**Betting on Black (Metal):**

**Valuation Arbitrage in Destigmatization**

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**Abstract**

The extensive evidence on the non-acceptance of stigmatized actors evokes the question of mechanisms of destigmatization. In this paper we shift the analytical focus from the targeted actor to a self-interested third party by highlighting the role of valuation “arbitrage” – a practice capitalizing on discrepancies that stigmatization creates between socially-constructed and “objective” value across domains. Its theoretical importance is in prioritizing economic over ideological concerns, and the pursuit of individual gain over upholding social sanctions. The research context is “black” metal - a music genre that emerged in Norway around 1991, achieving global notoriety when band members were charged with a series of criminal acts. We analyze destigmatization by estimating the odds of a first record contract of black metal bands with a local or international label. The results expose “arbitrage” by international labels, who bet on “black” in responding to growing global demand by pursuing closer association between the music and the crimes. Exposed to social pressure, Norwegian labels bet on “white” by downplaying purity and authenticity. The analysis attests to “dual” social evaluation, whereby transgression is reinterpreted in terms of authenticity.

In 1933 the Nazi Party in Germany decided to organize a “Degenerate” Art Exhibition, announcing the “cleansing” of German art by categorizing artists into two opposing camps: good and degenerate ones. Having their work mocked in the exhibition as an example of incompetence and/or wrongful aesthetic beliefs severely damaged the professional reputation of many artists. But when the exhibition closed in 1937 over *two million* people had visited it, far exceeding the half-a-million visitors to the “Great German Art” exhibition, presenting politically-correct, Classically-inspired art. In denouncing its premises, the Degenerate Art Exhibition had the unintended consequence of exposing Modern art more widely than had been possible so far and in creating a Modern canon by putting together works representing different styles and ideologies (Peters 2014, Heftrig 2014). As Heftrig (2014: 258) notes, the stigmatization made Modern art so prominent that its reactivation after the war as a symbol of freedom was inevitable.

 The notion that stigmatization may lay the groundwork for the subsequent rise to prominence of a targeted object or person is, at first glance, surprising. Stigma is a negative social evaluation and discrediting attribute enacted in all areas of life (Devers, Dewett, Mishina and Belsito 2009). The process of stigmatization includes labeling, stereotyping, setting apart a group, and discriminating against its members (Link and Phelan 2001). Eversince Goffman (1963), there is general agreement and mounting evidence for the harmful effects of stigma on the economic and social outcomes of organizations and individuals (e.g. Sutton and Callahan 1987, Hudson 2008, Pontikes, Negro and Rao 2010).

As Helms and Patterson (2014) observe, the vast majority of studies on stigma document the non-acceptance of stigmatized actors by audiences through processes of “disidentification” (Elsbach and Bhattacharya 2001) and “disassociation” (Devers et al. 2009). For example, Sutton and Callahan (1987) found that stigma (bankruptcy) motivated two types of negative reactions from stakeholders. Suppliers negatively modified their existing relationships with the firms through disengagement and reduction in the quality of participation, while stakeholders publicly denigrated the stigmatized firms. Audiences tend to avoid the stigmatized for fear of having stigma transferred to them (Jonsson, Greve, & Fujiwara-Greve, 2009). That this fear is often justified is attested in Pontikes et al.’s (2010) study of the U.S. film industry in the “Red Scare” period (1945-1960). Stigma diffused by association, as one’s chances of employment were harmed by association with co-workers blacklisted as communists. Even if only a few individuals are targeted, the propagation of stigma by association may create a “broadcast effect” that increases the scale of the “moral panic” (Pontikes et al. 2010).

The ample evidence on the impact and scope of the process of stigmatization naturally evokes the question of its termination, which is insufficiently addressed in scholarship (Goode and Ben-Yehuda 1994, Helms and Patterson 2013). As Goode and Ben-Yehuda (1994: 168) note, to be able to explain the ending of stigmatization we need to answer the more fundamental question of what makes stigmatization ineffective, attenuating its intensity and scope sufficiently to allow not only for the exoneration of a targeted person or a group, but also for the elevation of their status in the way observed with Modern art.

Recent developments in evaluation research can be useful in this regard, drawing attention to the ways in which social evaluations can be overturned or rewired. Zuckerman’s (2012) work suggests that it would be helpful to think of stigma as “concentrated valuations” deviating from “objective” conditions – the “real” value of a product or qualities of a stigmatized group.[[1]](#footnote-1) Accordingly, we expect that the key mechanism by which objective conditions can constrain or discipline socially-constructed valuations is “valuation arbitrage”, denoting an action intended to take advantage of one’s dissent from a prevailing public valuation, the returns to which do not depend on change in the public valuation (Zuckerman 2012).

The practice of arbitrage is important for two substantive reasons. First, it allows to change the theoretical perspective from the targeted actor to a third party. The established manner in which practices of destigmatization are articulated in the literature is through the capacity of stigma to motivate targeted actors to fight back and elicit acceptance (Vergne, 2012, Hills, Voronov and Hinings, 2013, Hudson and Okhuysen, 2009). An arbitrage practice, however, does not involve the targeted actor, but a third party, who pursues competitive advantage relative to those who stick with the conventional view and endorse depreciated valuations. The arbitrageur is not motivated by reputational damage or the desire to right a wrong, but by the intention to capitalize on discrepancies in social evaluations. Destigmatization in this perspective is only indirect in nature, a by-product of self-interested behavior by a third party.

The second theoretical reason for contemplating the pertinence of arbitrage to destigmatization

is that it switches attention from the political or cultural domain to the economic one; it is predicated on

the understanding that the solution to the problem of stigmatization in one social domain can be found in

another domain. We posit that the effectiveness of stigmatization is reduced when there is an opportunity to profit in economic terms from the appreciation of assets whose value is depreciated in the political and/ or cultural domain. This mechanism is fundamental in understanding the attenuation of stigmatization. The tendency of stigma to diffuse across domains, such as when political credentials are used to control a labor market (Pontikes at al. 2010), may also provide an opportunity for destigmatization. This would be the case, for example, when an actor defies dominant valuations by seeking to capitalize on latent market demand and extract economic value from a product that is depreciated on political or ideological grounds. Such practices of transposition of value across domains allow “objective” conditions to enter into rigid, socially constructed valuations.

While practices of arbitrage have so far been documented in excessively positive valuations (e.g. Zuckerman 2012), we ascertain their pertinence to excessively negative valuations. Our research context is “black” metal; a music genre that emerged in the underground of Norway’s heavy-metal scene around 1991, achieving global notoriety with a series of criminal acts by its members, including church burnings, grave desecrations and murder. Despite its heavy stigmatization in Norwegian society, black metal rose to prominence in the early 2000s, achieving millions of album sales. We analyze its destigmatization by estimating the odds of a band’s first recording contract with a Norwegian or an international record label. The results attest to “valuation arbitrage” by international labels, who bypassed social pressure on black metal in Norway by signing Norwegian bands to satisfy rising global market demand. The contribution is in articulating a distinct practice of stigma attenuation, leading to the deconcentration of valuations. This practice features “dual” social action of both conformity to and contestation of social conventions. A key moderating factor in the execution of “valuation arbitrage” is the attribution of authenticity (based on principles of “consistence” and “resistance” in social action), associating deviant behavior with non-commerciality and rebelliousness. These associations help explain the survival of highly contested forms of culture and similarities in the development of dissimilar genres, such as Modern art and black metal.

**Stigmatization and Valuation Arbitrage**

Stigmatization is a powerful social dynamic, whose effects range from avoidance in social encounters to

moral panics: over-heated periods of intense fear, when a person or a group are classified as enemies of

respectable society (Goode and Ben-Yehuda 1994). There is considerable evidence that stigmatized actors

tend to react to non-acceptance by managing negative sanctions, selectively disclosing stigmatized traits or trying to “pass as normal” (Helms and Patterson 2014). Recent scholarship is redirecting attention to practices of contestation of stigmatization (e.g. Vergne, 2012, Hills, Voronov and Hinings 2013, Hudson and Okhuysen 2009); there is rare evidence for a positive return to stigma, when an organization coopts negative labels used against it to attract audiences (e.g. Helms and Patterson 2013). The destigmatization process is agentic and strategic in nature, as the actor either selectively embraces stigma or counters it by addressing and reshaping public misperceptions.

 An alternative model emerges from the evaluation literature, where emphasis is on judgment by audiences and on the possibilities for contrarian action originating in discrepancies in evaluative regimes (Boltanski and Thévenot 2006, Zuckerman 2012). Stigmatization tends to create discrepancies between real and perceived “value” (qualities) of products or actors, when it introduces ideological principles of judgment that are superimposed onto or altogether replace established principles of judgment of value. Returning to the art domain, the ideological categorization of art as politically correct and “degenerate” reordered the aesthetic principles guiding its consecration and the economic principles guiding its pricing. By denigrating and denying institutional recognition to art produced from 1910 (Feliciano 2001), this policy created discrepancies between theory and practice - between political (“subjective”) and aesthetic (“objective”) value of the artworks. These discrepancies had an economic value, providing opportunities for arbitrageurs to profit from the misalignment between the “subjective” and “objective” price. We posit that these opportunities are fundamental in explaining how the stigmatization process subsides over time.

 In its original application, the concept of “arbitrage” denotes the pursuit of advantage from price differences between two or more markets. We adapt it in a sociologically meaningful way to denote the exploiting of differences in valuation between markets or social domains. Arbitrage can be an instrument of contestation of evaluative regimes (Zuckerman 2012), when it allows actors to navigate between alternative logics of justification - political, cultural or economic (Boltanski and Thévenot 2006). It is an “indirect” social mechanism, as it is not intended to directly challenge or modify principles of evaluation (Zuckerman 2012), but to capitalize on inconsistencies in their application across domains. Motivated by the conviction that the inconsistencies are “artificial” and temporary in nature, an arbitrageur invokes the factual or “objective” order to contest valuations. This practice is an example of the ways in which the “world of reality”, sustained by normative constructions, can be challenged by the “reality of the world”, as articulated in factual observations (Boltanski and Thévenot 2006).

 We expect that the practice of arbitrage undermines stigmatization by prioritizing economic over ideological principles, and by reinforcing the pursuit of individual gain at the expense of collective efforts to maintain stigmatization. Individual gain is of two types - economic and symbolic in nature. The former refers to the pursuit of monetary compensation by exploiting discrepancies between markets or domains. The driving force here is the higher risk associated with investment in a stigmatized product or practice, which begets higher compensation (Barth 1966, Smith 2011). Risk can be motivational when the use of an alternative evaluative principle makes it possible to realize competitive advantage (Smith 2011). The symbolic type of gain is realized by reshaping perceptions and interpretations in order to signal originality or authenticity. Association with a stigmatized product or a practice may be used to one’s advantage to broaden market appeal or stake out a distinct, rebellious identity (Helms and Patterson 2013). Actors may actively pursue to adopt a stigmatized identity in order to experience themselves as causal agents in their social environment - defined by Hughey (2012) as “stigma allure”. The two types of gain are distinct, but compatible, as the reshaping of interpretations can be used in justifying the pursuit of economic gain.[[2]](#footnote-2)

 Appropriate examples for these types can be drawn from the featured historical context. By early 1938 German museums had been relieved of their holdings of Degenerate art, redirected to sales abroad (Nicholas, 1995). The stigmatization of Degenerate art was reflected in its predictably low auction prices and exchange rates. The latter could commonly reach 25 to 1 (Degenerate to Classical art), while some of the works at auction sank to price levels of 10-30 U.S. dollars (Petropoulos 1996). Unsurprisingly, dealers could profit handsomely by buying Degenerate works at auctions and selling them abroad at significantly higher prices to the purchase ones (Petropoulos 1996). Symbolic gain was achieved by buying Degenerate paintings as a sign of resistance or patriotism (Feliciano 2001) or by organizing exhibitions. For example, the *Twentieth Century German Art* exhibition at the New Burlington Galleries in London in 1938 featured three hundred works by artists who had faced persecution in Germany: this was an attempt to defend them and their work on a world stage and signal resistance to an ideologically-motivated campaign in the arts.

 We propose that the emergence of opportunities for valuation arbitrage depend on two conditions.

The first one is the availability of multiple audiences, creating the possibility for appreciation of the value of a depreciated asset by moving it across audiences. The existence of multiple audiences with different evaluation criteria (Hudson 2008) is a key reason for the observation of “dual” social evaluation - the co-existence of positive and negative evaluations (Pontikes 2012). Such discrepancies in evaluation create opportunities for valuation arbitrage by using alternative logics of justification. It is reasonable to expect that the intensity of stigmatization declines with increasing physical and social distance between markets or social domains. An organization may, for example, be stigmatized in the labor market, but stakeholders in other markets may not identify this organization as stigmatized, prioritizing instead its competencies or market share to justify continued association with it (Devers et al. 2009).

Both social and geographic distance between domains and markets can facilitate practices of arbitrage, granted that distance is correlated with intensity of stigmatization. Consider the flourishing of sales of Degenerate art in occupied Paris, where they were judged to pose no danger to German society.

The campaign against Degenerate art was ideologically motivated, but the looting of art was increasingly guided by economic considerations, as party officials perceived opportunities to enrich themselves, while upholding an appearance of public morality (Petropoulos 1996). The commercial potential of Degenerate art took precedence over ideological concerns, as a huge number of looted artworks appeared for sale in Paris. The ideological campaign turned into a business venture, as the artificially low prices encouraged interest in art that was largely unfamiliar in France up to this point. Analyzing data on auctions in Paris, Oosterlinck (2011) shows that buyers did not require a significant premium to hold Degenerate paintings,

and that this art returned consistently higher prices than non-Degenerate art. The results attest to the fact

that unbiased market mechanisms, operating in a geographically distant location, can make ideologically-

motivated aesthetic judgments come across as artificial.[[3]](#footnote-3)

 The second condition for arbitrage is the malleability of stigma – whether the interpretation of

stigmatized actions is contestable or reversible. Social psychological studies attest that interpretations of stigmatized practices are not fixed in nature, so that actors can monitor and control the impact of stigma

on social evaluations (Bos, Schaalma and Pryor, 2008, Paluck and Green, 2009). Furthermore, actors may

embrace some markings of stigma as signs of moral commitment or cultural and political authenticity

(Hughey 2012). Hahl, Zuckerman, and Kim (2018) document the capacity of attributions of authenticity to recast the negative public evaluation of transgressive actions. We expect that practices of arbitrage can undermine stigmatization through factual observations of “consistence” (between words and action) and “resistance” (against an evaluative regime). Consistence between words and action is typically valued and encouraged by audiences (Aronson 2004, Cialdini 2001), viewed as an embodiment of an authentic self. From the late 18th century authentic selfhood became increasingly understood as genuineness emerging in resistance to normative constraints and rebellion against the dominant social order (Trilling 1972, Hegel 1988). The principles of consistence and resistance are anchored in the historical texture of the concept of authenticity and can be activated in contesting stigmatization.

 The malleability of stigma in our historical context is illustrated by the fact that even when it was vilified, Modern art could describe itself in a positive way as decadent and “degenerate”, when it wanted to underscore its idiosyncrasy and aesthetic subtlety (Peters 2014: 21). By virtue of its opposition to art that aspired to simplicity and accessibility, Degeneration could be reinterpreted as a process of ennobling or as embodiment of complexity and ambiguity, rather than the deformation and primitiveness attributed to it in the Nazi doctrine. Unsurprisingly, Oosterlinck (2011) finds that the highest difference between the prices of Degenerate and non-Degenerate art at Paris auctions is in June 1944, when buyers were ready to pay a premium for the formerly stigmatized paintings that could be exhibited as symbols of resistance and

“subversive” aesthetic preferences.

 It is a common sociological observation that a social practice can be simultaneously stigmatized

and tolerated, as was the case with homosexuality (Adut 2005) or with wife-selling (Drummond 2018) in Victorian England. These exemplify “dual” social evaluation, when a practice is stigmatized, but allowed to exist on the margins, as it provides a reprieve from rigid normative frameworks, with complex legal ramifications. More importantly, they highlight principles of “dual” social action, whereby actors create a public appearance of conformity with regulations, but are privately looking to capitalize on inconsistent application of underlying evaluative principles (Stark 2011). This ambivalent behavioral pattern applies to the practice of “valuation arbitrage”, wherein actors are not trying to overturn stigmatization, but to profit from the evaluative inconsistencies it creates, thus indirectly reducing the effectiveness of stigmatization.

This practice is expected to emerge in rigid normative contexts, as illustrated by the paradoxical fact that most of the purchases of Degenerate art in Paris were by German museums, defying prohibition (Nicholas 1995, Feliciano 2001). Many museum directors officially embraced the Nazi doctrine, but tried to preserve Degenerate artworks in their collections by invoking special circumstances (Petropoulos 1996). Contradictions of this kind had the unintended consequence of helping expose the artificial nature of ideologically-motivated aesthetic judgments. We argue that practices that encourage gliding between logics of justification in social action (Stark 2011, Boltanski and Thévenot 2006), whereby actors accept and contest norms at the same time, are essential in explaining the reasons why stigmatization subsides.

It is important to underline that the practice of valuation arbitrage may contribute to the erosion of stigmatization irrespective of the normative judgment of the arbitrageur. Whether an arbitrageur endorses or not the source of stigma is not a condition for the execution of arbitrage; the practice is predicated on the existence of a depreciated asset with time-limited opportunity to profit from a perceived discrepancy in its value. The understanding that the discrepancy will go away if it is not acted upon within a certain time frame (because of market competition) is instrumental in motivating actors to engage in arbitrage. The pressure to act sooner rather than later, lest the opportunity to realize profit pass, explains why an actor who sincerely endorses stigmatization, may *at the same time* contribute to the erosion of stigma by engaging in arbitrage that repositions the target of stigmatization from the political to economic domain.

Unlike dominant mechanisms of destigmatization, valuation arbitrage does not presuppose strategic intent

or consistence of motivation; inconsistencies are the natural breeding ground for the practice of arbitrage.

**Research Context**

We document valuation arbitrage in the unique context of “black metal”. It appeared in the underground of Norway’s “heavy metal” scene around 1991. The seeds of the genre were planted by early heavy metal bands (i.e. Black Sabbath) who pushed the boundaries of rock music toward transgression by exploring the occult (Walser 1993). The first wave of black metal occurred in the early 1980s, with Venom (UK), Bathory (Sweden) and Mercyful Fate (Denmark) as key bands. The “second” wave unfurled in Norway in the early 1990s, when the bands Mayhem, Burzum, Emperor, Darkthrone and Immortal, pushed metal toward harsher territories in both sound and imagery (Patterson 2013).

 They escalated the rawness and blasphemous lyrics of the earlier bands to unprecedented new

heights. Denouncing the “commercialization” of metal, these bands adopted extreme images and lyrical themes articulating pagan, anti-Christian messages. A taste for the macabre and the demonic manifested itself in provocative live performances, demonic stage personae, the use of “corpse paint” and of stage costumes featuring bullet belts, spikes and chains (Phillipov 2012). Band members occasionally engaged in acts of self-mutilation. Black metal celebrated the forces of Nature and the Viking past, establishing itself as a resolutely underground genre, characterized by intense musical experimentation and low record

sales in a state of obscurity (Patterson 2013: 310). The bands affirmed their rejection of the commercially-viable heavy-metal industry through use of extreme music tempos, incomprehensible vocals and heavily distorted guitars, attributing a dark and aggressive façade to a music genre that was difficult to consume and was almost impenetrable to the casual listener (Walser 1993).

 To ascertain their “underground” credentials and prove their seriousness in celebrating “hatred” and “evil”, band members initiated in 1991 a series of criminal acts that included church burnings, grave desecration, burglary, assault and murder. Members of the black metal scene were involved in arson attacks on between 15 and 20 of Norway’s historic wooden stave churches **(**Phillipov 2011). These led to

prison sentences of different duration for the perpetrators, imparting lasting notoriety to the black metal

genre in Norway and abroad.

 However, black metal continued to attract fans and expand worldwide, with tens of thousands of bands playing black metal or a version of it (Patterson 2013). The genre entered the mainstream of the music industry with the success of bands, such as Cradle of Filth and Dimmu Borgir in the early 2000s. From selling tens or hundreds of copies per album, bands started to sell hundreds of thousands and even millions. In less than a decade a resolutely obscure subculture vegetating on the margins of a local music scene had become known worldwide, establishing itself as Norway’s largest musical export (Beste 2008), with a committed global fanbase.

**Stigmatization**

What makes this context uniquely appropriate for our research purposes is the well-documented process

of stigmatization of black metal in Norway. The history of black metal is divided into three periods – the early, underground years (1990-1993), the eruption of the scandal and heavy stigmatization of black metal from 1994 to about 2000 (“moral panic”), and the commercialization of the genre from the early 2000s. A major methodological advantage relative to other studies of stigma is the ability to identify precisely in time when stigmatization begins, peaks and subsides.

 One of the ways in which a moral panic can be captured is through public discussion in the form

of newspaper articles (Becker 1963). A search by the keyword "black metal" in the Norwegian database “Atekst” returned 239 articles for the period 1991 to 1995, with no articles before 1992, one in 1992,

101 in 1993 and 137 in 1994. An analysis of these articles confirmed that almost all featured negative sentiments toward black metal and not infrequently, outright denunciation. The number of articles on black metal falls precipitously to only 26 in 1995, as stigmatization started to subside. The count of articles begins rising again from 1998, increasing steeply from 2001, before peaking at about 800 in 2011. This trend reflects the commercialization and global exposure of the genre, as the negative articles started to give way to more positive coverage from the late 1990s. A similar conclusion is reached when looking at the number of released black metal albums. There were almost no bands with a record deal before 1993. Until 2002 there is only a moderate annual increase in the number of albums, but a tendency of steep increase is initiated from 2002. This can be treated as the watershed year in the commercialization of the genre.

 In the aftermath of the scandal, black metal was heavily stigmatized in Norwegian society; an

anti-black metal campaign raged in the media and band members were sometimes physically attacked. Insahn, ex-member of Emperor, describes it as follows: “…*the resistance in people – there was obviously resentment to a strong extent. My oldest brother-in-law lost two jobs just for knowing me…We were attacked. So many of us were attacked. I remember on my way home I was attacked by five people who beat the shit out of me, and nobody really cared. And this was prior to a lot of that stuff happening; this was just for wearing those clothes.”[[4]](#footnote-4)*

 The music scholar Nina Nielsen articulates the experience of stigmatization: “*I grew up in a small village in Western Norway... it was Bible Belt country. There was also a [black] metal scene, which my brother was a part of. It was evident in this small community that there was a stigma attached to that sort of music, to the visuals and aesthetics and to boys with long hair – even though they were only teenagers. I remember there was much fear when the spate of church fires began.”[[5]](#footnote-5)*

 The fear was not confined to Norway, as the following report confirms: “*Parents, politicians and church leaders demand that [black metal] music be banned. Import, release and sale of this music must be stopped, says Veronica Timms to NTB. Together with other parents, clergy and religious organizations in the south of England, she has taken the initiative of an action group in the hope of adopting a ban on the music. Her son and three others were sentenced to two and a half years in prison for vandalism…*

*inspired by "black metal" music they had imported from Norway.”[[6]](#footnote-6)*

The severity of the sentences handed out to perpetrators of black metal-related crimes was

motivated by their preventive function, as illustrated by the following report on the sentencing of Varg

Vikernes from “Burzum” to 21 years for murder and arson: “*The sentence is strict, but is necessary, not*

*least for general preventive reasons. For there still exists a Satanist and black metal environment in*

*Norway that is willing to put more churches in ashes. The churches have no protection other than the warning that the sentence entails, says Prosecutor Soknes”.[[7]](#footnote-7)*

**Figures 1 and 2 About Here**

The intensity of stigmatization was intended to preclude the diffusion of the crimes and the genre itself, given the perceived threat it posed to society. The campaign was only partly successful in curbing black metal, as data on the formation of bands in Norway (Figure 1) and in the world (Figure 2) confirms. A steep rise in the number of black metal bands, formed in Norway from 1990 to 1993, is followed by a period of decline in the rate until 2001, when the trend turns positive once again, reflecting the genre’s commercialization. Note that no decline is observed on the international plot, where the number of bands follows a steady upward trend until 2007. It is reasonable to assume that the decline in Norway between 1993 and 2001 is a result of the moral panic and the social pressure on black metal musicians and fans. Naturally, this pressure applied much stronger in Norway than abroad, as indicated on the international plot. These data confirm that in the aftermath of the scandal, black metal retreated somewhat in Norway, but continued to diffuse unobstructed on a global scale. The differences between local and international data illustrate a key characteristic of the process of stigmatization - it applies unevenly across geographic regions. We make use of this difference for purposes of empirical validation in our quantitative analysis.

**Design and Data**

Our theoretical section posited three basic expectations on the practice of valuation arbitrage - it pursues economic and/or symbolic gain and contributes to stigmatization attenuation by exploiting inconsistencies in valuations between markets or domains, as moderated by the association of stigma with authenticity. To validate these expectations, we examine a key outcome in our context: the decision of record labels to give a first recording contract to a black metal band. The first contract is a milestone in a band’s career, but is rarely more problematic than it was for black metal bands in the wake of the scandal. A resolutely underground genre became overnight the subject of a moral panic, vilified in media outlets and in court proceedings. In these conditions the decision to sign a black metal band was fraught with risk. This is what allows us to treat this decision as a proxy for valuation arbitrage. The high investment risk enables an arbitrageur to buy low what is expected to rise in value in the future (Zuckerman 2012). As almost no black metal band had a record deal by 1993, their obtaining one over the next few years was a momentous event, as it contributed to the destigmatization of the genre and its integration into the music industry. A record deal signaled the effort of the label to monetize a band’s notoriety by redirecting attention from the [criminal] actions of band members to their music. This change in the interpretation of black metal - from a threat to society to the economic potential of the music, was critical in exercising valuation arbitrage.

We collected data on Norwegian heavy metal bands in the period 1984-2019 from *Encyclopaedia Metallum: The Metal Archives* - the most comprehensive online resource on heavy metal. It provides detailed information on each band, such as discography, line-up, genre, pictures, logo, lyrics, biography, trivia and user reviews. The Encyclopaediaresembles *Wikipedia* in receiving input from thousands of contributors. From these data we sampled all Norwegian bands categorized as playing black metal or a version of it (e.g. “black metal/ viking metal”). We constructed event histories for each black metal band from the year of its formation until the year of first album release with a record label. Bands that split up before releasing an album exit the risk set the year they split up. Bands that were still active, but had not released an album with a record label were right-censored at the end of the observation window.

 Our dependent variable is the time until first album release on a record label by Norwegian black metal bands. The variable takes the value of 0 for each year in which a band has yet to release an album on a record label and the value of 1 in the year of first album release. We model separately first releases on an international and Norwegian label, constructing two risk sets and durations for each band. The risk set for the international first release includes 5862 band-year observations for 835 bands, and the one for the Norwegian first release includes 8406 band-year observations for 835 bands.

We differentiate between three types of black metal bands, based on the distance to the origin of stigma – the criminal acts. The bands formed after the scandal (*Post-1994*) have the weakest exposure to stigmatization by virtue of their lack of involvement in either the underground scene or in criminal activity. The bands formed in the period before the scandal are designated as “*Pre-1994*“ (0 otherwise). Their involvement in the early black metal scene exposes them to stigma by association (Pontikes et al. 2010). Finally, the bands featuring a member directly involved in criminal activity are designated as “*Criminal Bands*” (0 otherwise).[[8]](#footnote-8)

As our fieldwork attests, this categorization has an important underlying dimension - authenticity.

A common feature of the bands formed before 1994 was their strong anti-Christian beliefs and resistance

to the social order in Norway (Patterson 2013). These bands formed the archetype of Norwegian black

metal and boasted a much higher degree of underground authenticity than bands formed later, *post-1994* (Phillipov 2011). The highest level of authenticity, however, belonged to the *Criminal Bands*, as they had proved their underground credentials and “seriousness” in celebrating evil and Satan by committing anti-Christian transgressions (Phillipov 2011). These bands display the highest degree of consistence between words and action in the black metal scene.[[9]](#footnote-9)

Naturally, the risk involved in valuation arbitrage increases with the level of stigma - it is highest for the *Criminal Bands* and lowest for the post-1994 bands. Investing in the latter bands is relatively low risk because their lack of connection to the early scene exposes them to a limited degree of stigmatization. However, these bands are handicapped by having no “underground” authenticity. Inversely, a high-risk strategy is signing *pre-1994* bands and particularly, *Criminal Bands,* facing the strongest stigmatization, but where the potential payout is most elevated, in view of their high level of underground authenticity.

 We expect that such *high-risk investments are more likely to be initiated by international than Norwegian record labels,* which are embedded in the local context and are exposed to social pressure for conformity. External actors are also better positioned than local actors to identify and exploit differences in valuation between markets, and to disassociate economic from non-economic considerations. Our second expectation is that *engaging in valuation arbitrage by offering a record deal to a Criminal band is moderated by considerations of authenticity*, whereby transgressive behavior is reinterpreted in factual terms of resistance or consistence. The third expectation is that *the practice of arbitrage is facilitated by factors of market demand* - the decision to sign a Criminal band is primarily motivated by economic gain.

We capture market-related factors by measuring the supply of black metal in Norway and in the

world (annual counts of bands formed). We do not dispose of direct measures of demand for black metal,

but we make the reasonable assumption that supply and demand factors tend to be aligned, so that record labels would make inferences on market demand by observing tendencies on the supply side. This would be particularly the case at the early stage of a genre, when the decision to provide a record deal is based largely on projections for future demand and not on actual sales numbers (Peterson 1997). When lacking reliable information on ex-underground bands, an arbitrageur should rely on forecasts of demand based on the number of bands that identify with the genre, as they are producers and consumers of the music at the same time. As the effect of market supply is observable with a delay, we lag the variables by one year.

We also control for the emergence of arbitrageurs in the market by measuring the number of start-up record labels that release albums by black metal bands. To that end, we differentiate between two types of record labels - “pure” players, specialized in releasing black metal music, and “hybrid” players, releasing albums by black metal bands in addition to albums by other types of metal bands. We include two measures that count the number of “pure” and “hybrid” record labels formed in the world each year. These were lagged by one year.

We include several control variables to account for characteristics that may affect the probability

of a first release. First, we control for the band’s age. We expect that bands of promise will be recognized and signed early in their life span. In a ferociously competitive industry, such as music production, a key source of competitive advantage is the ability to identify talent before others (Peterson 1997). A band that is maturing, but has not managed to release an album on a label faces an uphill challenge to ascertain its credibility. *Band age* measures the number of years since formation.

We also control for the location of a band. Norwegian black metal is largely a rural phenomenon (Moynihan and Søderlind 1998: 69), emerging in defiance of a conservative local culture and the socio-political order associated with the capital – Oslo. We experimented with different measures, but decided to use the simple distinction between the Oslo region and the rest of the country. It reflects a salient divide in the political and cultural history of a country that until the 1960s was largely agricultural, with a single region that could be qualified as “urban” in terms of its population size, lifestyle and cultural orientation.

In explaining the production process, sociologists are increasingly taking into consideration the

content of artistic production (Becker, Faulkner and Kirshenblatt-Gimblett 2006). Some bands identify

with pure black metal, while others blend black metal with other genres, such as Viking metal or ambient.

The indicator *Hybrid black metal band* distinguishes between bands that draw on multiple genres in their artistic expression and those that perform “pure” black metal. This indicator is relevant to stigmatization, as it captures the decision of a band to position itself unambiguously within the “black metal” category or outside it, claiming a “hybrid” identity. Linking to other genres represents an attempt to dilute the “toxic” content of black metal and create distance, while retaining a claim to authenticity as a black metal band.

 The church burnings in Norway in the early 1990s were widely publicized and discussed in terms of their transgressive and anti-establishment nature, associating the perpetrators with Satanism and with the desire to inflict pain and suffering on society at large (Moynihan and Søderlind 1998). We control for

the impact of the mediatization of the transgressions by counting the annual number of church burnings in Norway for the period 1982 to 2017 (lagged by a year). We obtained the data from *Wikipedia* and *Reddit.* These data attest to 37 churches having burned down or experienced damage by fire in the 1990s.

Finally, as we capture the full history of Norwegian black metal, we expect to observe differences

in the production process earlier and later in the industry cycle. The analysis of the number of black metal releases in the world (reported above) revealed a steep upward tendency starting in 2002. Therefore, we decided to add an indicator *Black metal mainstream* that designates the period 2002-2018 as mainstream (value 1), assigning a value of 0 to the period pre-2002. Including this indicator in our models provides a higher degree of confidence that our substantive conclusions are not driven by temporal tendencies.

Summary statistics for the variables featured in the analysis of first release of a black metal band by an international and Norwegian record labels can be found in Table 1.

**Table 1 About Here**

**Method**

We identify the year of a first album release on a record label, but not the exact month or day of release. Therefore, discrete-time survival models are most appropriate for our research design. In our models, we account for unobserved heterogeneity – i.e. unmeasured and unobserved differences between actors in our sample that are associated with the observed variables of interest. Ignoring unobserved heterogeneity in duration models may cause an overestimation of the negative duration dependence in the baseline hazard, and bias the coefficient estimation of the explanatory variables in the model (Nicoletti and Rondinelli 2010). We estimate discrete-time proportional hazards models with frailty, incorporating a parametric normal unobserved heterogeneity distribution (Jenkins 2008; Nicoletti and Rondinelli 2010). Ours is a random effects cloglog model, for which we specify a functional form for the baseline hazard function by defining new time-varying covariates that are functions of survival time ***t*** per actor in the risk set. We define the functional form as the natural logarithm of survival time ***t*** per actor. This variable summarizes the duration dependence in the discrete hazard (Jenkins 2008). The model is estimated using the xtcloglog command in Stata 15.

**Tables 2 and 3 About Here**

**Results**

Table 2 reports the results of the random effects cloglog models estimating the hazard of Norwegian black metal bands’ first album release on an international record label. The duration dependence in the baseline hazard is positive and significant in all models, indicating a time dependent transition rate in which event

occurrence becomes more likely as the clock progresses. The hazard rate increases with time.

 Model 1 shows the effects of the control variables. Band age significantly reduces the hazard of a first album release on an international label. This confirms the expectation that in the highly competitive music record industry, labels tend to put a premium on signing young, promising bands, vying with each other to identify talent early (Peterson 1997). Of the set of control variables featured in Model 1, no other coefficient reaches statistical significance at the accepted levels. We find no bearing of the content of the music (“hybrid” versus “pure” black metal) or the location of the band on the hazard of a record label. We also find no evidence that the frequency of church burnings affected the decisions of international labels or that the profile of the label is related to its production decisions. Interestingly, the hazard rate of a first contract was not affected by the commercialization of the genre. The insignificant effects of variables that one may expect to impact the hazard rate imply that the production process in this genre was less routine or predictable in nature than in more established genres. The next models provide evidence to this effect.

 In Model 2 we begin testing our expectations as to the characteristics of valuation arbitrage in this

context. Practices of arbitrage are designed to realize economic and/or symbolic gain, and are facilitated

by factors of market demand/supply. The significant coefficient in Model 2 attests that the increase of the number of black metal bands in the world affected positively the hazard of a first record contract. It appears that international record labels responded to the growing supply of black metal in the world in their production decisions, anticipating that increasing supply would be translated into growing demand for black metal. Comparison with the coefficient for the supply of black metal in Norway confirms that the production decisions of international record labels were guided by global tendencies, rather than by factors pertaining to the local market. The results imply that arbitrage was motivated by the inconsistency between growing international supply/demand and the stigmatization of black metal in Norway. This is a situation of market misalignment that is propitious to the realization of economic and/or symbolic gain.

 The next two models clarify the strategies of the record labels in pursuing competitive advantage. Model 3 introduces the indicator that differentiates between bands formed before and after 1994. The results confirm the expectation that belonging to the early (underground) black metal scene increases the hazard of a first record deal. That international record labels are favorable in the production decisions to pre-1994 bands is largely due to the perceived authenticity of these bands as representatives of the non-commercial origin of black metal (see Patterson 2013). The results reject the possibility that record labels would pursue destigmatization of black metal by betting on the new bands formed after the scandal, who are untainted by connections to the crimes or the underground scene. The international labels rather bet on “black” – on what made this music authentically dark and rebellious.

 This is confirmed most emphatically in Model 4, featuring the indictor for *Criminal Bands*. The significant effect provides rare evidence for a positive return to stigmatized, transgressive actions. It takes a shorter period for bands with a criminal record to receive a first contract by an international record label than for the rest. That the effects of both indicators remain significant can be interpreted as evidence that criminal activity was perceived and reframed by record labels as a higher degree of authenticity, relative to other pre-1994 bands. The criminal record may have repelled the majority of labels, but also created opportunities for arbitrageurs to realize economic and/or symbolic gain by investing in underappreciated assets, whose transgressions were reinterpreted in terms of resistance and/or consistence. The next section presents qualitative evidence in support of this contention.

**Figures 3 and 4 About Here**

Figure 3 plots the predicted hazard rates for criminal versus non-criminal bands formed pre-1994.

We predict the hazard rates in the full model for each band within the sample, while conditioning on frailty being set equal to its mean value. The plot indicates a sharp increase in the predicted hazards for the Criminal bands very early in their careers. By contrast, the predicted hazards for the non-criminal bands increases more slowly, as the bands age up until the 15th year before the hazards start to decrease.

Table 3 reports the results of models estimating the hazard of first album release on a Norwegian label. The duration dependence in the baseline hazard is positive and significant in all models, indicating that the hazard rate increases with time in this risk set as well. What is notable about the pattern of results in Table 3 is that, in substantive terms, it is opposite to the one in Table 2. The negative effect of band age is the only common significant predictor; the decisions of Norwegian and International labels appear to have been driven by distinct social mechanisms. Most importantly, the local labels reveal no significant preference for the “authentic” bands from the underground period of black metal. Neither the *pre-1994* indicator (Model 7), nor the *Criminal Bands* one (Model 8) are significant at the accepted levels. In stark contrast to the international labels, Norwegian labels did not bet on “black” in their production decisions. This difference can be attributed to the strong social pressure for stigmatization of black metal in Norway, which had seeped into the preferences of local record labels.

The Norwegian labels appear to have bet on whitewashing black metal, by contracting bands that hailed from the most urban area in Norway (Oslo) and that played stylistically “hybrid” music, blending black metal with other genres. The results in Models 5 to 8 point toward a different strategy of the local labels to the “valuation arbitrage” of certain International labels. The Norwegian labels conformed to the stigmatization pressure by offering a first contract to bands that maintained their distance from the “core” of the genre, represented by formerly “underground”, predominantly rural bands that played “pure” black metal. That Norwegian labels were focused on the local market is revealed by the non-significant effects of the coefficient for global band formations in Models 5 to 8, contrasting with its strong predictive power in the models featuring international labels. Early black metal appears to have bifurcated in a manner that made possible opposite strategies of destigmatization of the genre by “blackening” or “whitewashing” it.

Figure 4 plots the predicted hazard rates for hybrid versus pure bands from the urban location.

The pattern in the plot indicates an initial increase in the predicted hazards for the hybrid bands up until

the 5th spell year before the hazards start to decrease. The pattern is similar for pure black metal bands, but the predicted hazards are lower.

**Table 4 About Here**

**Robustness checks**

To reinforce confidence in our findings, we estimated the model parameters using non-parametric maximum likelihood. We did not impose an assumed parametric distribution for the random component accounting for unobserved heterogeneity. We estimated the Prentice-Gloeckler (1978) model, including a discrete mixture distribution to summarize unobserved individual heterogeneity (Heckman and Singer 1984), using 2 points of support of the multinomial distribution (mass points) (Jenkins, 2005). The results are presented in Table 4. The coefficients in Model 9 (first release on an international label) are aligned with those in Model 4 with the sole exception of Band age. Most importantly, the significance of the key predictors is confirmed (pre-1994, Criminal bands and band formation outside Norway), reinforcing the evidence for valuation arbitrage. The pattern in Model 10 is a mirror image of that in Model 8, confirming

the opposite strategy of Norwegian labels.

 We also estimated the main random effects cloglog models with an alternative measure of stigmatization and authenticity of the bands in the risk sets. We replaced the dummy variables *Formed pre-1994* and *Criminal bands* with an ordinal variable (*Band stigmatization and authenticity),* which takes on the value 0 for bands formed post-1994, of 1 for bands formed pre-1994, and of 2 for Criminal bands. The results corroborate the patterns reported in Tables 2 and 3. The coefficient of the new variable is positive and highly significant in the “international”, but not the “Norwegian” model. The other model coefficients are very similar. The results are available from the authors upon request.

**Qualitative evidence**

Our quantitative analysis suggested that, in responding to increasing global demand, international record

labels signed Norwegian black metal bands for reasons of authenticity, emphasizing two factual elements

in reinterpreting criminal activity - of consistence and resistance. To bolster the findings and articulate with greater precision the moderating mechanisms that we can only capture indirectly in the models, we consulted accounts by band members, music scholars and observers of the black metal scene. We zoomed in on the practice of arbitrage, the media coverage of the crimes and issues of authenticity in black metal.

Accounts recognize the preeminence of authenticity in black metal, describing it as an attempt to remove the more accessible characteristics of metal (Kahn-Harris 2004) and the fake theatricality of earlier bands, by expressing a serious commitment to the “evil” sentiments of the music (Phillipov 2011).

It is accepted that a narrative of crime and violence was central to the emergence of the black metal genre and to its global diffusion (e.g. Beste 2008). Violence and criminal acts lent themselves to reinterpretation as evidence of consistence between words and action, fitting the entrenched stereotype of “Nordic-ness”. Black metal was marketed through its Nordic nature, as the geographic isolation from the commercial center of heavy metal was used to affirm its “otherness” to mainstream metal (Hoad and Whiting 2017). Achieving purity in detachment from the “commercial” scene and the conventions of Christian society was invoked in song lyrics as yearning for “genuine” existence in communion with a harsh Nature, re-activating a violent, pagan Viking past. The credibility of black metal hinged on its archetypical Nordic-ness, celebrating the irrational, primal and romantic view of Nature and an idealized past (Olson 2008).

 Consistence is also invoked in emphasizing the alignment between lyrics and actions, attesting that the music is genuinely evil, rather than something contrived for purposes of theatrical performance,

as generally expected (e.g. Peterson 1997). For the ex-member of *Emperor* Ihsahn, “the church burnings were an exaggerated expression of authenticity… No one took [us] seriously for dressing up like we did: teenagers in leather and spikes. But, suddenly, it was for real. We were deeply into all of it and, the worse, the better”.[[10]](#footnote-10) Extreme behavior was accredited with authenticity in value judgments of the “seriousness” of the music (Hoad and Whiting 2017). AsPhillipov (2011: 153) notes, the notion that those who engaged in arson and murder were authentically “living out” the sentiments of the music has been crucial to the meaning and signiﬁcance attributed to the black mental genre, and to the sustained interest it has enjoyed for the past decades. The criminal acts were construed and marketed as natural expressions of the anti-Christian content of the music; as such, they have contributed even more than the musical innovations to the appeal of the genre (Moynihan and Søderlind 2003: xiii).

 The factual element of authenticity as resistance was invoked in reinterpreting the criminal acts as

a response to the “oppressive and numbing social democracy, which dominated Norwegian political life”

(Moynihan and Søderlind 2003: 32). The idea that violence reinforced the rejection of the dominant social order is readily recognized by band members. In the words of the former memberof *Mayhem* Manheim: “..in Norway, the constitution is based on Christian values. Everything, the government, school system… Everything that was extreme, was good. Everything that could upset a Christian was good. Behind it was rebellion… [Black metal] was more in opposition to people in power and people who don’t believe you are a free man. Of course, we used Christianity as an enemy in the expression, but if you lived in Norway you would understand why…”. (in Patterson 2013: 131): A similar sentiment is articulated by another

member of *Mayhem* – Necrobutcher: “We were into everything that was illegal, against society…we were

doing it for being wrong! We wanted to be *against* society… Now we're mainstream! It's a weird thing”.[[11]](#footnote-11)

 These words convey the tension between the pursuit of authenticity and its instrumentalization by the music industry (Patterson 2013); it appears paradoxical that what attracted interest to the genre in the first place – its unscripted underground authenticity, was what allowed the labels to commercialize it as a product. This observation is seconded by Ihsahn of the band *Emperor*: “[Black metal]was not created to have any kind of success. In the beginning, there was no financial motivation because there was no money to be made. There was just this passion for this music and this vision to do it. I think by doing that, the end result was something that was perhaps something new. People knew they could trust it because it

was not sold to them.” The rejection of commercial music, and the criminal acts that made this rejection credible, facilitated the construction of a narrative of authenticity and “edginess” around Norwegian black metal that allowed international record labels to build up demand for the music worldwide.

 We found supporting evidence for the practice of arbitrage in newspaper articles, such as in the

following case: “[Black metal] is what sells the best of underground music in the world now. That's what

says Diamanda L. Morta (22). The German girl is behind the Misanthropy Records label in London. Last weekend she released "Det som engang var" with Burzum (Varg Vikernes) on the world market. She estimates the CD will sell around 20,000 copies. After the killing [by Vikernes], the company "Voices of Wonder" in Norway would not have anything to do with Vikernes. Another British company also said goodbye to him then. That's when I contacted him for releases, Morta tells BT…No Norwegian labels will distribute "Burzum" in Norway. But Misanthropy Records arranges sales in Norway with the help of Swedish contacts. Morta says the lawsuit against Vikernes gave tremendous publicity in British music magazines. She claims that a company in the United States recently wanted the rights to Vikernes’ music in the States. I said no. They wanted to market the record with the murder and the church fires. I disagree with that. It sells better that people just know that he is a killer and a church burner” (reported in *Bergens*

*tidende,* 18/10/1994).

 This case corroborates the pattern observed in the quantitative analysis; Norwegian labels were unwilling to release the latest Burzum album, which is then picked up for distribution by an arbitrageur: a German woman, who set up a small operation in London to exploit an opportunity, using her personal contacts in Sweden to arrange sales in Norway. The different approaches to destigmatization emerge clearly – if Norwegian labels prefer to avoid association with Criminal bands, international labels pursue closer association between the crimes and music. Some wanted to maximize shock value and emphasize the consistence between words and action (“wanted to market the record with the murder and the church fires”), while others preferred to capitalize on the free publicity and let controversy sell the records (“It sells better that people just know that he is a killer and a church burner”). Common to these approaches is the desire to benefit from a market opportunity, as black metal “is what sells the best of underground music in the world now” - a classic example of an arbitrage practice (Zuckerman 2012).

 While some took the opportunity to exercise valuation arbitrage, others yielded to the social pressure. Al Dawson of the death-metal label “Earache Records” recounts how he had the opportunity to sign Burzum, but its criminal activity proved too great an obstacle. “One of our guys was like: If you are signing churchburners, I am out. We saw the Kerrang [Magazine] guys in London and they were like: If you sign him [“Burzum”], you guys are out. And I am like – this is too hot to handle. We had to back away”.[[12]](#footnote-12) Yet, Dawson recognizes that this decision had a significant economic downside for his record company, as it missed out an opportunity that others took. This episode confirms the key importance of time pressure in arbitrage; record labels were cognizant of a window of opportunity to act, when a few “authentic” bands could be signed on favorable economic terms. Authenticity is a valuable resource in short supply that puts pressure on record labels to act; endorsing stigmatization upholds reputation, but precludes the realization of a profit-making opportunity.

**Discussion**

The observation that stigma propagates by association in a powerful social dynamic (e.g. Pontikes et al. 2010) raises the question of the social mechanisms that reduce the intensity and scope of stigmatization, allowing for the possibility of exoneration. Drawing on evaluation research, we conceptualized stigma as “concentrated” valuations that deviate from “objective” conditions, and then articulated how the practice of “valuation arbitrage” (Zuckerman 2012) may lead to the deconcentration of valuations. The theoretical importance of this practice is twofold: in changing the perspective on destigmatization from the targeted actor to a self-interested third party, and in clarifying the mechanisms of “dual” social evaluation, where transgressive behavior is reinterpreted in terms of authenticity.

 In contrast with dominant accounts of destigmatization emphasizing the efforts of targeted actors (Hudson & Okhuysen 2009 Hills et al. 2013, Vergne 2012), we shifted attention to the role of third-party arbitrageurs, motivated by economic or symbolic gain. This mechanism is indirect in nature – arbitrage is not intended to contest or transform principles of evaluation, but to profit from the discrepancies these principles generate between socially-constructed and “objective” price (Zuckerman 2012). As stigma overlays non-economic (i.e. ideological or cultural) with economic principles in valuation, it creates preconditions for the exercise of arbitrage by capitalizing on these discrepancies. Arbitrage is naturally motivated by the risk premium attributed to actions that violate the social restrictions related to stigma.

Opportunities for arbitrage are not always used, and even when they are used, they may give rise to substantively different strategies. This is illustrated in our analysis, contrasting two distinct strategies of record labels - betting on “black” and “white” in pursuing destigmatization of black metal. The strategy

of “whitewashing” black metal was naturally preferred by Norwegian labels, exposed to social pressure to

a much greater extent than international labels, headquartered abroad. As our results reveal, whitewashing

involves maintaining distance from the origin of the stigma – the “pure” black metal of ex-underground bands (Moynihan and Søderlind 1998). Unsurprisingly, Norwegian labels reveal a preference for urban bands with a sound that crosses genres, downplaying concerns of purity and of underground authenticity.

Their production decisions testify to the power of stigmatization to affect preferences, inducing compliance with normative restrictions (Goffman 1963). But the results also highlight the limitations of this power, as restrictions are difficult to enforce beyond the local market. A global marketplace offered an opportunity to international record labels, not subject to the same social pressure as Norwegian labels, to take advantage of the discrepancies between the socially-constructed and objective value of the music.

These actors bet on “black”, by pursuing closer association between the records and crimes than the local labels. Our analysis provides rare evidence for indirect institutional endorsement of criminal activity – a

finding that may appear surprising, but is comprehensible in view of the opportunities provided to realize economic and/or symbolic gain in a highly competitive industry.

Fundamental in the realization of these opportunities was the reinterpretation of the violent past of black metal as a sign of authenticity - of consistency between internal values and external expressions (Baron 2004) and as a rebellion against the social order (Hegel 1988). Authenticity refers to a verification process in that it describes the evaluation of a fact (Newman, 2016). Criminal activities are universally acknowledged and reprimanded as major normative violations, but also lend themselves to interpretations of alternative nature, ascertaining the non-commercial nature of the music associated with these activities. Church burning is morally deplorable, but may be interpreted by some audiences as a sign of strength of conviction and lack of intention to please or sell. This is a valuable asset in an industry where “fabricated” authenticity is very much the norm (e.g. Peterson 1997).

 That the transgressions of the underground scene facilitated the commercialization of the genre is

an example of “dual” forms of evaluation, increasingly featured in sociological research (e.g. Hahl et al. 2018). Similar to the ways in which Degenerate art was reinterpreted as an authentic symbol of resistance and freedom in the post-war period, the perception of black metal was rewired in terms of rebellion and consistence, allowing to broaden the appeal of what was originally viewed as unsellable or unacceptable.

“Dual” social evaluation embodies “dual” forms of social action, transpiring in the efforts of arbitrageurs

 to navigate between economic benefits and legal ramifications, between conformity to and contestation of evaluative principles. The arbitrageur does not contest openly the normative order, but indirectly so, by helping reduce the discrepancy between “subjective” and “objective” value. This ambivalent behavioral pattern, familiar in sociological research (e.g. Stark 2011), defines the essence of valuation arbitrage, as a practice that is not intended to overturn stigmatization, but to capitalize on the inconsistencies it creates.

These inconsistences allow to profit in economic terms from the appreciation of assets, whose value is depreciated in the political or cultural domains. Such practices of transposition of value are fundamental in enabling objective conditions to infuse rigid, ideologically-based valuations.

From this perspective, the erosion of stigmatization is not a teleological process, but a by-product of contrarian practices in social action that prioritize economic over ideological considerations, and the pursuit of individual advantage over maintenance of collective sanctions. These practices appear even in calcified ideological contexts, as illustrated by the willingness of German museum directors to buy cheap Degenerate art at auctions in Paris, by defying prohibition (Nicholas 1995, Feliciano 2001). Actions may contribute to the erosion of social forces when lacking an explicit intent to do so or even when intending the reverse, as was the case with committed Nazi followers, who nevertheless helped to preserve Modern art by acting in agreement with their personal aesthetic preferences.

 As demonstrated by Gould (2000) and confirmed by Operti, Lampronti and Sgourev (2020), the misalignment between individual preferences and collective demands is a core factor of de-escalation of social conflict. We show that non-conformity to collective expectations for enforcement of stigmatization by disassociation can contribute to de-concentration of valuations. This development is motivated by the pursuit of economic and/or symbolic gain; arbitrageurs need not be convinced in the qualities of a stigmatized product or actor, but need to have two beliefs - that the qualities diverge sufficiently from “objective” value and that the divergences are not likely to endure. The latter belief may be motivated by the limited stock of underappreciated assets in competitive markets or by an exogeneous event, creating a sense of urgency (such as the approaching end of the war).

 The analysis posited and validated several features of this practice - it pursues economic and/or

symbolic gain by exploiting inconsistencies in valuations between markets or domains, as moderated by

the association of stigma with authenticity. We showed that external actors are more likely than local ones

to exploit differences in valuation by connecting local supply with global demand. The external actors are

a key reason why the initial backlash against black metal in Norway started to subside within a few years, as the global commercial potential of the genre became obvious. We differentiated between “black” and “white” strategies in destigmatization, but recent developments in black metal suggest that the contrast between these is withering over time, coloring the genre in shades of “grey”. The commercial success of bands like Dimmu Borgir in the 2000s, is likely related to the combination of authenticity as a pre-1994 band and stylistically “hybrid” music. The emphasis on the crimes in the aftermath of the scandal gave way to moderation, whitewashing the content sufficiently to facilitate marketing to a broader audience.

 Our theoretical interest in arbitrage practices naturally led to analyzing the first contract of a band in the early period of destigmatization. More attention is warranted to the commercialization of the genre in the 2000s. Research can explore facilitating factors by studying multiple album releases or the patterns of mobility of musicians across bands, labels or genres. Studies can also contribute by testing the salience of the specified conditions – of malleability of stigma and availability of multiple audiences. For example, scholars can differentiate between degrees of malleability or analyze how the type of audience or distance between markets or domains affect the incidence of valuation arbitrage.

We developed our arguments by drawing on another social context to where we tested them - the blacklisting of Degenerate art in Nazi Germany. Notable parallels emerged between these contexts, such as the way in which an ideological campaign turns into a business venture or how economic mechanisms make negative normative judgments appear as socially-constructed and contestable. A recent example is the stigmatization of the San Francisco 49ers quarterback Colin Kaepernick, whose decision in 2016 to protest against police brutality towards African Americans by kneeling during the playing of the national anthem led to his blacklisting by team owners and ample negative publicity. His case was embraced by Nike in 2018 in a global advertising campaign. Many consumers protested Nike’s support by posting videos and photos destroying Nike apparel. But despite the backlash, sales picked up for Nike and its stock price recovered, while Kaepernick-named jerseys remain among the most popular in the NFL.

 An article in the New Yorker describes Nike’s involvement as follows: *[Nike] was hoping to sell*

*inspiration. The company seems to have aligned itself with Kaepernick for the same reason. While some people rage that yet again in America an ingrate-rebel has been rewarded, there is another narrative that Kaepernick conjures—that of an individual, driven by conscience, fighting a lonely crusade against forces more powerful than he is. The odds are far from being in his favor, but, no matter, he persists.[[13]](#footnote-13)* This interpretation reinforces the featured “arbitrage” mechanism - of an economic actor investing in a stigmatized public figure with the intention to “*sell inspiration*” by emphasizing his authenticity, but without openly endorsing his campaign. The two components of authenticity identified in our context are visible here too: of “*resisting*” powerful forces and “*persisting*” in one’s beliefs. The involvement of a third-party in destigmatization is important because it provides valuable resources to stigmatized actors to persist in their efforts and offers an alternative public interpretation that can be later activated, as occurred when the “Black Lives Matter” movement reinforced the reputation of both the player and the company.

 The validity of the findings is bolstered by the consistency across featured cases, the alignment between quantitative and qualitative evidence, and the established links to work on valuation arbitrage (Zuckerman 2012), on dissonance between logics of justification in social action (Stark 2011, Boltanski

and Thévenot 2006) or the role of individual interests in the de-escalation of social conflict (Gould 2003).

More systematic scholarly engagement with cases of destigmatization in various social contexts will help elucidate the internal and external validity of findings. We can only encourage efforts to apply and extend the proposed framework, by bringing together research streams on stigmatization and social evaluation.

A key reason for the destigmatization of Colin Kaepernick was the changing political landscape, as a result of the “Black Lives Matter” movement. Likewise, an important reason why betting on “black” proved successful in the domain of “metal” music, was the changing cultural environment in the 1990s, increasingly likely to associate extreme behavior with “high” art and cultural “edginess” (Allett 2011). In an omnivorous popular culture, a quintessentially rural phenomenon was appropriated by cultural elites, as illustrated by the black metal side-projects of established musicians. But the commercial success of the genre is not reducible to a mere “fad”, embodying the hipster obsession with transgressive scenes. Black metal resonated with a broader segment of society than the cultural elites, as it offered an opportunity to rebel against conventions in the artistic and political domains by endorsing extreme forms of behavior, reinterpreted as sincere grievances against the “falsity” of modern cultures (Trilling 1972, Taylor 1990). This was a premonition of the rising stock of anti-systemic rhetoric and of the importance of alignment between transgressive words and actions, as attested in the rise of a certain political figure two decades later. Betting on “black” is more likely to succeed when or where the white color is viewed as too banal.

Figure 1

Figure 2

**Figure 3**



**Figure 4**



|  |
| --- |
| **Table 1. Descriptive Statistics for the Variables in Hazard Models** |
|  | **Mean** | **SD** |
| **First Release on an International Label (N=5862)** |  |  |
| First international label release | .0694 | .2542 |
| Band age | 5.0030 | 4.9865 |
| Hybrid black metal band | .3916 | .4881 |
| Rural location | .8746 | .3311 |
| Church burnings per year (lag) | 1.4145 | 2.0995 |
| Black metal band formations in Norway per year (lag) | 25.1927 | 11.2801 |
| Pure black metal label formations in the world per year (lag) | 2.2969 | 1.8933 |
| Hybrid label formations in the world per year (lag) | 2.9703 | 2.1385 |
| Black metal mainstream | .7444 | .4362 |
| Black metal band formations outside Norway per year (lag) | 1056.219 | 355.4637 |
| Formed pre-1994 | .1475 | .3546 |
| Criminal band | .0039 | .0625 |
| **First Release on a Norwegian Label (N=8406)** |   |   |
| First Norwegian label release | .0166 | .1279 |
| Band age | 6.8392 | 6.1478 |
| Hybrid black metal band | .3966 | .4892 |
| Urban location | .1272 | .33331 |
| Church burnings per year (lag) | 1.2800 | 1.8931 |
| Black metal band formations in Norway per year (lag) | 24.0998 | 11.3207 |
| Pure black metal label formations in the world per year (lag) | 2.1911 | 1.8878 |
| Hybrid label formations in the world per year (lag) | 2.8409 | 2.1423 |
| Black metal mainstream | .7882 | .4085 |
| Black metal band formations outside Norway per year (lag) | 1062.295 | 338.8717 |
| Formed pre-1994 | .1859 | .3890 |
| Criminal band | .0101 | .1000 |
|   |   |   |

|  |  |  |
| --- | --- | --- |
| **Table 2. Discrete time frailty models of first international label release** |  |  |
| **Variables** | **Model 1** | **Model 2** | **Model 3** | **Model 4** |
| Band age | -0.139\*\* | -0.140\*\* | -0.132\*\* | -0.135\*\* |
|   | (0.045) | (0.050) | (0.040) | (0.041) |
| Hybrid black metal band | 0.280 | 0.344 | 0.229 | 0.210 |
|   | (0.224) | (0.254) | (0.194) | (0.197) |
| Rural location | -0.291 | -0.366 | -0.222 | -0.260 |
|   | (0.325) | (0.371) | (0.275) | (0.283) |
| Church burnings per year (lag) | -0.024 | 0.006 | 0.008 | 0.011 |
|   | (0.036) | (0.043) | (0.037) | (0.038) |
| Black metal band formations in Norway per year (lag) | 0.008 | -0.004 | -0.010 | -0.011 |
|   | (0.008) | (0.011) | (0.009) | (0.009) |
| Pure black metal label formations in the world per year (lag) | -0.023 | -0.026 | -0.023 | -0.023 |
|   | (0.042) | (0.044) | (0.040) | (0.040) |
| Hybrid label formations in the world per year (lag) | 0.031 | 0.008 | 0.002 | 0.001 |
|   | (0.031) | (0.034) | (0.030) | (0.031) |
| Black metal mainstream | 0.037 | -0.334 | -0.071 | -0.088 |
|   | (0.223) | (0.287) | (0.247) | (0.251) |
| Black metal band formations outside Norway per year (lag) |   | 0.001\* | 0.001\*\* | 0.001\*\* |
|   |   | (0.000) | (0.000) | (0.000) |
| Band formed pre-1994 |   |   | 1.009\*\* | 0.873\* |
|   |   |   | (0.368) | (0.358) |
| Criminal band |   |   |   | 3.009\* |
|   |   |   |   | (1.335) |
| Baseline hazard | 2.123\*\*\* | 2.590\*\*\* | 1.320\* | 1.400\* |
|   | (0.555) | (0.664) | (0.656) | (0.673) |
| Constant | -5.637\*\*\* | -7.036\*\*\* | -5.098\*\*\* | -5.232\*\*\* |
|   | (0.914) | (1.141) | (1.190) | (1.210) |
| Observations | 5,862 | 5,862 | 5,862 | 5,862 |
| Number of bands | 835 | 835 | 835 | 835 |
| Standard errors in parentheses |   |   |   |   |
| \*\*\* p<0.001, \*\* p<0.01, \* p<0.05, + p<0.10 |   |   |   |   |

|  |  |  |  |
| --- | --- | --- | --- |
| **Table 3. Discrete time frailty models of first Norwegian label release** |  |  |  |
| **Variables** | **Model 5** | **Model 6** | **Model 7** | **Model 8** |
| Band age | -0.163\*\*\* | -0.161\*\*\* | -0.176\*\*\* | -0.177\*\*\* |
|   | (0.048) | (0.048) | (0.049) | (0.049) |
| Hybrid black metal band | 0.521\*\* | 0.522\*\* | 0.521\*\* | 0.509\*\* |
|   | (0.170) | (0.170) | (0.170) | (0.171) |
| Urban location | 0.429\* | 0.430\* | 0.430\* | 0.443\* |
|   | (0.219) | (0.219) | (0.219) | (0.219) |
| Church burnings per year (lag) | 0.063 | 0.075 | 0.065 | 0.065 |
|   | (0.047) | (0.055) | (0.055) | (0.054) |
| Black metal band formations in Norway per year (lag) | 0.016 | 0.013 | 0.007 | 0.007 |
|   | (0.011) | (0.013) | (0.014) | (0.014) |
| Pure black metal label formations in the world per year (lag) | -0.063 | -0.065 | -0.060 | -0.059 |
|   | (0.064) | (0.064) | (0.064) | (0.064) |
| Hybrid label formations in the world per year (lag) | -0.035 | -0.040 | -0.051 | -0.052 |
|   | (0.049) | (0.051) | (0.051) | (0.051) |
| Black metal mainstream | -0.035 | -0.118 | -0.001 | -0.002 |
|   | (0.241) | (0.313) | (0.328) | (0.329) |
| Black metal band formations outside Norway per year (lag) |   | 0.000 | 0.000 | 0.000 |
|   |   | (0.001) | (0.001) | (0.001) |
| Band formed pre-1994 |   |   | 0.486 | 0.443 |
|   |   |   | (0.305) | (0.310) |
| Criminal band |   |   |   | 0.779 |
|   |   |   |   | (0.612) |
| Baseline hazard | 0.769\*\* | 0.754\*\* | 0.753\*\* | 0.757\*\* |
|   | (0.273) | (0.275) | (0.273) | (0.273) |
| Constant | -4.916\*\*\* | -4.989\*\*\* | -5.153\*\*\* | -5.161\*\*\* |
|   | (0.412) | (0.452) | (0.459) | (0.458) |
| Observations | 8,406 | 8,406 | 8,406 | 8,406 |
| Number of bands | 835 | 835 | 835 | 835 |
| Standard errors in parentheses |   |   |   |   |
| \*\*\* p<0.001, \*\* p<0.01, \* p<0.05, + p<0.10 |   |   |   |   |

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| **Table 4. Discrete time frailty models of first release with non-parametric unobserved heterogeneity** |
| **Variables** | **Model 9 International**  | **Model 10 Norwegian** |
| Band age | -0.046 | -0.177\*\*\* |
|   | (0.094) | (0.049) |
| Hybrid black metal band | 0.130 | 0.509\*\* |
|   | (0.152) | (0.171) |
| Rural location (model 9), Urban location (model 10) | -0.159 | 0.443\* |
|   | (0.215) | (0.219) |
| Church burnings per year (lag) | 0.023 | 0.065 |
|   | (0.033) | (0.054) |
| Black metal band formations in Norway per year (lag) | -0.012 | 0.007 |
|   | (0.008) | (0.014) |
| Pure black metal label formations in the world per year (lag) | -0.020 | -0.059 |
|   | (0.038) | (0.064) |
| Hybrid label formations in the world per year (lag) | 0.002 | -0.052 |
|   | (0.029) | (0.051) |
| Black metal mainstream | -0.087 | -0.002 |
|   | (0.219) | (0.329) |
| Black metal band formations outside Norway per year (lag) | 0.001\*\* | 0.000 |
|   | (0.000) | (0.001) |
| Band formed pre-1994 | 0.670\* | 0.443 |
|   | (0.306) | (0.310) |
| Criminal band | 1.731\*\* | 0.779 |
|   | (0.636) | (0.612) |
| Baseline hazard | 0.590+ | 0.758\*\* |
|   | (0.333) | (0.273) |
| Constant | -5.431\*\*\* | -5.174\*\*\* |
|   | (0.812) | (1.563) |
| Observations | 5,862 | 8,406 |
| Standard errors in parentheses |   |   |
| \*\*\* p<0.001, \*\* p<0.01, \* p<0.05, + p<0.10 |   |   |

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1. It is accepted in sociology that “objective” constructs are at least partly socially-constructed, as they are based on social conventions, but when they are ‘‘fixed’’ in nature (changing little over time), they can be treated as objective in a practical sense (Abbott 1988). We assume that “objective” quality is a key reference point for economic actors. [↑](#footnote-ref-1)
2. These two types can oftentimes be difficult to tell apart. For example, clandestine printers in the late 18th century were selling copies of Voltaire’s *Encyclopedia* in places where it was on the list of banned books. This was both an excellent business opportunity *and* a matter of principle, as it enlarged the space for free expression (Darnton 1982). [↑](#footnote-ref-2)
3. On a smaller scale they operated in Germany too. The prominent artist Emil Nolde, a Nazi sympathizer, was blacklisted as “Degenerate” on Hitler’s volition, but was one of the highest grossing artists in 1940, which led the Nazi party in 1941 to forbid him to paint even in private. The discrepancy was too visible to be tolerated at home. [↑](#footnote-ref-3)
4. Accessible at: <https://www.kerrang.com/features/ihsahn-a-black-metal-artist-allowing-someone-to-tell-them-what-to-do-nobody-wants-that/> [↑](#footnote-ref-4)
5. Accessible at: <https://nmh.no/en/about_nmh/news/black-metal-rebellion-panic-and-acceptance> [↑](#footnote-ref-5)
6. Excerpt from NTB 27.10.1994. [↑](#footnote-ref-6)
7. Excerpt from Aftenposten 18.05.1994 [↑](#footnote-ref-7)
8. We collected abbreviated sentencing documents related to black metal band members from the Court of Appeals and Supreme Court in Norway. The documents describe criminal activity pertaining to grave desecration, burglary, church burnings, and murder. The documents are publicly accessible in Norway by means of the database *Lovdata*. [↑](#footnote-ref-8)
9. The overlap between authenticity and criminal activity (the most “authentic” bands were also more likely to be involved in transgressions) poses a methodological challenge. To disentangle to an extent the effects of authenticity and criminal activity, we enter the indicators (*Criminal Bands* and *Pre-1994*) stepwise in our models; if only the latter were significant, it would corroborate the authenticity mechanism, while the significance of the former would confirm the pertinence of the crimes, over and above the effects of authenticity, in the decision-making of labels. [↑](#footnote-ref-9)
10. Interview available at: <https://www.theguardian.com/music/2020/sep/02/how-black-metal-grew-up-norway-ulver-enslaved-emperor-ihsahn> [↑](#footnote-ref-10)
11. Accessible at [**https://i-d.vice.com/en\_au/article/zmxpw5/death-archives-documenting-the-early-years-of-norwegian-black-metal**](https://i-d.vice.com/en_au/article/zmxpw5/death-archives-documenting-the-early-years-of-norwegian-black-metal) [↑](#footnote-ref-11)
12. Interview is available at: <https://www.youtube.com/watch?v=zzD5BLb6rps&t=185s> [↑](#footnote-ref-12)
13. Jelani Cobb in the New Yorker, September 4, 2018. *Behind Nike’s decision to stand by Colin Kaepernick* [↑](#footnote-ref-13)