# The Effects of Globalisation on Music in Five Contrasting Countries: Australia, Germany, Nigeria, the Philippines and Uruguay

Richard Letts
Music Council of Australia
Principal Investigator

Investigators:
Australia: Dr Jock Given and Dr Richard Letts
Germany: Hannes Gmelin
Nigeria: O'Dyke Nzewi
Philippines: Elmar Ingles
Uruguay: Gustavo Goldman

## INTRODUCTION

The ManyMusics program of the International Music Council is concerned with fostering musical diversity across the planet.

There is not a lack of musical diversity. Every one of thousands of cultures has music that is distinctive and an important aspect of its identity.

The ManyMusics program would not have been undertaken were there not a perceived threat to this diversity. The perceived threat comes from "globalisation" in its current manifestation.

The urgency felt in this present phase of globalisation probably results from its pace and pervasiveness. In music it is there for (nearly) all to hear in the market and share-of-mind dominance of international popular music promoted across the globe mainly by five transnational record companies based in Europe, the USA and Japan. This music is seen to spread at the cost of local musics.

This small project seeks to shed some light by looking at circumstances in five contrasting countries – Australia, Germany, Nigeria, the Philippines and Uruguay, to see to what extent globalisation works differently in differing circumstances.

Because we could not know these differences in advance of the study, the investigators were invited to answer general rather than precise questions about the structures of musical life in their countries, the role of governments, international trade and exchange of music, and the effects of globalisation with special regard to the actual or potential effects of trade liberalisation treaties. Their reports differ greatly and show the aptness of the approach.

## CONTRASTING COUNTRIES
These are indeed contrasting countries.

| COUNTRY | LOCATION | POPULATION Millions | AREA Sq kms | GDP US$ | GDP/CAP US$ | CULTURE |
|---|---|---|---|---|---|---|
| AUSTRALIA | South Pacific | 20 | 7,670,000 | 528bn | 27,000 | Anglo + multicultural + indigenous |
| GERMANY | Europe | 82 | 350,000 | 2,184bn | 26,600 | European/German |
| NIGERIA | Africa | 133 | 924,000 | 114bn | 875 | African tribal + English |
| PHILIPPINES | SE Asia | 85 | 300,000 | 356bn | 4,200 | Filipino + Spanish + American |
| URUGUAY | S America | 3.4 | 176,000 | 27bn | 7,800 | Mestizo |

## STRUCTURES OF MUSICAL LIFE

There is musical diversity between and within the five countries, although international popular music has a strong hold in all of them. It dominates in all but Nigeria, although in Uruguay there is very strong audience support to various South American styles. In Nigeria, the musics of the 250 ethnic groups remain strong, especially in the countryside, but there is strengthening international influence in urban areas. This seems roughly to be the case also in the Philippines, although for centuries the Philippines has been absorbing the music of its colonisers and trading partners and producing local variants. Australia is the country with the largest immigrant population, and the musics of hundreds of immigrant cultures can be heard, along with the full range of other western styles, albeit for small audiences.

Overall, the situation of music in Nigeria seems to be the most different among the five countries: it is still a cornerstone of traditional life and rituals; at the same time, there are newer, small-scale commercial practices and structures which carry particular musics beyond the audiences of their own ethnic groups, and also bring international styles to local audiences.

In Australia and Germany at least, there are fairly distinct for-profit and non-profit sectors, the latter comprising professional subsidised activity and amateur activity. Subsidies go mainly but not exclusively to classical music, although it has broadened to other styles in Australia and there is discussion of the issue in Germany.

In different ways, support to indigenous music is an issue in Nigeria, the Philippines and Australia. It is the core of musical life in Nigeria. Its preservation is of concern in the Philippines as rural areas face westernisation and urbanisation. In Australia, indigenes account for only 2% of the population; their arts, including music, are a means of reassertion and livelihood.

## RECORDING INDUSTRY

More than 80% of the US$38billion revenues of the global record industry go to the five "major" transnational record corporations based in Europe, Japan and the USA. They themselves are artefacts of globalisation. The majors have a dominating presence in all of our five countries except Nigeria where, significantly, they closed their offices in the mid-1990s because piracy had made business untenable.

The majors carry an international pop music across the globe, altering and homogenising musical preferences of audiences in most countries. This is the most obvious and most resented face of globalisation in music.

For a small number of artists including artists in developing countries, the majors have provided a means of access to the international market – although, artists are frequently unfairly exploited.

It is through recordings, mostly from non-majors, that music of one culture is most often heard in another. Never so various or widely available, they make the experience of musical diversity available to billions of people.

The recording industry can be a significant factor in economic development in developing countries, as an element of domestic and then, possibly, international trade; Jamaica with its reggae music is an example.

Generally, only when the recording industry in a developing country is financially viable is that country of interest to the majors. They may then move to active marketing of the international repertoire and possible take-overs of local companies.

The internet is becoming a means by which individual musicians and music groups can reach a global audience directly and bypass the record industry.

Possibly in reaction to the perception of global musical homogenisation, local recordings' share of market has been increasing – from 58% in 1991 to 68% in 2001. The increase is strongest in Asia. Removing anomalously high figures from the US and Japan, the 2001 figure becomes about 40%. Local share in the markets of our five countries:

Australia: 28%
Germany: 40%
Nigeria: 65%
Philippines: unknown
Uruguay: 19%

These are locally released recordings, but the repertoire may be the international hit parade. They may not be recordings of local music or musicians.

Global record sales have been falling since around 1998. The industry mainly blames piracy, which comes in two forms: the unlicensed manufacture of physical copies of recordings, and unauthorised internet "file-swapping"; in neither case are royalties paid. Piracy itself is a global phenomenon and an element of international (illicit) trade.

The internet and internet piracy are likely to cause a major restructuring of the record industry with consequences that cannot yet be predicted.

## BROADCASTING AND LOCAL CONTENT QUOTAS

Radio is the principal medium for broadcasting music as the primary focus of attention. All five countries have both government and privately owned radio stations.

All countries excepting Germany have legislation or regulations requiring that some minimum percentage of time devoted to broadcast of music, or minimum number of tracks per hour, should be devoted to performances by local musicians. The quota requirements are in the area of 25-30%. The 80% requirement in Nigeria is exceptional. Some other countries have higher quotas: e.g. France, 40%, Canada up to 35%. The situation in the Philippines and Uruguay shows that legislation or regulation is an empty gesture unless there is active implementation and enforcement.

The purpose of quotas as stated in the Philippines: they ensure that the public has access to local musical performances; they are intended to build record sales of local music and thereby create cause for increased production. Australian policy states that they are intended also to support the development of local culture and national identity.

The perceived need for these quotas has arisen from a dearth of local music in broadcast music programs or its displacement by foreign music and more specifically, the international hit parade.

Of the local music broadcast, much is comprised of performances by local musicians in the popular international style or variants thereof. Quotas may not do much to broaden the listeners' experience of musical diversity. So support for local content quotas may become support for local participation in the international styles, rather than something more broadly embracing.

The Music Council of Australia is conducting a separate study to explore the link between quotas and record production and sales. The evidence is clear enough.

Quotas are especially important in the context of this inquiry, because they may be the target of trade liberalisation advocates, notably the United States. The free trade argument against quotas is that they exclude foreign suppliers from designated broadcast time and so give an unfair trading advantage to local suppliers.

Government can set quotas as a condition of the allocation of a scarce resource, the broadcasting spectrum, to broadcasters. However, scarcity of spectrum disappears when broadcasts or narrowcasts are made over the internet. It is difficult to see how local content quotas can be imposed on content emanating from another territory.

## GOVERNMENT INTERVENTIONS

All five countries have cultural policies of lesser or greater complexity implemented by governments at all levels. In Germany and the Philippines, governmental responsibility is specified in the constitution, in the other countries in the laws and regulations. Germany goes so far as to pronounce itself a "cultural state", so carrying cultural responsibility into the fundamental identity of the country as embodied in its government. Compare this with, for instance, the USA, where the existence of the federal government's only authority with a specific and exclusive commitment to the arts is occasionally challenged in Congress. In multi-ethnic Nigeria, national policy seeks to produce national unity; the 36 states are responsible for supporting local cultural identities and practices..

In the cultural area, it is the interventions by governments giving preference to nationals over foreigners that are the main subject of challenge under trade liberalisation procedures. This will be addressed below.

## INTELLECTUAL PROPERTY

All five countries appear to have signed the major international intellectual property conventions, although the Uruguayan Investigator has not specifically confirmed this. Nigeria and the Philippines have not signed the Convention for the Protection of Producers of Phonograms against Unauthorised Duplication of Their Phonograms, which may link to the runaway piracy in their territories. There is in any case an issue around the vigour with which the conventions are implemented in each country.

The Philippines enacted the Intellectual Property Code of the Philippines in 1998. Although praised by international IP experts as one of the most comprehensive IPR laws in the world, the USA finds fault in it and has upgraded the Philippines to its "Priority Watch List", a move much resented. The Philippines is convenor of a group of WTO members that seeks to ensure that public policy will prevail over private interests, especially monopolistic and anti-competitive private interests.

Australia expects a number of IPR requests from the USA in its negotiation of an Australian/US free trade agreement. So far as the cultural sector has anticipated these requests, it sees them as strengthening IPR and does not object to them.

## POLICIES FOR MULTICULTURALISM

The movement in support of musical diversity is interested in protecting cultural diversity as between countries by ensuring that each country has the right to foster its own culture and not have it overtaken by foreign cultures under trade rules. This motivates advocacy for an International Instrument for Cultural Diversity.

This movement also advocates the appropriate support of cultural diversity within each country's borders. This is more difficult territory, since whether motivated by justice or domination, some governments struggle with divisions within their communities.

The distinct cultures within a country may be associated with indigenous peoples or with the relatively recent influx of immigrant peoples.

In Nigeria, cultural policy affirms the cultural identities of the 250 indigenous ethnic groups that make up the population. Australia's indigenous people account for only 2% of the population. There has been government support for a powerful stream of indigenous arts production.

Among the five countries, it is Australia where ethnic diversity results mainly from immigration. Official policy has encouraged immigration since shortly after the Second World War; 25% of the Australian population was born elsewhere. In recent decades immigrants have been served by a policy of multiculturalism including subsidies to "multicultural" arts, especially the arts of non-English speaking peoples.

In Germany, the population is 91.5% German. Ethnic issues have been mostly a matter of local concern in the cities and there has been little policy interest at state or federal levels.

## SOME OTHER EFFECTS OF TECHNOLOGY

*Internet.* Then internet has been taken up in all five countries, with these percentages of the population using the internet: Australia, 58% (93% of users under 20 years); Germany 39%; Nigeria, less than 1%; Philippines, 6%; Uruguay, 12%. Clearly there is a serious "north/south divide". The potential for the global reception and distribution of music has been noted. Individual musicians have the opportunity to find a personal international following.

*Digital production of music.* Digitally produced music is changing musical tastes (dance music, electronica). It is putting live musicians out of work; film scores are often produced ditigally with no or minimal imput from live performers; pub and club performers, even buskers, now provide themselves with a digital accompaniment and dispense with the band. The technologies are mainly developed in the affluent countries and transferred to the less affluent.

*Movement of peoples.* There is unprecedented ease of movement of people around the globe, whether intentionally as tourists or migrants or unwillingly as refugees. When people move, they carry and to greater or lesser extent transmit their cultures with them, and they absorb elements of the cultures newly experienced. When they move in large enough numbers to a particular location, its culture is bound to change.

## ACTUAL OR POTENTIAL EFFECTS OF INTERNATIONAL TRADE LIBERALISATION AGREEMENTS

The current emphasis in trade treaties is to "trade liberalisation", that is, to free international trade from "trade-distorting" interventions by governments that favour local over foreign providers.

Some common examples of such government interventions:

- subsidies, or limits on the access to subsidies by foreigners

- mandatory local content quotas e.g. on radio or television

- screen quotas in cinemas, setting a minimum quota for local films

- reserving broadcast spectrum on special terms for national or community broadcasters

- limitations on foreign ownership of local cultural entities e.g. broadcasting systems, press, film distributors

- government ownership of local entities such as e.g. broadcasting systems

- co-production treaties with particular foreign countries (film); these give national treatment to those countries, but not to any others

- government procurement practices favouring local providers over foreign providers

- immigration treaties or visa regulations to ensure some preference to local artists

- tax credit systems that favour local over foreign artists or entities.

Usually, the viability of cultural activity depends on such support (to overcome "market failure") and its removal may imperil the activity.

All five countries practise such interventions. All subsidise cultural activity. Four of five have local content quotas for broadcasters. At least two countries have some regulation of foreign ownership of the media. All have government broadcasting systems. Those systems may give preference to commissioning local producers. Australia has visa regulations for visiting productions requiring the inclusion of local musicians and Uruguay has special tax provisions on foreign productions to transfer benefit to local artists.

There are strong government policies in at least the Philippines, Nigeria and Australia in support of the expansion of free trade. Nigeria looks back to a history of trade restrictions and the damage they have caused. The Philippines has experienced very positive development in its economy as it adopted WTO reforms. Australia sees its current economic resilience as resulting from removal of tariffs, the floating of the currency and other such measures.

All five countries are members of the WTO and therefore have the opportunity to make offers and consider requests in the cultural area, especially under the General Agreement on Trade in Services GATS, and Trade Related Aspects of Intellectual Property TRIPS. All are parties to regional agreements: for instance, Uruguay in Mercosur and the American Free Trade Agreement AFTA; the Philippines in ASEAN; Nigeria in the Economic Community Of West African States ECOWAS; Germany to the trade aspects of the EU; Australia to APEC. All are signatories to bilateral agreements.

Many governments now argue that "culture is not a commodity like any other", that every country has a right to sustain its own culture by intervening in the market if necessary, and that culture should be removed from the negotiation table in international trade agreements (the "cultural exemption").

There are varying levels of consciousness in our five countries about the implications of free trade agreements for local cultures. They are on the agenda in Germany in part because of the activity of the EU in establishing cultural policies. Germany has become a vocal supporter of the proposed International Instrument for Cultural Diversity. Australia's current negotiation of an agreement with the USA so threatens the cultural sector that cultural protection has become a public issue.

The position in the other three countries is less clear. We have a statement from a municipal official in Montevideo recognising the importance of these issues but no indication of the national government's position. From our information, any recognition of the issues is found in the cultural sectors but not in the governments of Nigeria and the Philippines.

A proposal has been put to UNESCO by a network of national cultural ministers to draw up and auspice an international agreement in support of cultural diversity, as a "standard-setting instrument" in the context of international free trade negotiations. The General Conference will vote on this in October 2003.


**Possible Actions**

It is in the interests of IMC members that their governments should be free to support music and culture of their own countries. Whether or how governments choose to exercise the right is not in question ˆ excepting that it would be expected that they observe the normal human rights and freedoms and are open to cultural exchange with other countries. It would be appropriate for IMC to take an appropriate advocacy role internationally in support of this right and of musical diversity between and within countries. The IMC also has a role in advising member organisations so that they are better equipped to undertake an advocacy role in their own spheres of influence.

It is suggested that IMC explore the possibility of establishing a means of providing developing countries with highly skilled advice to support development and implementation of music policies and music industries. The purpose would be to assist them in clarifying and realising their objectives for musical development and reducing some of the "north-south" disparities hinted at by this study. IMC has long shown its interest in special projects for developing countries. Such an initiative could constitute a more strategic approach to such assistance.