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World Music and the Global Music Industry: Flows, Corporations and Networks

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World Music is often analysed as an interlinked series of music genres that can be specified from an ethnomusicological perspective. But in its contemporary form it is also part of a cultural economy, a sub-set of the global music industry. The purpose of this chapter is to provide a sketch of the main features of the global macro-economy of music followed by comments on the World Music “genre-market” and its relation to the macro-economy.

The chapter has four sections. It begins with a definition of the music industry worldwide. This is followed by a summary of the key financial data of the industry and an estimate of the royalty flows of the music industry between global regions. The third section deals with the corporate structures of the industry. The final section considers the main characteristics of World Music as a cultural industry.

Definition of the Music Industry Worldwide

The past twenty years has seen a growing interest by national governments in the potential economic value of the music industry as a source of employment and of export earnings. In addition, the industry has become an enthusiastic lobbyist for government assistance, notably in strengthening intellectual property legislation. In this context, a demand has grown for data, for statistical proof of the music industry’s importance and success. As such, various formulae have been developed to describe and analyse the industry, in particular in various European countries.

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Helsinki: Helsinki Collegium for Advanced Studies. 14–33.

One tendency has been to magnify the size and importance of the industry by using a “maximalist” definition. For example, the International Federation of the Phonographic Industry (IFPI), the non-governmental organisation that represents the interests of record companies, produced an estimate that “the value of the wider music economy” in 2005 was US\$100 billion (IFPI 2006a). Besides global retail sales of recorded music worth US\$33 billion, IFPI included in this total the markets for music publishing rights, commercial radio advertising, satellite radio subscriptions, live music performances and portable digital music players. The justification for annexing a segment of the broadcasting industry was that the recorded music industry “is the engine helping to drive a much broader music sector”.

John Williamson and Martin Cloonan (2007) have critiqued the assertion of the primacy of recorded music in the overall industry sector. Instead, these authors argue, there is no unitary industry of music, but a plurality of discrete music industries, of which the recording sector is one among equals, rather than the dominant core of the music industry. In particular, Williamson and Cloonan point to the ascendancy of the “live” music business in recent years, contrasting it to the declining fortunes of the record companies.¹

In what follows, I have adopted a narrower definition of the music industry than IFPI’s “driver”-based version, and, in contrast to Williamson and Cloonan, the industry is regarded as a unitary business sector, albeit one in which sub-sectors have a relatively autonomous relationship to each other. The definition limits the music industry to those practices *directly* producing and disseminating music compositions, recordings and performances.

This narrow version could legitimately be expanded by including such *indirect* practices as the manufacture and dissemination of musical instruments and associated technologies, and the training and education of musicians and music industry personnel. But for present purposes these have been disregarded.

1 Another definitional question concerns the fundamental character of the music industry or industries. Is it (are they) a cultural industry, a creative industry or a copyright industry? It has become fashionable, not least within the industry itself, to refer to the music business as a “copyright” or “rights’ owning industry”. This sounds more elegant than the designation of music as a “manufacturing industry”, although it is that also. In fact, the degree to which copyright ownership and copyright legal systems are central varies between sectors. The copyright dimension is most vital to music publishing and least important in live music (concert promoters, unlike songwriters and record companies do not own intellectual property). On this point, see Laing 2002.

Financial Data and Royalty Flows of the Music Industry Worldwide

The three sub-sectors of the industry under the narrow definition are:

1. The Recording Industry
2. Music Publishing
3. "Live" Performance

This section presents the estimated 2006 turnover of each sub-sector in billions of US dollars spent by end-users, both individual consumers and corporate users such as broadcasters, sponsors and film companies. The gross turnover of the recording industry sub-sector is estimated to be US\$ 44.8 billion. The five components of this figure appear in Table 1:

Category	Turnover
IFPI Retail World Sales (42 countries)	28.3 US\$ billion
Retail Sales in (150) "Non-IFPI" Countries	0.9 US\$ billion
Pirate Retail Sales (IFPI data)	4.5 US\$ billion
Synchronisation, Performance and Private Copying Fees	1.1 US\$ billion
Downloads and MPRTs* (retail value)	10.0 US\$ billion
TOTAL	44.8 US\$ billion

Table 1. Recording Industry Turnover 2006 (US\$ billion). [*MPRT stands for mobile telephone ring tones].

The first component of the recording industry turnover is the retail value of "world sales" of physical soundcarriers (principally CDs, music DVDs and music cassettes). This figure is calculated annually by IFPI. The 2006 total of US\$ 28.3 billion was 5 per cent less than in 2005. It should be noted that "world sales" reflects the recorded music market in a relatively small number of countries. IFPI provides further details in its annual publication *Global Recording Industry in Numbers*.

The most recent edition of this publication (IFPI 2006c) provides detailed statistics for 2005 from 42 national music markets, mainly in Europe (21), the Americas (7) and Asia (11).² The only African country included is South Africa. The reason for the limited coverage of these World Sales statistics is that IFPI relies for its data on national recording industry associations that exist only in countries with a conventional recorded music market regulated by intellectual property regimes and structured around the activities of multinational companies. Elsewhere, IFPI's member companies (led by the multinationals) generally have little or no direct presence. Because of this gap, the second component of Table 1 is an estimate of record industry retail sales in the numerous countries not included in IFPI's world sales.

² In past years, IFPI published data from as many as 75 countries including nine in the Middle East and a larger number of European markets as well as Zimbabwe and Kenya. It is unclear why the amount of published data has been reduced.

The third component of Table 1 is the retail value of unauthorised (or pirate) sales of CDs, music DVDs and MCs. This figure is supplied in another IFPI document, *Recording Industry Piracy Report* (IFPI 2006b). In 2005, the most recent year for which figures are available, IFPI estimated that spending on these products was \$US 4.5 billion. The piracy sector is a “shadow” economy, mimicking the manufacturing and distribution practices of the legitimate industry (legitimate in the sense that it conforms to copyright regimes and is authorised to commodify artists’ and composers’ works).

It is important to distinguish between the piracy sector and what might be termed the “gift economy” of recorded music. This consists primarily of various forms of private copying, from the widespread “home taping” of the 1970s and 1980s to CD burning and online peer-to-peer file-sharing, often referred to as P2P. While there have been attempts to estimate the financial “losses” caused by the gift economy, its primary feature is that it is not monetised, at least at the P2P level. IFPI estimated that there were 20 billion tracks “illegally downloaded” in this gift economy in 2005 (IFPI 2006b, 4).

The fourth component of Table 1 is the gross revenue received by the record industry from three sources in addition to retail sales. These are the inclusion of recorded music in films and broadcast programmes (synchronisation), royalties from radio and television broadcasts and from clubs and discotheques (performance right fees) and payments from the royalty fees imposed in many countries on the wholesale price of copying equipment (private copying fees). Detailed figures on 2005 performance right payments are published in the 2006 edition of *Global Recording Industry in Numbers* (IFPI 2006c).

The final component of Table 1 is the newest and fastest-growing source of revenue for the recording industry. Based on IFPI’s calculation that the net revenue of the recording industry from sales of digital downloads and mobile telephone ringtones (MPRTs) was US\$3.5 billion, consumer spending on these products is estimated to have been at least US\$10 billion. The difference between the two figures includes the proportion of retail value taken by such intermediaries as telecommunication network suppliers, online retailers such as Apple’s iTunes and companies that specialise in creating and marketing MPRTs.

The second of the three sub-sectors that comprise the music industry is music publishing. The gross global turnover of the music publishing sub-sector in 2006 is estimated to have been \$US 9.6 billion. The components of this figure appear in Table 2.

Category	Turnover
Collection Society Domestic Collections	7.7 US\$ billion
Synchronisation Fees	1.1 US\$ billion
Printed Music	0.8 US\$ billion
TOTAL	9.6 US\$ billion

Table 2. Music Publishing Turnover 2006 (US\$ billion).

Although the gross turnover of publishing is less than a fifth of the recording sector, the percentage that reaches the creative artist is much higher. Some estimates are that almost all songwriter/performers receive at least as much from their publishing royalties as from record sales.

Royalty collections by authors' societies make up the largest component of music publishing revenues. The basic rationale of these organisations, also known as collection societies, performing right organisations or collective administration bodies, is explained in Phil Hardy's chapter of this book. The proxy for the 2006 total given in Table 2 is a calculation of the 2004 revenues of such societies published by the Confédération Internationale des Sociétés d'Auteurs et Compositeurs (CISAC). This document, *Authors' Rights In The World* (CISAC 2007), states that global music royalties of these societies was almost \$US 7 billion. In calculating the equivalent total for 2006, an increase of 5 per cent for each of 2005 and 2006 has been assumed. The music publishing royalties derived from digital downloads and MPRTs are included here.

Other elements of the music publishing business are handled not by the societies, but by individual music publishing companies. The most important of these is the second component of Table 2, synchronisation – the licensing of compositions for use in films, commercials and broadcasts. Music publishers and specialist distributors also organise the sale of printed copies of music, the third component of Table 2. Until the middle of the twentieth century, this was a central part of the music publishing industry. It is now a small element of that business, mainly comprising educational material and songbooks, although it has been reinvigorated by the advent of the Internet, where consumers can download printed music from a number of authorised websites.

The third and final sub-sector is the performance or live music industry whose gross turnover in 2006 is estimated to be approximately US\$ 20 billion. The components of this figure appear in Table 3:

Category	Turnover
Ticket Sales	12.5 US\$ billion
Sponsorship and Subsidy	2.0 US\$ billion
Merchandising	4.7 US\$ billion
Broadcast, Webcast and Live CD Fees	0.8 US\$ billion
TOTAL	20.0 US\$ billion

Table 3. Live Music Turnover 2006 (US\$ billion).

The consensus of opinion among observers of the music industry is that the numbers of concerts, festivals and other performances have been growing at a fast rate in the last decade. Unlike the other sectors, there is no global industry organisation for live music to provide reliable or regular statistics. However, IFPI included an amount for “live music” of US\$ 14.4 billion in its “value of the wider music industry” (IFPI 2006a).

IFPI did not explain how this total was determined; in particular whether it was restricted to the retail value of tickets for performances or whether it included the further revenue sources listed in Table 3. As the Table shows, ticket sales comprise the majority of revenues for the live music industry. The other components are led by sponsorship and subsidy. Sponsorship payments are made by commercial organisations whose names are then associated with tours, festivals or even concert venues and subsidy refers to payments by public bodies such as governments, city councils and charitable trusts.

The third component of Table 3 is the sale of merchandise linked to performers. Merchandise includes clothing such as caps or T-shirts, posters and tour programmes. Finally, concert promoters may increase the revenue from live events by selling broadcasting and webcasting rights and even producing CDs of an event for sale after the show or by mail order.

Unlike the Tables for the other sub-sectors, this Table excludes Western classical music. This genre has a peculiar economic structure in which institutions such as opera houses, ballet companies and symphony orchestras receive large state subsidies or charitable donations often amounting to over 50 per cent of turnover.

Table 4 collates the total revenues of the three sub-sectors and includes an “adjustment” that removes intra-sector payments to avoid double-counting. These payments consist almost entirely of composer and publisher royalties paid to collection societies by record companies and by live music promoters. The resulting total is \$US 71.9 billion.

Sub-Sector	Turnover
Recording	44.8 US\$ billion
Publishing	9.6 US\$ billion
Live Music	20.0 US\$ billion
Adjustment	(2.5) US\$ billion
TOTAL	71.9 US\$ billion

Table 4. Total Adjusted Music Industry Revenues 2006 (US\$ billion)

The music industry's worldwide revenues in 2006 were smaller than those of the film industry (US\$ 80 billion according to PriceWaterhouseCoopers) and the illicit drugs market (US\$ 322 billion according to the United Nations).

The Financial Flows between Regions

The second section of this chapter is concerned with the import and export flows on music in 2006. These flows are based on the sales and (paid for) performances of "foreign" music in each region of the world. The monies derive mainly from royalties due from sales of recordings or from public performances including broadcasts, rather than from imported physical products.³ Table 5 shows the estimated percentages of "local" and "foreign" music sold as recordings and broadcast on radio and television in each of the five global regions. Here "local" means music created within the region, so that, for example, recordings of British musicians sold in Germany or broadcast in Sweden are classified as "local".

	Sales of local recordings	Sales of foreign recordings	Broadcasts of local music	Broadcasts of foreign music
North America	92 %	8 %	85%	15%
Europe	66%	34%	75%	25%
Asia-Pacific	70%	30%	80%	20%
Latin America	60%	40%	70%	30%
Africa	not available	not available	not available	not available

Table 5: Origins of Recorded Music Sales and Music Broadcasts by Region in 2006.

The percentage figures in Table 5 are derived mainly from *Global Recording Industry in Numbers* (IFPI 2006c) and the published accounts on authors' collection societies affiliated to CISAC. Because there is almost no information available from these sources about African music and media markets, the Table contains no percentages for sales and broadcasts in that region.

³ While UNESCO has published a report on flows of cultural goods, its source data is drawn from customs information on tangible products, which in the case of music means CDs and DVDs. The report admits that it cannot "provide a comprehensive picture of the direction and magnitude of international music flows" because "much of the trade occurs in the form of original masters which are then processed locally for domestic retail distribution" (UNESCO 2005, 40).

The difference between the percentages of local (i.e. regional) music in CD and cassette sales and in broadcasts can be linked to their different consumers. Surveys in several developed countries have found that only about one-third of the adult population ever buys a CD or cassette and their average age is lower than that of the almost 100 per cent of the population that are radio listeners. The much larger radio audience contains an older demographic that in general has a greater cultural conservatism. “Oldies” stations and national language music stations cater for this segment of the population in the larger countries of non-Anglophone Europe, Latin America and the Asia-Pacific region. As a result, the amount of airplay for regionally-created music is higher than the sales of such music in four out of the five regions.

In North America, mainly the United States, the difference is reversed. In this region, there is a segment of the older audience (drawn from the so-called “baby boomers” born between the late 1940s and early 1960s) that remains entranced with the rock music of the 1960s and 1970s. This broad genre contains a large proportion of foreign (mostly British) music from the Beatles to Led Zeppelin. These recordings continue to secure airplay and thus earn considerable royalties for their authors.

Table 6 shows the estimated amounts in billions of US dollars of “imports” and “exports” flowing as royalties and concert and festival fees between the five global regions.

	North America Exports	Europe Exports	Asia- Pacific Exports	Latin America Exports	Africa Exports	TOTALS
North America Imports	---	0.55	0.05	0.4	0.05	1.05
Europe Imports	1.0	---	0.1	0.2	0.1	1.4
Asia- Pacific Imports	0.2	0.15	---	0.1	0.05	0.41
Latin America Imports	0.04	0.05	0.01	---	0.05	0.15
Africa Imports	not available	not available	not available	not available	---	not available
TOTALS	1.24	0.75	0.07	0.7	0.25	

Table 6. Music industry exports and imports by region in 2006 (US\$ billion)

This Table translates into dollar values the percentages for foreign music in Table 5, adding to these payments from international tours in the live music sub-sector. The amounts reflect the relative sizes of the regional markets. Europe accounts for about 37 per cent of the retail value of the global recorded music market and almost 50 per cent of the music publishing market. North American

music represents a large proportion of the “foreign” 34 per cent of European sales and 25 per cent of European airplay, and these minority percentages plus touring fees translate into exports to Europe of about a billion dollars a year in licensing, royalty and concert appearance payments.

Similarly, the very large size of the North American market brings some US\$550 million to European music business from sales, airplay and tours in the United States and Canada. The relatively small music markets of the other three regions in financial terms is reflected in the low figures for both imports and exports. The Asia-Pacific region, for example, has exports of US \$70 million and imports of US\$410 million, much of the latter represented by Japanese consumption of foreign music. It is worth adding that within regions there are wide national variations. Inside North America, only the USA invariably has greater imports than exports. In Europe, at a national level, the UK and Sweden generally have a positive export balance.

A comparison of the totals of imports and exports for each region show that both North America and Latin America have a positive balance of trade, the latter because of its export success with the large Hispanic population of the US. In contrast, both Europe and Asia-Pacific have a negative trade balance; in the case of Europe, this is due to the imbalance between its imports from North America and its exports to that region.

Because of a lack of data on domestic cultural industry markets, no comparison between imports and exports can be made for Africa. However, while Table 6 has no data for music imports, it includes a total of \$US 250 million for exports of African music. This figure is the estimated amount paid for sales of African recordings, earnings of African composers and concert and festival fees for African musicians. Almost all of these exports (plus smaller amounts of exports from the other regions) derive from the World Music genre-market that is discussed in detail in the final section of this chapter.

Corporate Structures of the Industry

It has become routine to categorise firms in both the recording and music publishing sectors as either “majors” or “independents”. Such thinking became orthodox in the 1960s and it was already commonplace in analyses of the United States music market of the 1940s and 1950s. This binary formed the core of influential explanations of the evolution of the record industry in the mid-twentieth century. Richard Peterson and David Berger (1975) used hit parade statistics to show how independent companies were the vehicle for the rise of rock ‘n roll while Charlie Gillett (1996) showed in detail how the entrepreneurs who created the newly formed independents of the 1950s and 1960s were catalysts for the innovations of that era

in their role as record producer, arranger and/or songwriter. While these pioneering studies emphasised the polar opposition between majors and independents, later accounts focused on the interaction between them. In these versions, independents were the “unofficial Artist & Repertoire” arms of the majors, discovering and experimenting with new talent before such talent was lured away by a contract with a major. The paradigmatic example was Elvis Presley, first recorded by Memphis studio and label owner Sam Phillips who subsequently sold Elvis’s contract to RCA Records. Majors also formed strategies of creating joint ventures or distribution agreements with independents, often as a prelude to acquiring them.

The standard definition of a major record company in the last quarter of the last century was that it owned and controlled the marketing, manufacturing and distribution of its products, in addition to contracting artists and creating recordings. These companies also had an expanding international presence through the formation of wholly-owned recording and publishing subsidiaries in the 1980s in Asia and Latin America and in the 1990s in Eastern Europe. The independents, on the other hand, operated only in talent acquisition and the creation of recordings. In addition, the leading majors were international, even global, in their sphere of activity.

Over the past half century, the number of major companies has decreased, and their corporate ownership, structures and strategies have changed. In the early 1990s there were seven transnational companies (TNCs) in the music recording and publishing industry. Since then, there has been a decade of falling soundcarrier sales and the enormous growth of the Internet. The response of the TNCs to this has been mainly defensive as they “consolidated” through mergers and acquisitions, “downsized” through reductions in staff and artist rosters, “outsourced” by selling off manufacturing, distribution and some “back-office” functions and reversed their geographical expansion - in their present posture, the music industry TNCs will not invest in Africa.

At the time of writing the number of TNCs had been reduced to four, with the distinct likelihood of a further reduction to three. The four were Universal Music Group, a subsidiary of Vivendi, the French-owned media and utilities conglomerate; Sony BMG, a joint venture between the Japanese electronics firm and the German media and print publishing corporation Bertelsmann, created by the merger of two competing TNCs in 2003; EMI Group, a British owned music company; and Warner Music Group, a US-based music group that had been sold off in 2002 by the world’s largest media group, Time Warner.

According to the media analysts Berg Insight, the 2006 global market shares of recorded music sales of the four TNCs, based on sales of “owned repertoire” were: Universal 26 per cent, Sony BMG 25 per cent, EMI 11 per cent and Warner 10 per cent. The remaining 28 per cent was split between the many hundreds of independent

record companies. The combined share of TNCs in the global music publishing market is smaller. In 2005, the market leader was EMI with 16.3 per cent, followed by Warner Chappell (owned by Warner) with 16.0 per cent, BMG (wholly owned by Bertelsmann) with 13.8 per cent, Universal with 12.5 per cent and Sony-ATV (owned by Sony with Michael Jackson as minority shareholder) with 7.4 per cent.

The business culture and prime strategy of the TNCs is one of market control and a centre to periphery panoptic command structure⁴. The centralised control culture was summarised by a Sony BMG executive who told an interviewer in 2005: “When every territory defines its own priorities and has its own way of doing things you diffuse your global effort. So often people are myopic about their own markets....”. (Cobo 2005).

The tactics intended to achieve market control mainly derive from the situation of oligopolistic power of the four TNCs, who control over 70 per cent of the global recording market. The tactics range from the more-or-less illegal exertion of influence on promotional media to frequent divisional restructurings at the behest of consultants and “modern” management theories. The most widespread and oldest means of exerting influence is “payola”, the bribing of broadcasters to ensure maximum airplay for a company’s recordings. Payola was first investigated in the late 1950s in the United States but its most recent manifestation occurred in 2005 when the attorney general of New York State exposed widespread inducements to radio programmers. The TNCs eventually agreed to pay millions of dollars to the state government in settlement of the investigation.

The restructuring undertaken by the four TNCs frequently involves redrawing the global map by creating new “regions” of supervision and control. At Universal, one senior manager is responsible for the “Mediterranean, South America and Middle East Region” and another for an “Asia Pacific” region that includes South Africa. At Sony BMG, however, South Africa is part of a “region” with Eastern Europe and the Middle East.

Until the past decade, the corporate structure of the live music industry was “pre-TNC”, taking the form of temporary national and international networks of local entrepreneurial concert promoters created to collaborate on specific tours. This changed at the end of the twentieth century, with the advent of the first TNCs, led by Live Nation and AEG, both US-based concert promoters and venue operators. Live Nation has bought out numerous local promoters in both the USA and Europe.

4 “Panoptic” is a reference to the panopticon, a nineteenth century design for a building such as a school or prison in which every room or area was visible from a single central point. The term was taken up by Michel Foucault to exemplify a general regime of power in which individuals are placed in “a state of conscious and permanent visibility” (Foucault 1977, 195).

The World Music Market within the Macro-Economy

Much of the activity of the music industry is predicated on the existence of genre-markets. Keith Negus (1999) has undertaken the most substantial study to date of such markets in the context of the TNC recorded music companies, including case studies on rap, salsa and country music. Other genre-markets include classical music, jazz, folk, heavy metal, Christian and gospel music and, of course, World Music. As a keynote to his study, Negus quotes Simon Frith on the formation of such genre-markets. Frith writes:

'A new genre world'...is first constructed and then articulated through a complex interplay of musicians, listeners, and mediating ideologues, and this process is much more confused than the marketing process that follows, as the wider industry begins to make sense of the new sounds and markets and to exploit both genre worlds and genre discourses in the orderly routines of mass marketing. (Frith 1996, 88)

Frith's metaphorical term "genre-world" with its interactionist and sociological emphasis incorporates many features of what, from a cultural industries perspective, I am calling the genre-market. Most such markets share three principal characteristics. In describing these features of genre-markets, I shall illustrate the discussion with examples drawn from World Music genre-market.

Firstly, these markets vertically segment the macro-economy of music as opposed to the horizontal segmentation of geo-political regions. Like jazz and Western classical music, World Music replicates its genre-market across national boundaries. The genre's musicians can expect to find similarly acculturated promoters and audiences in Tokyo, Vienna and San Francisco.

Nevertheless, this vertical segmentation is not found uniformly throughout the world. Paradoxically, World Music genre-markets exist most strongly in countries that do not originate the music, but these markets are non-existent or barely existent in World Music's countries of origin. In the terminology of the United Nations and its associated agencies, the split is almost equivalent to that between developed nations and developing ones.

The second feature of genre-markets is that they are recognisable through, and recognise themselves in, representative institutions such as sales charts, radio formats, specialist written media, festivals, specialist record companies, trade associations and fairs and audience demographics. The relative weight of each type of institution varies between genre-markets in what Frith (*ibid.*) calls the "confused" process of the construction of the genre-world.

World Music is unusual, if not unique, in the fact that the moment at which the genre was named can be dated precisely to a 1987 meeting of British independent music company executives, planning a combined marketing campaign for their specialist areas of music. This story has been told by several authors, most cogently by Jan Fairley (2001). Other significant contributors to the consolidation of the genre-market included the decision of the influential United States industry publication *Billboard* to introduce a World Music top ten list in May 1990 (compiled from sales in 40 stores), followed by the first Grammy award for World Music the following year (Taylor 1997, 10–1). In Europe, the genre-market took shape through such institutions as the European Broadcasting Union's monthly list of the most played albums by European specialist radio programmers (Fairley 2001); the proliferation of independent record companies such as Piranha (Germany), World Circuit (Britain) and Melodie (France); the prototype annual festival, WOMAD (World of Music and Dance), that now has expanded to eight events on three continents; and WOMEX, an annual trade fair for the World Music industry inaugurated in 2000.

"Audience demographics" was one of the institutional features listed earlier and it might be argued that the genre-market of World Music is primarily defined by its audience, especially in the metropolises of North America, Europe and parts of the Asia Pacific region. In those sites, World Music events are typically attended by varying combinations of "internationalist" natives and members of diasporic communities from the countries of origin of the music. One British commentator rather dismissively defined the "native" component of World Music enthusiasts as a "mature audience, nurtured on Sixties idealism, disillusioned with the vacuity of contemporary pop, and all ready to be awed by billowing robes and frenetic drumming" (Hudson 1995). The musicologist Andy Nercessian (2002, 8) offers a more positive and less generation-specific definition of World Music fans as possessing "the capacity of audiences from one culture to experience under suitable circumstances, perhaps as fully as audiences in the home culture, the music of a culture with which it is unfamiliar".

The third principal characteristic of genre-markets is the prevalence of controversy over the fundamentals of definitions and boundaries. Attempts to institutionalise musicological, culturally-based or market-orientated definitions of genres incite disputes between and amongst academics and fans. Typically, these disputes are concerned with how, where and whether to draw lines of exclusion to safeguard the genre from contamination by adjacent (and implicitly inferior or unsuitable) musical spheres.

One aphoristic definition of the World Music ethos is contained in the slogan of the British magazine *fRoots*: "local music from out there". At its most literal, this position can seem over-naïve, implying that the "local music" can be appreciated by audiences not from "out there" but in here, without any feedback that could

change the original character of the local music. One example of such feedback has been described by Thomas Turino (2000, 223) who argues that the “desires of worldbeat fans” was the biggest influence on the evolution of the Zimbabwean guitar music in the 1980s and 1990s.

While the *fRoots* slogan offers an explicit definition of the genre, the implicit definitions of World Music produced by the genre-market’s institutions can often differ widely and come into conflict. The *Billboard* chart of World Music, for example, includes some titles that would be excluded from similar European lists. Writing in 1997, Timothy Taylor (1997, 9) had analysed *Billboard*’s listings between 1990 and 1996 and concluded “there is never any music from the far east” and “even with the popularity of some African musicians, Western European and North American musicians still sell the most”. A decade later, the 2005 version of this chart was equally vulnerable to this criticism. Taylor had noted a new chart trend of “Celtic” music in the mid-1990s and by 2005 this was the dominant feature of the *Billboard* World Music chart. Six of the top 15 World Music albums of the year were by Irish musicians or were branded as “Celtic”. These included the no 1 album by a vocal group named Celtic Woman and an album by Irish vocalist Daniel O’Donnell of songs made famous by the American country music singer Jim Reeves!

At a different level, the World Music idea has been the site of a struggle between different factions of what Frith called the “mediating ideologues”. In particular, the assumptions of the entrepreneurs and journalists of the genre-market have been challenged by some orthodox ethnomusicologists, with a consequent confusion in terminology and definition. This is exemplified by Philip Bohlman’s (2002) book *A Very Short Introduction to World Music*. From its title and its appearance in a series explicitly devoted to entry-level texts about a range of topic and themes, a reader would expect to find a *tour d’horizon* of the genre-field, akin to Philip Sweeney’s (1991) pioneering *Directory Of World Music* or the much larger *Rough Guides* (Broughton et al 2006). Instead, Bohlman devoted much of the book to a history of the field and discourse of ethnomusicology, adding a brief and somewhat dismissive section on the genre-field. A more nuanced and inclusive approach was taken by Steven Feld (2000) in his essay “A Sweet Lullaby for World Music”, that summarises many of the dilemmas, fault-lines and paradoxes of the contemporary genre-world and genre-market.

World Music occupies a small but unique niche in the US\$ 79.1 billion global music industry described earlier in this chapter. Table 7 contains estimates of the gross spending on World Music in the three sub-sectors discussed previously. The total spending of US \$1.4 billion represents 1.8 per cent of the global industry.

	Turnover
Recording industry	540 US\$ million
Music publishing	60 US\$ million
Live music	800 US\$ million
TOTAL	1,400 US\$ million

Table 7. Turnover of the World Music genre-market 2006 (US\$ million)

As the Table shows, the estimated turnover of the market is dominated by sub-sector three, live music. Within that sub-sector, the notable feature has been the strong growth in the number of summer festivals specialising in World Music over the last decade, especially in Europe. The music publishing sector is weak mainly because of the very limited airplay for the genre and the sales of World Music recordings represent an average of about 2 per cent of the total market in North America, Western Europe and Japan.

In the context of the recorded music macro-economy, therefore, World Music is a small “niche” market. Because of this, the commitment of the four major TNCs to World Music has been fitful and patchy. The major recording companies were responsible for issuing only seven of the 47 new World Music albums of 2006 nominated by critics and radio presenters in a poll organised by *fRoots* (and the seven included releases by Bob Dylan and Bruce Springsteen). Similarly, the four majors distributed only one-third of the 90 albums to appear in the *Billboard* World Music chart during 2005. In Latin America and Southern Europe, EMI and Universal sometimes record and release albums of “World Music” artists who are also local pop stars, for example Mariza (Portugal) and Marisa Monte (Brazil). In some cases, however, these companies do not make such albums available throughout North America or Western Europe because it is “uneconomic” for them to do so. In the past, major companies have sometimes had temporary enthusiasms for the genre, as with jazz, only for the World Music initiative to be phased out after a few years⁵. At present, a handful of leading African artists have recording deals with TNCs, notably Youssou n’Dour. He has had a contractual relationship with Warner, which issues his music on Nonesuch, a “contemporary” music label whose catalogue includes works by modernist composers such as Philip Glass and reissues of classic ethnomusicological field recordings.

While the data presented in Table 6 did not distinguish the provenance of music exports by genre-market, the evidence from many countries is that a significant minority of the export earnings of Latin America and Asia Pacific are derived from

⁵ In 1994 I took part in a panel discussion at the WOMEX event in Brussels with an executive from PolyGram (now Universal). The PolyGram representative (not a specialist in World Music but a corporate lawyer) showed a promotional film of his company’s World Music acts, including the Malian singer Oumou Sangare. During the discussion that followed the speeches, a representative of World Circuit Records pointed out that Sangare was no longer a PolyGram artist but now recorded for World Circuit.

World Music. In the case of Africa, World Music is responsible for almost all of the US \$ 250 million music export earnings shown in Table 6.

These statistics alone do not, however, indicate how far these “export earnings” contribute to the health of the domestic music industries of these regions of origin of World Music. One important factor in any discussion of this point is that there are music industries based on the North American and Western European models in many parts of both Latin America and the Asia Pacific region. Therefore, in Brazil or Mexico, Japan or Australasia, World Music’s practitioners have the possibility of inserting themselves as professionals into a domestic market structure.

The situation is different and considerably more complex in much of the African continent where the existing music industries (like other parts of the economy) often combine processes drawn from traditional pre-capitalist practices, such as patronage and gift economies with modernist or globalised technologies and market features. Pietilä (2009) examines such articulations in the South African music industry. Charry (2000) has explored the combinations of old and new practices and their export dimensions in the career of Toumani Diabate. Rabine’s (2002) study of a comparable industry, African fashion, emphasises the importance of informal global networks.

One very visible effect of the export earnings of African music can be seen in the career of Youssou N’Dour, the Senegalese musician often described as the genre’s first superstar. He has to a large extent repatriated his earnings from record sales, publishing royalties and tours and invested in several music and media business ventures in Dakar that are said to employ 300 people (Moss 2007).

Despite this positive sign, there is little evidence that the success of World Music has created more widespread music industry growth in Africa (or wider economic growth, in tourism, for example). Some World Music artists have preferred to retain their earnings in Europe, where several leading African stars are now based for at least part of the year. But, more crucially, the entrepreneurs of World Music are almost all based in Europe and North America and with few exceptions these record companies and festival organisers have shown no inclination to reinvest their profits in Africa, Asia or Latin America⁶. They remain importers of music only, although some have initiated and financed recording projects in World Music origin countries. A famous example is that of the Buena Vista Social Club, whose recording programme was organised and financed in Havana by the British owned World Circuit label.

6 One exception was the 2005 decision of United States-based digital music distributor The Orchard to establish an office in Kenya to digitise and sell music from the Kenya Copyright Association. The company intended to expand into the sale of music from other African countries.

More often, the European or North American World Music record companies issue recordings under licence that have already been created within the complex networks of musicians and entrepreneurs in the origin countries. Frequently, these releases are compilations of tracks by different artists, the implication being that it would be too difficult to persuade World Music audiences to buy a whole album by an individual artist outside the handful of well-known stars of the festival and concert circuits.

While there is no possibility of direct investment from the international music industry, the visible international popularity of World Music has prompted a growing awareness of the music's potential to aid economic growth in Africa among intergovernmental agencies and some national governments.

One practical effect of this interest has been short-term efforts to aid exports. Some governments have enabled artists to perform at showcase events at the WOMEX trade fair and the Agence Intergouvernementale de la francophonie has assisted African and Caribbean record companies to promote themselves in Europe. In 2004, the agency organised a presence at the MIDEM industry fair in Cannes for 30 labels from 15 countries, quoting its earlier successful efforts in promoting Cesaria Evora, Habib Koite and Magic System. In 2006, the 79 nations of the Africa-Caribbean-Pacific group sponsored a showcase festival in the Dominican Republic featuring artists from all three regions.

In the longer term, the consensus view amongst national and international agencies is that the potential for music exports can best be achieved through support for a more effective domestic industry infrastructure. The United Nations development agency UNCTAD, for example, has identified culture in general and music in particular as a potential source of export income for developing countries (Andersen et al 2000). CISAC has an African regional committee to assist national collection societies, whose revenues in 2004 were only about 1 per cent of the global total of US\$ 6.6 billion shown in Table 2. The World Intellectual Property Organisation (WIPO) has organised training courses for government officials and promulgated its own Development Agenda (May 2007, 76–82).

The World Bank set up a music business pilot project in Senegal in 2003. The programme was part of a wider programme for Private Sector Development and involved a US\$5 million loan from the World Bank and other agencies. The focus of the Senegal project was to improve copyright law and build the capacity of the national musicians' union. The World Bank also reported that interest in similar music industry development projects had been expressed by industry or government agencies in Ghana, Mali, Cape Verde, Peru and Brazil (see also Collins's chapter in this book).

While these developments are welcome, they will have only a minimal impact in the context of the needs and potential of music in Africa and of the success of the World Music industry in the developed countries. As with many other areas of the twenty-first century global economy, the moral and political imperative is to redress a massive imbalance.

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