

# Contents

<i>List of Figures</i>	<i>page</i>	ix
<i>List of Tables</i>		xiii
<b>1</b>	<b>Introduction</b>	<b>1</b>
<b>2</b>	<b>The (Surprisingly Weak) Economic Case for Copyright</b>	<b>11</b>
2.1	Defining Copyright's Excess and Its Implications for the Incentives-Access Paradigm	13
2.2	Alternative Economic Models	30
2.3	Public Choice Considerations	40
2.4	Value-Based and Cost-Based Pricing	44
2.5	Pseudo-Economic "Justifications" for Copyright	49
2.6	Noneconomic Justifications for Copyright	56
2.7	Copyright's Fundamental Premise	57
<b>3</b>	<b>Copyright and Revenue in the Recording Industry</b>	<b>59</b>
3.1	Copyright Protection for a Song	59
3.2	The Sound Recording Copyright and the Rise in Sales Revenue: 1961–1999	67
3.3	The Rise of File Sharing and the "Fall" of the Sound Recording Copyright	70
3.4	File Sharing and the Incentives-Access Paradigm	74
3.5	The Rise and Fall of the Sound Recording Copyright as Natural Experiment	80
<b>4</b>	<b>Measuring Music Output</b>	<b>84</b>
4.1	A Preliminary Look at Music Output: SoundScan and <i>Rolling Stone</i>	86

4.2	A More Detailed, but Still Preliminary Look, Part I – The Billboard Hot 100 Chart: 1962–2015	90
4.3	A More Detailed, but Still Preliminary Look, Part II – 2014 Spotify Streams	112
4.4	Data Limitations	119
4.5	Summary: Data and Preliminary Analysis	120
<b>5</b>	<b>The Search for a Correlation: Was More Money Associated with More or Better Music?</b>	<b>122</b>
5.1	Did More Money Mean More and Better Music, Part I: The Spotify Measures	122
5.2	Did More Money Mean More and Better Music, Part II: The Hot 100 Chart	133
5.3	Summary: A Fruitless Search	155
<b>6</b>	<b>More Money Meant Less Music</b>	<b>157</b>
<b>7</b>	<b>Rationalizing Copyright</b>	<b>193</b>
7.1	Recommendation #1: Keep the Current Equilibrium	194
7.2	Recommendation #2: Reform the Sound Recording Copyright	198
7.3	Recommendation #3: Abolish the Sound Recording Copyright	209
7.4	Do Our Conclusions Extend to Works Other than Sound Recordings?	213
7.5	The Power of Stories	214
	<i>Appendix A</i>	217
	<i>Appendix B</i>	219
	<i>Appendix C</i>	225
	<i>Appendix D</i>	227
	<i>Index</i>	235