterns; if it is possible for orchestras and opera houses to attract tens or hundreds of thousands of paying listeners to a single webcast performance, then perhaps the "cost disease" no longer applies.

As Galbraith (1999, 67) has argued, it is the affluent parts of society that will devote resources to careers in the arts, and as Western society remains (and becomes increasingly) affluent, and as live music retains its appeal, there should be no shortage of excellent live performers; indeed, new technology could allow for far greater financial reward for performers.

Conclusions on the "Crisis"

Whatever the true landscape facing classical music at the beginning of the 21st century, the evidence strongly suggests a paradigm shift. There are clearly grim times ahead (if they have not already arrived) for traditional orchestras and large institutions, and the major record labels and traditional concert hall audiences that supported them through the 20th century. In performance, recording, and education there are strong causes for optimism, but the climate increasingly favours the small, innovative and independent over the large, conservative, and established. If a recipe for future success for new music can be drawn from the arguments for and against the on-going "crisis", it would include independently produced and released CDs, but also downloadable material; it would include an emphasis on live (and webcast) performance, online marketing, and individual effort without reliance on established industries and business models. There is little additional cost, for example, for an opera company to show a production in a hundred cinemas, once they have technology in place to show the production in one cinema. Perhaps the future is bleaker for the classical music of the past, and brighter for music of the moment, but this is not a new phenomenon in Western music. Until the 1820s, the music of the past was not venerated and preserved over and above new music. It may be that the present paradigm shift is a mirror inversion of the shift which, in hindsight, can be identified in Mendelssohn's resurrection of Bach and the historicist movement which followed, and ultimately led to the canons, established orchestras, and concert hall-museums which appear threatened today.

The musical industry of this new age – defined by widespread availability of even the most obscure works, coupled with an easily accessible global distribution network – is sounding the end of "cult value" in music, a value directly connected to the idea that canonical texts are also of declining use and value. The very idea of a canon is bound up with cult and ritual context, and although the works themselves will endure, their canonical context may not. As with the canon, so with the "great composer": the landscape of composers today is similar to that of the

Renaissance – many composers, many styles, and no (living) "great man of history" against which all others are compared[33] – though, of course, for vastly different reasons.

The opportunity now for new music is one of very wide accessibility driven by low cost mass distribution. The market which has developed since the advent of recording technology, and which has radically changed the way music is both communicated and received, can now no longer be controlled or mediated by a few large corporations. This commercial mediation (which is only a phenomenon of the past 50 or 60 years) has sidelined new music in the latter half of the 20th century in favour of the most popular genres, but now that technology easily allows this mediation to be ignored, creators of new music can take advantage.

[33] Perhaps the last of these "great men" were Messiaen, Cage, and Ligeti; or perhaps Boulez and Carter now carry this particular torch. Whether or not there is any use in identifying the great composers of the present day is moot beyond the historicist's ideal to preserve and enlarge a canon of Western classical music, which, I have argued, is no longer viable. Certainly there is no composer alive today treated with the informed veneration that, for example, Stravinsky or Schoenberg received during their lives.