

Working in the Berlin Techno Scene: Theoretical Sketch of an Electronic Music “Scene Economy”

Introduction and Thesis

Driven by a small number of individuals in the German-speaking world in the mid and late 1980s, electronic dance music (EDM) scenes experienced a boom in the late 1990s that brought them into the studios of the music stations and onto the agendas of the major labels. The peak was reached around 1995 and, starting in the late 1990s, EDM once again became uninteresting for the wider public and withdrew to the niches of club cultures. It has remained there and is steadily growing once again – especially in Berlin (Clubs like Berghain, Watergate, Mikz, Golden Gate, labels like Upon You or Highgrade, artists like Marco Resmann, &me, etc), which is the mecca of the techno fans.

Within the context of this more than thirty-year history (of success), electronic dance music scenes – which are mainly referred to by the public as the techno or electro scene – have often been the subject of social-scientific research. The foci of these studies were mainly related to issues of community formation (e.g. Thornton 1995; Henkel and Carsten 1996; Hitzler and Niederbacher 2010; Muggleton and Weinzierl 2003; Schwanhäuser 2010), politics (e.g. Meyer 2000) or the music (e.g. Volkwein 2003; Butler 2006; Mathei 2012) itself. However, there have been few studies of economic aspects (e.g. Hesmondhalgh 1998; McRobbie 2002; Strachan 2007; Williamson and Cloonan 2007; Lange and Bürkner 2010). Although by now there are systematic explanations of scenes that have been elaborated on various levels (e.g. Ronald Hitzler's mass-culture-oriented scene theory, Sarah Thornton's niche-culture-oriented study or Anja Schwanhäuser's “underground”-oriented theory), existing investigations of economic aspects are restricted (with a few exceptions) to DJs, labels and club culture – in other words, to the visible surface.

Music industry research has also had little interest in the economic structures of music scenes. This is based on the assumption that they are part of the music industry, due to their complex organisational branching with companies that are rather removed from these scenes, that their distinctive behaviour does not hold up against the reality of their business activities, and that their products are ultimately not “better.”

Since the mid-1990s, these scenes have also been courted by economic-geographical discourses around the rather unclear boundaries between creative and cultural economies. The implicit assumption is that, basically, EDM economies can *somehow* be located within the network of these politically and socially popularised forms, since “creative scenes” involve the production of cultural goods with a focus on creativity.

We can thus conclude that the commercial activity of music scenes has not yet been systematically studied to the same detailed extent as the practice of community creation. Consequently, the linking of previously separate research projects into a common systematic form is overdue, since a specificity the economic sphere in these scenes is that they not only involve voluntary and capricious community formation (such as Hitzler assumes for the actors of the “organisational elite”), but rather the economically-oriented actors of the markets and culture of electronic dance music “earn” economic and biographical *dependence* to an increasing degree – and they connect this to their enjoyment, their ideas about their lived worlds, and their passion for the music and the scene. The scene increasingly presents itself to them as a sales- and job-market (instead of a purely fun-oriented communal relationship), and they organize their economic activities on the basis of its specific cultural institutions and productive relations.

In order to define this sphere sociologically, I argue for the term *scene economy*. Although previous insights into economic activity related to scenes have been extremely illuminating (e.g. the discovery of the complex entwining of actors with capital-intensive culture industries, the dubious differentiation between “underground” and “mainstream” as social scientific categories or the economic orientation of the commercial scene actors), these studies have lacked a systematic perspective that analyses the aesthetic, distinctive and commercial attitudes of professionals within the conditions of their specific cultural norms (home producing, club culture, DJing or track-production culture) and niche markets (booking markets, music-track markets or party markets). My thesis is that the scene economy of electronic dance music scenes represents its own differentiated economic fields with specific structures that have developed their own organisational logic. The consequences and basis of this logic are particular conditions for action and relations of production within the scenes’ own infrastructure and value-creation chain that result from the specific cultures and market relations of electronic dance music. I am currently developing this thesis in the context of a doctoral project with the theme of “Paid Labour in the Berlin Electronic Dance Music Scene,” which is supported by a fellowship from the Hans-Böckler-Stiftung and which I am preparing for the doctoral study course, “The Productivity of Culture.”¹

Three methodological comments: These remarks and claims are based on my research, using focussed ethnography, on producers of electronic dance music (2011b; 2009), six initial expert interviews with individuals active in various areas of the scene economy and my own longstanding participation in the scene as a DJ, booker and media producer (online radio and web TV) as forms of sociological ethnography. Second, I use ideal-type descriptions. That is, I work with exaggerated representations of differences that in reality occur in a substantially more mixed and indistinct way. And yet, their exaggeration is precisely what allows the core of their specificities to be represented

1 Exposé: <http://www.berlin-mitte-institut.de/erwerbsarbeit-berliner-technoszene-expose-dissertation-von-jan-kuehn/>

most clearly. Third, these are exploratory remarks that represent an interim report on my results (December 2011).

Scene Economy

In the course of organising and professionalising economic activities and developing niches, complex networks of scene-specific organisation- and career-forms have taken shape: first of all, the well-known role of the “DJ” – which has especially been fostered in the media – and the institution of the club. However, this network also includes many other participants such as home producers, bookers, promoters, club managers, agency managers, etc., working in scene-specific organisational forms such as distributors (records, CDs and music files), businesses (online and offline) and agencies (marketing, PR, booking, mastering and other services). A unique, professionalised, infrastructural and by now established field—with loose network characteristics but strong connections through shared music- and club-culture—has differentiated itself from pure community-formation and is producing, reproducing and innovating the *typical* content of a music scene: music tracks, DJ sets and parties. This typology relativizes the representation of the EDM scene as essentially “innovative”, which is assumed by scene actors as well as by researchers and politicians participating in “creative economy” discourses. Instead of constantly reinventing itself, this scene involves genre-typical music tracks with a particular groove or melody, characteristic parties with outlandish names or outstanding line-ups or typical DJ sets that encourage dancing and promise a special artistic experience thanks to the individual selection and mixing of music by DJs. Correspondingly, the normative core of the scene economy lies in the *aesthetic nub*: what is expectable and the typical of the usual scene-product, with a slight peculiarity, deviation and idiosyncrasy.

The scene economy possesses *its own value chain*: instead of producing songs for radio, film or television, music producers have created tracks of mixable “canned” music for use in clubs in vast quantities. This music has its own highly specific characteristics: it begins with an aesthetic (e.g. house/techno), develops according to its genre-typical structure (intro, breakdown, main section, breakdown, main section and outro) and ends with the intended goal of making an audience dance when played on a loud sound system in a club and being intricately and individually mixed by DJs into their hours-long sets. Many external factors play a role in enabling and refining this aesthetic-hedonistic process: record/CD manufacturing, the provision of drinks (“beer economy,” energy drinks, vodka, etc.), technology (turntables, software, hardware, etc.) and numerous national and municipal restrictions and regulations for clubs, labels, self-employed individuals (known in Germany as *Ich-AG*, or “Me Incorporated”), limited-liability companies and so forth.

Despite the economic focus on a niche market, the actions of professionals display a specific,

distinctive *scene orientation* flowing from *isolated* sub-cultural orientations that often basically formulate critiques of existing conditions or naively and randomly implement an alternative to hegemonic “official” culture. Here, “isolated” refers to the fact that these orientations do not formulate an overall criticism of society, but rather select various separate aspects and make them central to their distinctions. But they are confronted by a trend that “subculturalises” official society through the popularisation and marketing of alternative structures while also “mainstreaming” criticism and alternativeness—thus diminishing their sub-cultural minority status in the process. Two principal isolated orientations can be found within this context: a simplified and lifeworld-related criticism of “the music industry” (of its music, of the organisation of its economic structures and of its profit-maximizing focus) and a preference for consuming music in small “familiar” clubs with up to 2,000 people. Actors who have worked at major labels or who were under contract as artists report spoon-feeding, greedy managers, ignorant and unmotivated employees, strict hierarchies, “music oozing with commerciality” and enormous capital- and size-related constraints. This does not fit with the informal and unbounded employment models of the scene actors themselves. For them, the do-it-yourself method is instead their main economic motto, which they strive to realise through loosely formed, precariously market-radical network clusters. Typical to these is the multi-entrepreneur, who does many things at once: music production, DJing, event management, label management, etc. These activities are conceptualised as “alternative,” self-determined and fun, in contrast to “normal” careers and employment relationships. This has resulted in the aestheticisation of precarious working relationships, which these actors understand as a form of freedom – especially in their early years. The older they become, the more they strive to achieve a long-term state of social security. In addition to specific scene activities, there are also many standardised and continuously recurring jobs that require fewer qualifications (box office, cloakroom, bar, technical tasks, secretarial work, internships, etc.).

Furthermore, as a “vestige” of a sub-cultural ethos (often in combination with an achievement-oriented entrepreneurial rhetoric of self-realisation), scene actors possess a strong aversion to state and municipal control, taking the form of interventions in scene activities. They are concerned that the freedom and aesthetics of the scene as well as its scene economy may suffer under a subsidised “senate techno” (*Senatstechno*).

Although the aspirations and realities of these distinctions are often as far removed from each other as they are unclear, and although they tend to be formulated randomly—and although EDM culture is “open” in principle and able to use different actors with different backgrounds and attitudes for its own purposes—nonetheless these demarcations between the “self” and “the others” remain an essential point of orientation for action on the part of most people involved in the scene, thus

“guiding” their actions as such. They express the most general form of this idealistic demarcation when they understand themselves as a “kind of underground,” under which the complex interplay of the various distinctions can be subsumed.

A profound and passionate relationship to electronic dance music (and often, but not always: to revelry in the clubs) is an essential part of the economic activity. This indicates that these individuals are true fans of EDM and that the feelings of enjoyment and freedom experienced through the music are very important to them.

They see economic activity as *being able to get by* instead of profit-maximisation. This means that they associate the generation of sufficient income and social protection with their main desire for economic self-determination, artistic freedom and passion in life. For them, money exists to make their lives possible, in which they will be able to ideally pursue their personal goals in artistic freedom—but not in order to secure as much wealth as possible, following a logic of accumulation. The small-business structure of many lone entrepreneurs promotes this logic, since it imposes fewer practical constraints on the individual than a large organisation with numerous employees.

EDM possesses restricted possibilities for music scales and a specific interweaving of sales and job markets: music sales are directed primarily at DJs (a significant share of their music distribution occurs via direct, free promotion by the labels or agencies or in the form of “illegal” downloads) and not at clubgoers. Typical consumers spend their money on the price of club admission, drinks, drugs, clothes, etc., but receive the music itself for free, in its typical form of consumption as DJ mixes and podcasts. As a result, the actual consumers rarely pay for the music alone but for the general club experience as a whole. Therefore, consumers are very careful in choosing which clubs, which DJs and which performing producers they patronise. The latter two earn a considerable part of their income from their mixing fees. Consequently, a typical track release will just achieve 300 to 2,000 sales, and only exceptions (hits) sell 10,000 units and more. At the same time, a typical “familiar” club will draw between 150 and 2,000 people at admission prices ranging from € 5 to € 20. This allows the DJ fees to be negotiated within the corresponding framework – minus many other costs and margins. The essential factor driving up the amount of DJ fees here is the *scene-specific popularity capital* that producers and DJs accumulate through successful tracks and DJ sets. This is a special form of social capital (Bourdieu) that represents – together with sub-cultural capital (Sarah Thornton) – the second (economic) scene-specific dimension of social inequality. This no longer involves scene-specific knowledge of hipness (what is in, how one behaves in the club or knowledge of the scene) as applies to sub-cultural capital, but how many scene actors are even aware of a DJ or producer and are prepared to buy his/her music or to see him/her playing in a club and pay the corresponding admission price. Expressed in the language of the scene: How many

people does the DJ *draw* to the club?

Popularity capital binds together the boundary-less markets of the scene economy, of which three primary markets shall be mentioned here: in the *booking market*, promoters issue performance slots to DJs and mixing producers, who earn most of their livelihood from performance fees. Promoters prefer popular acts, since these are more likely to ensure a full party, and so they pay more money for particularly well-known artists. In the *music-track market*, producers make their tracks available to DJs so they can play them, get them into the charts and make them as popular as possible. This results in producers accumulating popularity capital due to the presence of their music in connection with their names. The audience listens to the tracks by the producers in DJ sets at clubs or on podcasts, as well as numerous streaming platforms on the Internet such as Soundcloud, Youtube, Mixcloud and Play.FM. Only the best-known producers succeed in earning enough income from the music-track market itself, which means that most of them are dependent on performances in clubs in order to earn a living. Music is therefore increasingly becoming *a means of advertising* instead of a traded commodity, which is associated primarily with the lowering of barriers to entry into music production due to technological progress—and due to the increasing popularity of the EDM culture itself. Finally, in terms of the *party market*, promoters offer the public a product (i.e., “party”) and people willingly pay for admission and “overpriced” drinks. The more special a line-up (or the party in general) is, the more guests tend to come, prepared to pay higher admission prices. This money covers the production costs of the party, pays the DJ fees and finances the organiser’s income.

Due to their extremely liberal mode of scene-making, distinctive hierarchical relationships arise between the scene actors through both stronger, more individualistic subjectification as well as the state-supported institution of a differentiated and capitalistic sales- and consumer-society based on the division of labour. These relationships are naturalised in hedonistic, sub-cultural and economic modes. Producers, DJs and clubs – and even the cities linked with electronic dance music – form hierarchies in relation to the possibility of accumulating scene-specific popularity capital. Accumulating this capital becomes the main aim of the economic actors, in order to improve their position in the niche markets of the scene: this involves selling more music, receiving higher fees and gaining status in the scene. Admittedly, this capital is usually valuable only to scene insiders, but as soon as a DJ’s popularity rises high enough to make it worthwhile for mass-oriented media to direct their attention to him/her, it quickly becomes generalisable and has an effect beyond the alternative hierarchies in the club culture. At the same time, this threatens to decrease popularity within the scenes themselves.

Conclusion

This brief survey of the EDM scene economy demonstrates that it will be worthwhile to undertake

more precise research instead of merely applying established (music industry, music economy) and politically “current” concepts (creative economy, creative scenes) to the description of electronic dance music cultures. On the one hand, clear differences with the creative/music economy have become apparent; on the other hand, it has become obvious that a further differentiation of “independent music” itself according to specific cultural characteristics is necessary. Due to its specific cultural conditions (track music, home producing, club culture, DJ, etc.), I believe that electronic dance music highlights other possibilities and restrictions of action (e.g., regarding its ability to connect with culture industries) than those of indie rock, pop or many other forms of independent music. There are tracks instead of songs, producers with computers instead of entire bands with musical instruments and clubs and off-locations instead of radio, concert and bar performances and so forth.

This assumption is supported by the current charts of the VUT² (German Association of Independent Record Companies). Even though electronic dance music labels are registered with the VUT, electronic dance music does not play a role in the independent charts – despite the enormous global popularity of club culture and particular DJs. Electronic dance music is thus correspondingly difficult to classify in the independent and mainstream spheres, since it seems to have no place in radio, film or song charts, due to its cultural and even structural particularities. Although tracks and an album by the EDM performer Paul Kalkbrenner may be found in the VUT charts, he did not become familiar beyond the scene because of his music but due to his role as DJ Ickarus in the film *Berlin Calling*. This situation becomes clear in the attempts to place EDM in the mainstream charts of radio and music stations and to generally have it accepted into the catalogues of the majors or particular indie labels (e.g. Kontor Music) under the category of “dance,” with acts such as Scooter, David Guetta and Paul von Dyk. Although special studies would be necessary for individual music genres such as “trance” and “commercial house,” we can generally conclude that the music of these producers is deliberately avoided in EDM clubs since the scene actors feel that it is aesthetically unsuitable and can be found instead in discotheques,³ at concerts, and at mass events.

Text: Dipl-Soz. Jan-Michael Kühn – [link](#) – written May 2011

Translation: Dr. Luis-Manuel Garcia – [link](#)

² <http://www.vut-online.de/cms/2011/11/09/independent-charts-und-independent-newcomer-charts-oktober-2011/>

³ In this context, discotheque refers to locations for playing the song products of the music industry with DJs as the service-providers to satisfy the demand (e.g. who typically accept and follow music requests) and where whatever music is currently “in” beyond the scope of individual scenes is played. By contrast, EDM clubs almost exclusively play track-based electronic music mixed in sets that are several hours long and predominantly define the DJs as “mix artists” who “serve” the interested audience their own vision of enjoying electronic dance music and consider questioning of their taste and selections by means of music requests to be a *lèse-majesté*.

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