

Promoting the Culture Sector through Job Creation and Small Enterprise Development in SADC Countries: The Music Industry

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Box 1.1 Role of the music industry in fighting HIV/AIDS in Zambia

In Zambia, a local recording company – Mondo Music has, with donor funding, distributed to truck-drivers tapes on which popular songs are punctuated with a short AIDS-awareness segment. ⁵ As a through-road for goods across the SADC region, Zambia has been particularly vulnerable to the spread of HIV/AIDS. By targeting truckers directly, the initiative seeks to alert key actors in the spread of the pandemic across the country and in the sub region.

Box 1.2 Supporting musicians as a micro-marketing initiative in tourism destinations

In some tourist destinations, such as the Victoria Falls in Zimbabwe and Cape Town in South Africa, music serves to draw shoppers to curio shops and to restaurants. In Victoria Falls, shop owners in the city centre have grouped together to hire several local performers, organized as groups, to perform in front of their stores on a rotational basis. This arrangement enables the musicians to complement the income that they derive from performing in hotels and restaurants, by drawing a regular – albeit small – salary and receiving donations from the public.

Box 1.3 Mergers and agglomeration¹

The purpose of the merger between EMI and Time Warner was to make them number one in the global market position. The idea of a strategic merger was timely – right in the middle of the music breakthrough into the Internet. A Deutsche Bank report on the merger states that “the deal should accelerate Internet initiatives in the music industry in terms of developing digital downloading technology standards and copyright protection.” The merger also made sense because the companies are diversifying their risk. The replacement cycle of CDs for LPs and cassettes in the early 1990s represents the last and highest historical revenue growth rate of 8 per cent. With the end of this replacement cycle, the music industry has been in a lull and, as a result, the music majors have been competing for market share. By merging, EMI and Time Warner would diversify their risk of losing or gaining in

¹ <http://www.soc.duke.edu>

such a volatile market. The merger would provide vertical integration in what could be a key e-commerce consumer product – where music can be exploited through AOL’s 22 million-customer franchise base. The merging of EMI/Warner did not take place finally due to a veto from the European Commission (DGAnti-Trust).

Box 1.4 WOMAD, a celebration of World Music²

WOMAD stands for World of Music, Arts and Dance, expressing the central aim of the WOMAD festival – to bring together and to celebrate many forms of music, arts and dance drawn from countries and cultures all over the world. The first WOMAD festival was held in 1982. The festivals have allowed many different audiences to gain an insight into cultures other than their own through the enjoyment of music. As an organization, WOMAD operates through festivals, performance events, through *recorded releases* and through *educational projects*. Since the first festival, WOMAD has presented more than 90 *events* in 20 different countries.

Box 1.5 Impact of piracy on a developing country’s recording industry³

Mexico City, 17 May, 2001 – Mexican artists and record companies have developed a US\$666 million music business that ranks eighth in the world, but the industry’s future is now under threat because of soaring levels of music piracy.

Of an estimated 181 million recordings sold in Mexico last year, three in every five was a pirate copy. With a piracy rate of more than 63 per cent of the total market, piracy is costing the legitimate industry estimated losses of US\$300 million annually. A massive increase in illegal sales of CDs led to an 8 per cent fall in the legitimate music market last year and a further estimated 4.7 per cent slump in the first quarter of 2001.

Box 2.1 Music education through initiation processes⁴

Girls who are initiated into the Lunda People of Zambia perform in a dance called the Chilumwa-lumwa. The dance is mainly performed by women during initiation ceremonies for girls who have become of age. This is the time when the girls are taught about adulthood. Learning the songs that form the backbone of the dance is an important factor in developing music appreciation, establishing a baseline for music education, and fostering a tight bond between music and everyday social rituals.

² <http://www.womad.co.uk>

³ <http://www.ifpi.org>

⁴ Zondali Sakala email: chinyanja.chanaf@channelafrica.org

Box 2.2 Lack of formal education in music

Music education is relatively absent from most school curricula in the region. In Botswana, for example, music education does not form part of the syllabus. Where it is present, it is mostly in the form of music appreciation programmes. A remarkably limited number of music schools exist, and like tertiary education institutions, they tend to focus on musical performance, with little attention to the supporting technological, financial and institutional aspects of the music industry, such as sound engineering, artist management and production management. It is important to note that few successful artists were ever exposed to formal music education. Most professional musicians are unable to read or write musical notation, which is resulting in the following hindrances to the growth of the industry:

- Composers are not able to control the publishing of their music, as they are unable to affix their compositions to paper. This is often done by recording companies' publishing sections, which then lay claim to composing rights.
- Composers cannot easily establish themselves as professionals in their own right, as their trade is not readily marketable.
- Problems are experienced by artists wanting to record their music, as most studios require that music be transcribed to facilitate the recording and music engineering process.

Where they are formally educated, musicians are seldom educated with the skills required to manage their profession. In the words of South African jazz artist, Vusi Khumalo: "in music schools, they teach you to make music, not how to be a musician". While musicians are often expected to treat their skills as a profession, they are seldom equipped with adequate financial and administrative skills to manage their careers. Initiatives launched by the South African Recording Rights Association Limited (SARRAL), and the Midi Trust in South Africa have sought to remedy this situation by training composers and musicians in areas such as music literacy, rights protection and contract negotiation.

Box 2.3 Musical milieu in Maputo ⁵

Very few African cities boast more cultural centres and associations than Maputo, mostly dating from the Machel Government. Here, the arts are lived; they are part of the daily existence. Life in Maputo is like a permanent festival.

⁵ J.N. Ntone, "In Search of the Lost Rhythm"; <http://www.afribeat.co.za>

Box 2.4 Quality control and production facilities in South Africa ⁶

One of the greatest strengths of the South African music industry is that it has such a comprehensive structure – from record company to manufacture to retail. There are four multinational subsidiaries, one independent major and approximately 80 small independent record companies.

Manufacture of cassettes and compact disks is done locally with high-quality plants existing in the Gauteng region. Quality control in one of South Africa's cassette manufacturers is so good that in 1996 the reject rate from consumers was a mere 2 units out of 6 million units produced. In addition to the quality control in the production process, this cassette manufacturer sends cassette samples three times a year to Sony in the UK to have their quality checked against international standards. One of South Africa's largest CD plants is rated as one of the top 20 CD plants in the world.

Box 2.5 Radio Tanzania recordings – An opportunity and a piracy risk ⁷

The United Republic of Tanzania has virtually no recording industry, save for the continued activities of Radio Tanzania Dar es Salaam (RTD), over the last 25 years. Once or twice a year, bands come to its one-track studio for a session, recording about five songs at a time. This enables both parties involved in the process to benefit; on the one hand the broadcaster accesses music cheaply, whilst the bands are then able to benefit from the publicity that the broadcasts provide for their live performances. The instance of piracy in the region has soured this relationship. For example, RTD recordings are often pirated and released in neighbouring countries such as Kenya. As a matter of fact almost all releases featuring Tanzanian bands in the last ten to 15 years have used tapes stolen or illegally copied from the library of RTD, without the permission of the bands or any remuneration accruing to the band. Some support associations, often Internet based, have begun distributing dance band music.

Box 2.6 An example of good practice in Zimbabwe: Fighting piracy through right-pricing and regulating the distribution network

In Zimbabwe piracy has historically been a problem facing local producers. Over the last two years, recording industry actors initiated a process to regulate the distribution of music by informal traders – who are key in delivering musical products to the market. The initiative is twofold and involves the issuing of permits to informal economy traders to control trade and

⁶ DACST. 1998. *Industry Strategy for Music*, one of four studies for the Cultural Industries Growth Strategies.

⁷ Webber and Wagner, 1996.

enabling licensed traders to purchase tapes at the reduced wholesale price of US\$2. Producers such as the Zimbabwe Music Corporation, hold “hawkers’ days” for this purpose. The price of the legally acquired music together with the policing of informal trading places to ensure that traders are licensed has made the legal route attractive to traders. This has, however, required a change in strategy for recording industry actors, who have had to reduce their profit margins considerably to operate entirely on increasing the scale of turnover. In turn, this has also enabled more diversity in musical consumption and production, which is also enhancing access of musicians to the recording market.

What makes this approach a “good practice” are the strategic decisions taken to:

- Develop cooperation between actors;
- Formulate operational strategies that are embedded within the local economic framework conditions (informality and low-income market); and
- Target interventions to leverage outcomes that address more than one issue affecting the industry (i.e. fighting piracy and increasing production).

Source: Debbie Metcalfe, CEO, Frontline Promotions Private Ltd., Zimbabwe.

Box 2.7 The paucity of live performance opportunities stifles livelihoods and music industry development in Angola ⁸

There are many nightclubs in Luanda, and numerous possible concert venues. Recently, although a number of new clubs have opened up, the gigging situation has stagnated. This war-ravaged city is bereft of live music because it has no infrastructure or support and hence no development of new acts. The stars are based in Europe, visiting Angola occasionally to perform. Radio and television offer little support – the emphasis is on American content in music programmes on TV, and the big commercial radio stations such as FM Stereo stick almost exclusively to American hit radio.

Box 2.8 Encouraging local performers: Music festivals are a growing industry

The Splashy Fen success story demonstrates how the entrepreneurial spirit can foster live music audience development. “Let’s have a music festival,” said Peter Ferraz, a trout farm owner and former journalist, to his friend, Bart Fokkens, a former forester who was in the process of setting up a computer rental company in Durban. The date was early 1990. Several months later, the first Splashy Fen festival was held over two days. It attracted about 1,200 enthusiasts who camped on Ferraz’s farm to listen to local artists. Infrastructure was

⁸ Iain Harris, www.afribeat.co.za

rudimentary – a makeshift stage, a tractor-powered generator and a few portable toilets. From humble beginnings, the Splashy Fen festival has snowballed into a major event on the South African music calendar. The 1998 event was held over four days and attracted 10,000 people.

The festival is held on the farm Splashy Fen, which is situated 19 kilometres from Underberg in the Southern Drakensberg Mountains. The focus of the music in the early years was folk and light folk rock, as well as music styles such as mbaqanga and iscatamiya.

Only genuine original music is played at Splashy Fen, and this has played a part in creating a fusion of styles and cultures and a feeling of shared co-existence between previously disparate artists.

Box 2.9 Broadcasters – Makers and breakers in the music industry

The broadcasting system has an important role to play in fostering the local music industry. From commissioning jingles to using tracks as theme songs for local television productions, public and private broadcasters can contribute to the livelihood of musicians and composers. In South Africa, because local television production is relatively important compared to the rest of the region, commissions can be an important source of income. South African musician and composer Vusi Khumalo explained that his largest source of income is derived from the soundtrack he produced for a local sitcom – “Backstage”. Increasingly however, local broadcasters are forcing composers to sell-out their rights on commissioned works.

In some countries, local content provisions have been set up in legislation and policy. In South Africa this amounts to 20 per cent of broadcasting. Local content is often credited with fostering the local music industry. However, measures to enforce these provisions are often lacking. This is particularly the case where institutional capacity is weak. Further, the extent to which broadcasters are able to play local music and still maintain a high number of auditors – thereby satisfying their sponsors – is largely dependent on the quality and the existence of a fairly wide local repertoire. In Zambia, former President Kaunda’s 90 per cent local content requirements in the 1980s never really materialized, because of the limited scale of the local repertoire, together with a strong penchant of Zambian listeners for Congolese Rumba. As a result, the national broadcaster – directly under state control – had to bypass these quotas. In addition, the practice of payola, where DJs are paid by record labels to play particular songs is alleged to be widespread. This skews the broadcasting content in favour of those recording labels that have most financial capacity.

Box 2.10 Artists developing a sense of the market: Papa Wemba, an artist of two musical worlds

Papa Wemba's singing style is reminiscent of his traditional and rural beginnings in Kassa and of his mother, who sang traditional mourning songs. Papa Wemba began his career in the rough and tumble world of downtown Kinshasa, where he received musical training of the highest order in Kinshasa, with legends such as Tabu Ley Seigneur Rochereau and Jean Bosco Mwenda.

As part of this movement, Wemba was a founding member of Zaiko Langa Langa who shook the older gentler "Afro-rumba" of the 1950s and 1960s to arrive at a meaner, leaner, heavier version known as 'soukous' which has since become the dominant pop sound in Africa.

Wemba moved to Paris in the mid-1980s and proceeded to live two parallel lives, one as a world music star releasing slickly produced records for Western audiences and another as the frontman of Wenge Musica pumping out raw soukous for African audiences.

Box 2.11 the MIDI Trust: an example of good practice in South Africa

The MIDI Trust is a Section 21 company that began operating in October 1996. Since its inception, The Trust has received an annual grant from Peter Stuyvesant for operational costs.

The Trust focuses on:

- Industry Development
- Training and Education
- Information Dissemination
- Networking

The MIDI Trust plays a coordinating role, and is focused on South Africa; not enough funding exists to allow for operating with other countries:

- The MIDI Trust, in partnership with the Department of Arts, Culture, Science & Technology (DACST) and the National Arts Council, host the annual South African Music Week. This event celebrates South African music and strategic partnerships are formed with many industry stakeholders.
- Administering of organizations
- Allowing access to young entrants to make use of office facilities
- Administering of Interim Export Council. The MIDI Trust was mandated by the industry to proceed with this project, at a Conference held during South African Music Week 2000.

The MIDI Trust, in conjunction with Music Africa, publishes an annual music industry directory, the only comprehensive guide to the South African music industry.

Box 2.12 Government or parastatal intervention in the United Republic of Tanzania

An example of policy support to the social conditions of artists and stability of the music industry is provided in the United Republic of Tanzania. In the 1970s and 1980s, the organization of some Tanzanian bands, some comprising more than 20 musicians, was taken under the wing of government or parastatal organizations. They owned the instruments used for practice and performance and employed the musicians as waged employees.

The musicians complemented this income with a percentage of the gate takings from their live performances.

Bands in the scheme included Mlimani Park, Tancut Alimasi, and Vijana Jazz, for example. Tanzanian musicians enjoyed a financial 'security' un-matched by any other country in the region. Employee benefits in these organizations included access to housing and health care.

Box 3.1 Independent-driven music industry in the United Republic of Tanzania⁹

Tanzanian producer Master Jay began making inroads in the country's music industry in the 1990s with his small studio built in a freight container in Dar es Salaam. During the third and fourth year of his university studies (in the UK), he befriended a studio-owner who introduced him to music and how to run a recording studio. He was taught theory of music and sound engineering by his friend, and went for a short course in sound engineering. While studying at university he was working in the university kitchen. He used his earnings to purchase the studio equipment. On returning to the United Republic of Tanzania in 1996, he had acquired all the equipment needed and opened a studio. He is aware that the local market for the industry is limited. For example, whereas a Tanzanian rapper will sell at most 40,000 tapes, in Kenya the sales figures go up to 100,000 tapes. He perceives this situation as linked to the much more established Kenyan recording industry, which started in the 1960s. The Tanzanian industry is only 10 years old. His entrepreneurial ambitions are to rise in the music industry by purchasing duplicating machines and then to participate in distribution.

⁹ www.africanhiphop.com

Box 3.2 Proposed set of key questions to facilitate strategic thinking in the music industry

Market

Who is our market? (What age? What gender? Where are they living? What do they do?)?

What income do they have at their disposal to purchase our product – whether CDs or cassettes?

How do we ensure that they spend this income on our products rather than on the competition (including local and international repertoire and pirated products)?

How do we generate a new market and increase our market share locally, in the region and internationally (what does this mean in terms of our relationship with different broadcasters)?

Raw materials

Who provides our raw materials – Artists, composers, performers and technical support actors (sound engineers, producers, designers...)?

How do we generate new “raw material” that corresponds to our demand (competitions, festivals...)?

What contractual and financial conditions are best suited to ensure that they are productive and dedicated (i.e. how can we contribute in fostering creation, and enable artists to focus on composition and/or performance)?

What skills training support do they require (in terms of artistic performance and lifestyle management)?

What management support do they require (financial management support, grooming, brokerage)?

What support do they require in terms of access to equipment and instruments?

Production facilities

How do we use existing recording and production facilities to manufacture our products?

What is the opportunity cost of developing our own facilities (independently or in coordination with other actors) as opposed to making use of existing facilities (locally, in the region or internationally)?

What steps can we take and what steps should others be taking to ensure greater accessibility to music equipment?

What quality can be achieved using different production facilities in respect of the expectation and purchasing capacity of our market (and what medium should we use – cassette or CD)?

Circulation and distribution

What circulation and distribution channels can we utilize to make our products more accessible and affordable to our market?

Should we develop our own circulation and distribution channels or should we co-opt existing channels (locally, regionally and internationally)?

How do we monitor the nature and extent of audience reception for our products (sales, airplay, competitions and awards, market research...)?

How do we use the feedback in terms of audience reception to refine our operational strategy in relation to our understanding of the market, our selection and development of artists, repertoires, genres and music products, promotion and advertising, production and circulation and distribution processes?

Partnerships and growth strategies

What strategic partnerships can we develop to ensure that our business interests are protected and promoted in terms of issues such as fighting piracy, developing copyright protection frameworks, capacity-building and skills training?

What complementary business partnerships can we craft to facilitate the growth of our business, in terms of relationships with broadcasters and the media, as well as commercial and non-profit organizations who have a stake in the media or that rely on the operations of the media to operate?

What can we learn from the factors that make informal and pirate processes successful, namely pricing of products and services and spatial accessibility to the market?

Trends, contextual impediments and opportunities

What are the global, regional, national and local trends affecting our business?

What do they mean for the growth of our business and that of our competitors?

How do we diminish the negative impact of contextual impediments to the growth of our business?

How are competing or complementary businesses responding to these impediments?

How do we maximize opportunities to leverage growth in our business?

What actors have a stake in these opportunities and how should we relate to these other actors?

Table 2.1 Summary overview of main characteristics of the music industry in the SADC region

Country	Recording industry	Live performance	Supportive initiatives*
Angola	Non-existent	Very limited – extreme paucity of live venues	N/A
Botswana	One label	Limited but some linkages with tourism activities (hotels and lodges)	N/A
Democratic Republic of the Congo	Intricate linkages with European labels, for production and distribution networks High piracy levels	Extremely active, supportive role for other economic sectors (hospitality), high levels of linkages with recording industry Linkages with local, trans-regional and international markets	Historically strong cultural awareness and nation-building drive during the Mobutu period
Lesotho	Non-existent	Some primarily in hotels	N/A
Malawi	Emerging and growing industry but high levels of monopoly in recording, production and distribution	Active and growing	Gin Music Competition New and effective copyright protection and collection system
Mauritius	No local industry, but linkages to Indian and European industry Emerging activities through electronic media	Strong primarily because of tourism industry	Strong government support to the arts and music education
Mozambique	Emerging industry, historical role of the national broadcaster High linkages with European and South African industries for artists seeking production opportunities High levels of piracy	High and competitive and supported by donor-funded centres	Historical role of government and more recently NGO's in promoting cultural activities National broadcaster's role in organizing competitions
Namibia	Strong linkages with the South African industry actors which has tended to undermine the local industry	Active, across musical genres and supported by donor-funded centres	Strong role of NGOs and companies in sponsoring events and festivals
Seychelles	Non-existent	Limited to tourism	N/A
South Africa	Historically active industry, with presence of global majors and growth in the number of independents (playing an important role in scouting new talent) Stagnating sales Some piracy	Fairly active, emergence of music festivals but lack of audience development Numerous venues with high quality equipment	Strong role of the State in developing growth strategy Role of copyright protection and collection agencies in education and capacity building in the region Role of NGO's in music education
Swaziland	N/A save for national broadcaster High levels of piracy	Active in hotels, few venues	N/A, high levels of censorship

Country	Recording industry	Live performance	Supportive initiatives*
United Republic of Tanzania	Emerging studios and labels Important role of the national broadcaster historically High levels of piracy (hub for pirate networks)	Extremely active and organized through large bands	Involvement of World Intellectual Property Organization Historically strong state support and promotion of the arts Organizational capacity provided to some bands Organized activity in Hip-Hop Broadcasters' competition
Zambia	New labels emerging since economic and political liberalization CD & vinyl pressing plant Some piracy	Highly active in motels, hotels	Role of the musicians union in supporting live performance New copyright protection and collection system
Zimbabwe	Historical activity currently experiencing strain because of political situation, but still fairly active and growing through changes in operational strategy or recording actors	Fairly active industry with several festivals, although currently under strain	Strong initiative in operational shift of the music industry to support informal distribution processes, make music more affordable and stamp out piracy New copyright protection and collection legislation and framework Role of NGOs in providing access to tools of the trade Music competitions and festivals

* In the majority of these countries, the World Intellectual Property Organization has been involved in numerous activities related to the updating of intellectual property systems, human resources development, promotion of creativity and innovation, and information technologies

Note: N/A = not applicable.