THE LATIN AMERICAN MUSIC INDUSTRY IN AN ERA OF CRISIS

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Paper prepared for The Global Alliance for Cultural Diversity
Division of Arts and Cultural Enterprise
UNESCO, Paris.
With the support of the
UNESCO/Finland Funds in Trust Cooperation project
"Financing Resources and Economics of Culture in Sustainable Development"
November 2002

THE GLOBAL ALLIANCE FOR CULTURAL DIVERSITY TOOLS

UNESCO's Division of Arts and Cultural Enterprise would like to introduce the second in its series of tools for the use of Global Alliance members, designed to help them effectively promote cultural industries. Those engaged in cultural industries, above all in running or planning for the growth of micro and SMEs, have an urgent need for information, both on the practical aspects of their enterprise and on the broader outlook for the industry within which they are working. This need has not hitherto been well met, either because it involves independent global analysis or conversely attention to the specific concerns of micro and SMEs. Global Alliance tools will address this problem both with 'how to' guides that outline how to run SMEs successfully (writing business plans, dealing with intellectual property concerns, setting up collecting societies) and broader pieces of effective analysis on world and region wide trends in cultural industries. Other tools will provide perspectives for public policy makers that might not otherwise have been taken into account (a paper for instance comparing public policy measures in Europe and their market effect). The first in this series of tools is a set of analyses on current trends in the music industry. A main paper analysing the state of the global market for music is complemented by a set of regional studies on Latin America, South East Asia and Africa, so that local operators have a bigger picture and policy makers can formulate growth strategies that make sense both locally and internationally.

All these tools constitute a valuable extension of the work of UNESCO's Global Alliance for Cultural Diversity, a six-year initiative launched in January 2002 to help safeguard and promote creativity in all the varied forms it takes around the world. The Alliance recognises above all the social and economic value of creativity when incarnated in cultural industries, which include books and publishing, music production, cinema, video and other audiovisual industries, craft and design. It believes that societies need to develop their cultural industries as vehicles for their creativity and their vision of the world and that they are therefore an integral part of that cultural diversity without which we would all be the poorer.

Promoting cultural industries, especially those in the developing world, requires meeting a whole range of needs, from the initial creative act to production and distribution. The Global Alliance therefore recruits partners from a whole range of stakeholders, including governments, non-governmental and international organisations, industry associations and cultural enterprises themselves, to work on projects to supply necessary skills and resources. Partners from the Alliance's extensive network (over 140 members to date) are already or soon to be engaged in over 20 projects of differing scale and nature, all of which will create end to end strategies for the growth of cultural industries. They will share technological expertise, training in business skills, assistance in assessing markets and policy making resources to help cultural industries better satisfy domestic and regional markets and figure more competitively in international markets. The methodology acquired by the Alliance from these pilot schemes (notably those in Algeria, Lebanon, Uganda and Zimbabwe) will result in a large increase in the number of projects it undertakes from Autumn 2003. Specific projects aside, the Alliance is also determined to work with other agencies and its partners for a more vigorous enforcement of copyright through a legal framework without which those engaged in cultural industries will never obtain fair recompense for their creative efforts.

For more information consult www.unesco/culture/alliance or email globalalliance@unesco.org

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ABSTRACT

This essay is intended to update and amend Georges Yúdice's (1999) study of the Latin American music industry. While the 1999 study aimed at comprehensive coverage, it approached its topic from the purview of the global music industry, giving short shrift to local production and distribution in the sense of local we define below. This was due in part to the context in which the study was commissioned: the role of culture industries in regional integration projects. In keeping with this mandate, Yúdice protagonized the success of the music industry in countries like Brazil, Mexico, Argentina, and Colombia – the four largest markets in descending order -- and the sitting of the majors' headquarters for the region in Miami from the late 1980s through the late 1990s. Additionally, he analyses how Miami continues to be a central place for the US Latino Music and entertainment industries as well as the most stable convenient site for managing Latin-American regional offices. In fact, the deepening of the economic crisis in Latin America is likely to spur further growth in Miami for this and other culture industries. Ana María Ochoa, who has authored ethnographic research on local music production and distribution in Colombia and Mexico, as well as on so-called World Music, and Yúdice take the opportunity here to give a glimpse of what local musicians and producers can do both when they are up against the global players and when they can partner with global brokers who offer their collaboration in a gesture of solidarity.

Such a study can only be preliminary and cannot offer hard data, for there simply do not exist any reliable statistics regarding what we discern as truly local production in Latin America and the Caribbean. Indeed, sometimes there exist no statistics whatsoever. Hence, the reliance on ethnographic research that must necessarily be highly selective and does not pretend to provide universal coverage.

LET THE GOOD TIMES ROLL

Just five years ago, the Latin American music industry was considered the fastest growing sector of the global entertainment economy. Table 1 shows the dramatic rise of music sales, which doubled from 1981 to 1992 and then nearly doubled again by 1996.

Table 1: Growth of music sales from 1981 to 1996

1981	1992	1996
$12.000M	$24.000M	$40,00M

This rise and the introduction of new technologies (particularly CDs), and content sources (hip-hop, Latin music) that spurred it along led analysts, labels and producers to wax enthusiastically about the music industry in general. More specifically, a Latin Boom emerged at this time that fuelled expectations of unending growth. We are really discussing several regional markets (at the very least, Brazilian, and especially Spanish American, and U.S. Latino) that were confused in these predictions. One growth factor that they had in common was the slow rate of penetration of CDs into these markets, which left much room for an increase in that rate. CD sales did in fact rise, from 2.1 percent (1991) to 8 percent (2000) of worldwide sales. Moreover, it was thought that the Latin Boom, both from Latin America and especially the U.S., would continue to find new international markets.

Music's Got the Blues

By the end of 1998, however, the Brazilian economic crisis had begun to dampen expectations that the largest Latin American market – then seventh in the world -- would provide the impetus for continuing growth in the region. Since then, the economic downturn has seen Latin America follow the footsteps of other declining markets. Worldwide, music sales fell to US$ 37 billion in 2000 and even further to US$ 33.7 billion in 2001 (IFPI 4/16/02). These figures dropped an even more precipitous 9.2 percent in value for the first half of 2002 (IFPI 10/10/02). CD sales, the remaining hope of the music industry, were down by 5 percent in 2000 and 7 percent in 2001. Analysts attribute the fall to global economic weakness, piracy and new digital technologies that enable easy home download. To these we might add the very strategies of the *majors* as well as the transformation in the nature of music access and consumption. For example, anti-piracy encryption technology actually discourages buying of CDs. Moreover, the high prices of CDs relative to income, particularly in developing countries such as those in Latin America, actually encourage piracy.

According to IFPI, mass commercial piracy combined with economic crises affected every country in Latin America, with Argentina standing out as the most spectacular case of economic and political collapse. It suffered a drop of 30 percent in music sales in 2000, and a catastrophic blow of 75.9 percent in the first half of 2002 (IFPI 10/10/2002). As explained in Yúdice (1999), when the economy is bad the entertainment industry suffers more acutely than others. Brazil, for example, went from sales of US$ 1.4 billion in 1996 to US$ 724.7 million in 2000 and US$ 540 million in 2001. In 1996, Brazil was the sixth largest market; at the end of 2001, it dropped to twelfth (IFPI 9/5/2002). Fortunately, the first half of 2002 saw an increase of 7.1 percent in value and 18.7 percent in units (IFPI 10 Oct. 2002). But even with that increase, Brazil is far from its peak in 1996. All other markets, except for Chile which saw a rise, are also significantly depressed. Mexico, for example, dropped an additional 15 percent from 2001 in the first half of 2002, and Argentina a catastrophic 75.9 percent

Table 2: 2000 Latin America Music Industry Statistics
[based on *The Recording Industry in Numbers* (London: IFPI, 2001) and other sources]

Country	**Population**	**Per capita**	**Units**	**Value US$ 2000**	**2001**	**Piracy %**	*Domestic repertoire
Brazil	170.4	3,364	104.3	724.7	540.0	55%	75%
Mexico	98.9	5,604	67	665.9	500.0	60%	46%
Argentina	16.0	7,779	16	171.2		25-50%	50%
Colombia	42.1	2,079	13.8	107.8		25-50%	31%
Chile	15.2	4,727	7.1	65.8		35%	16%
Venezuela	24.2	5,038	4.3	53.2		25-50%	12%
Central America	36.0	1,815	3.4	38.9		25-50%	4%
Uruguay	3.3	6,093	0.6	12.0		25-50%	30%
Peru	25.7	1,930	1.6	10.7		Over 50%	21%
Ecuador	12.6	988	0.7	7.8		Over 50%	*30%
***Bolivia	8.3	1,107	0.5	4.6		Over 50%	22%
Paraguay	5.5	1,309	0.4	2.4		90%	20%
****Other	…	…	…	…		…	…
Total			**219.3**	**1,864.9**			

IFPI's repertoire statistics are misleading since they do not separate regional Latin American from other International repertoire, thus making unavailable the percentage of Latin American music sales. **This Ecuadorian repertoire figure is from 1995. * Bolivian statistics are for 1999. **** A few countries like the Domínincan Republic, are left out of IFPI, and therefore, this table.*

Local/International Repertoire and the Structure of the Music Industry

Industry reports waxed enthusiastic about the growth in local repertoire, which rose worldwide from 64 percent in 1997 to 67.5 percent in 2001. Indeed, Jay Berman, CEO of IFPI, boasted that "the music industry in the 1990s showed its true face as a worldwide investor in local culture. (IFPI 10/17/02). While these reports no doubt make reference to local artists, they are nevertheless misleading. In the first place, the averages are high because they include the U.S.'s whopping 93 percent share of local repertoire, which skews the world average, since the U.S. has a 40 percent share of the world market. As is well known, foreign musics do not fare well in the U.S. The one exception, aside from British pop, is Latin music, which has a 5 percent share of the market. We briefly discuss this market below.

The other reason why the high percentages of local repertoire are misleading is that much local music is produced and distributed by five global companies that control approximately 90 percent of all music sold (Yúdice 1999). Moreover, there is a confusion over what is local and international; in a post-nineties world of mergers and acquisitions, it is no longer clear that high local repertoire means production and distribution by local companies. Brazil, for example, may have 75 percent local repertoire but in this largest Latin American market, most music is controlled by the majors. The point, of course, is that the growth of major-controlled local repertoire is what enables the industry to thrive organically in all regions and countries of the world (IFPI 2001: 3). As we discuss below, this has contributed to the difficulties experienced by independent record labels. Add to that the blows suffered from piracy and digital download, and one readily appreciates the dire straits of music markets for local producers and most musicians who aspire to make a living from their art.

US Latino Market

The confusion that the music industry promotes with respect to Latin music – are we talking about Latin American or U.S. Latino musicians? – is another reason why the very notion of local repertoire is a faulty one. Are Ricky Martin, Jennifer Lopez, Marc Anthony, Shakira, Enrique Iglesias, etc. Puerto Rican, Colombian, Spanish or Miamian? From the perpsective of the majors, Latin music has been fully transnationalized, to the point that the Tigres del Norte or Vicente Fernández and his son Alejandro are as much "regional Mexican" as they are Mexican.

Table 3: U.S. Latino Market (based on IFPI, RIAA and other industry reports)

	1996	1997	2000	2001
US Latino	36.1M units $391.7M	44.1M units $490.0M	$608.5M	$642.6M

Table 3 shows that Latin music sales climbed 25 percent in 2000 (although the overall market dropped by 3 percent). Despite a CD sales drop of 6 percent in the general U.S. music market in 2001, the Latin market had 9 percent increase in CD sales and an overall rise of 6 percent, to $642.6 (RIAA; Buckley 5/5/2002).

Aside from the confusion between Latin American and Latino musics, the U.S. Latino market is undergoing a crucial transformation, perhaps more in taking stock of reality than in reality itself. It is no secret that U.S. Latino music has largely meant the kind of pop associated with Jennifer Lopez, Marc Anthony, Ricky Martin and the like, or with so-called tropical music (salsa and kindred genres). New York and Miami are the capitals of this kind of pop and tropical, but when the Recording Industry Association of America (RIAA) – the music industry's trade organization — began dividing Latin music sales by genre in 2000, they discovered the overwhelming sales dominance of the Mexican regional market, which is based in California and the Southwest, particularly Texas, and generates 60 percent of the US$640 million market for Latin music sales (Fu 2002).

How could it be otherwise when over 65 percent of U.S. Latinos are Mexican-Americans or Mexican immigrants? The strength of regional Mexican music sales means that Los Angeles is increasingly poised to wrest control of the Latin music industry from Miami. LA is the headquarters for Univisión, which opened there in April 2001 and quickly captured 39 percent of the Latin music market, in part through its acquisition of successful indies like Fonovisa and Disa (Chang 2002). Given the strength of this market and its ties to Mexico, which has the second highest piracy rate in Latin America, it is not totally surprising that Latin music should account for 24 percent of all “illegal product” seized by the RIAA and the police forces (including Interpol) that work with it (Fu 2002).

Piracy

According to IFPI, the volume of illegal music sold worldwide in 2001 was about US$ 4.3 billion, including 500 million units of pressed pirate CDs, up from 475 million in 2000. The total volume of pirated units (including CDs and cassettes) sold in 2001 was 1.9 billion units. This means that almost 40% or 2 out of every 5 of all CDs and cassettes sold around the globe are pirated copies. Discs (as opposed to cassettes) now comprise 51 % of all pirate sales (IFPI 2002).

Profits from piracy in Mexico alone totaled $360 million, a 17 percent increase from 2000 to 2001. At the same time, legitimate music sales fell $165 million, to $500 million. In Brazil, pirates sold $400 million, or the equivalent of 55 percent of the 2000 $724.7 million in the legal music market. Other Latin American countries that are said to have a piracy rate above 50 percent are Bolivia, Central America [sic], Colombia, Ecuador, Paraguay, Peru and Venezuela. Argentina, Chile and Uruguay are said to be in the 25 – 50% range of illegal sales (see Table 2). As one reporter states, “in some countries, there's virtually no legitimate industry” (Buckley 2002).
As of 2001, IFPI’s priority has become “fighting music piracy” and it invited governments to join the fight giving three reasons: “The greatest victim of piracy is local culture (...) Piracy nurtures organized crime (...) piracy acts as a brake on investment, growth and jobs” (IFPI 2001). However, discussions on piracy do not necessarily converge on this positive image of the industry.

Discussions on piracy tend to center on either viewing it as the greatest threat to the music industry or, on the contrary, on seeing pirates as a type of Robin Hood, who frees music for the people, music that has been sequestered by the majors’ oligopolistic practices. In the first scenario IFPI and its companies invoke a series of solutions: legal and police crackdown on piracy in alliance with governments, production of new technology such as the Super Audio CD produced by Sony and Phillips which cannot be copied by any piracy process known today, the use of copy control logos for CDs, entering and controlling the on-line music business, and updating copyright treaties to include internet exchange of music. Arguments that center on seeing piracy as a Robin Hood phenomenon insist on the excessive control of the oligopolistic tendencies of the majors as one of the causes of piracy, on the presence of illegal practices within the industry such as payola or price-fixing worldwide, on the disproportionate chasm between CEO’s salaries and those of regular people. Indeed, the prices of CDs are way beyond the buying capacity of the vast majority of people in the world. Hence the market for illegal product. Critics also question the fact that the industry profits from the sale of CD-Rs and copy equipment (Bishop 2002).

Undoubtedly, part of the struggle of the majors is to keep control of the industry in their hands. But when viewed in the light of the crisis piracy is generating among independents, this either/or argument fails.

Independents are currently trapped between piracy and the oligopolistic practices of the industry. Artists as well. Joselo, one of the musicians of the Mexican rock group Café Tacuba, sees as one of the group's options a return to making a living from live performances and not from selling records (Hernandez, 2002). Research in Mexico, Brazil and Colombia shows that artists feel that their music business has never been under such a tremendous threat as now. In fact, many companies feel that if things do not change they are going to have to close down.

Piracy therefore has to be understood in the context of a drastic change in modes of communication in music provided by new technology that will probably alter the structure of the music industry as we knew it in the twentieth century but also in the context of a cultural economic order where legal and paralegal practices of the music industry are at play in an increasingly tense and critical way.

Technology

The advent of digital technology at the beginning of the 1980s is regarded as a crucial moment of transformation in the history of music. It is the latest episode in a history of developments that have changed the way music communicates: musical notation in the ninth century, movable types in the sixteenth, the phonograph at the end of the nineteenth century and digital technology in the 1980s. The current crisis that the industry is undergoing, due in part to the effects unleashed by the possibilities of digital technology, cannot be viewed simply as an economic matter but rather as a profound change in the way music is stored, produced and consumed (Taylor 2001). Perhaps the most drastic change is that consumers are becoming producers.

Transformation in digital technology coincided with profound economic changes following the crises of the 1970s that gave way to what Toby Miller has called a New International Division of Cultural Labor. In the music industry this has meant not only the growth of multinational corporations and the concentration of music production and distribution in these corporations, but also the emergence of thousands of independents worldwide, of multiple venues of self production that do not go through the system of the industry and of multiple forms of piracy: from large scale mafia type organizations to personal downloading of music via the internet. What we have in the music industry is a double movement: on the one hand the monopolization of music production and rights in the hands of the majors but on the other hand the fragmentation of forms of production in such a way that the structure of the industry itself is being challenged. Current changes in the industry and its crisis have to be understood within this framework of overarching transformation.

Independents

Since the 1980s the number of independents worldwide has multiplied. An independent is basically defined by not being one of the majors. Beyond that the culture of production of independents varies greatly from one to the other. They may be companies with hundreds of records in catalogue, well established international transactions, and a steady rate of production. Such is the case for example of the Colombian independent MTM, which today distributes Putumayo in Colombia and has produced artists such as Totó la Momposina or Tonio Arnedo, the best known Colombian jazz artist. Or they can be small with few recordings and that may deal primarily in face to face distribution of their products. Such is the case for example of Discos Ehecatl in Mexico, which produces contemporary Meso-American music, but has a small catalogue of between ten and twenty recordings. Within this range, all sorts of variations in structure can take place. There are, however, some generalities in the characteristics of independents that we can point out.

- Independents frequently function as family affairs. The mode of production is thus often linked to a personal relation to the music being produced – a special interest in a particular musical genre, the search for unknown talent as a politics of the company, a political commitment to some form of music. This has several implications. On the one hand, the balance between the economic interests of the company and the personal / musical agenda is often not easy to maintain. On the other, independents are interested in the national sphere in a way that majors are not. Let us contrast two examples.

The record company Discos Corasón from Mexico was created in 1992. However, the history of Discos Corasón goes back to the early 1960s when one of its founders, Eduardo Llerenas, a physicist by profession, started recording Mexican regional musics in different parts of Mexico. He did this out of a personal aesthetic liking for these musics and out of a conviction that these musics deserved to be as well recorded as any other music. He met Mary Farquharson, the other founder of Discos Corason in the early 1990s. Farquharson had been involved in the foundation of world music as a marketable category in England in the 1980s. As such, the company combines the interest in regional traditional musics in Mexico and the Caribbean and today, also Africa, with a politics of distribution that is carried out within the world music global market. Although at this moment they only sell in Mexico, they do establish tours for their artists in France, England and throughout Mexico. They are responsible for bringing African artists to Mexico, thus establishing a musical exchange between Africa and Latin America, that does not go through the First World or through major corporations. The Costa Rican NGO and production company InCorpore does something similar, disseminating Afro-Central American and other local musics within the region, without breaking into the international market (InCorpore; *Hamalali Garinagu* [1999], *Pasión* [1999]; *Afro Caribe* [2001]).

By contrast, a company such as Discos Pentagrama, also from Mexico, was founded in 1981, linked in large measure to the history of the New Song Movement in Mexico. This can be seen in the production of artists specifically related to this movement such as Oscar Chávez and Amparo Ochoa from Mexico and to its distribution of artists such as Daniel Viglietti or Víctor Jara. One can also see this in some of their language linked to their recordings of regional Mexican music. Pentagrama sees itself as part of a process of musical recuperation and documentation, linked to local musics. This language of musical recuperation was largely developed in the 1970s in relation to The New Song Movement and the transformations in folkloristics that it generated. They thus consciously see themselves as participating in a politics of documentation and recognition of local music cultures. But their catalogue of more than 500 records is not limited to these productions. They also distribute musicians associated with the rock movement in Latin America and other musics from Argentina and other countries. Their catalogue consists of more than 500 records, most of which are never put on display in a music store (Catálogo Pentagrama). As such, in contrast to the majors, the national space continues to be a crucial framework for musical production and for cultural politics. However, this relation to the national is not necessarily linked to a patrimonial framework of mind, but rather to a communicative conceptualization of music, where making local music known and heard becomes crucial to the politics of music production.

- Independents cannot be considered as an isolated phenomenon. Rather they are closely linked to other venues of cultural and music production such as cultural centers of the states or NGOs and to specific artists. They are thus part of a network of cultural policy that is addressed to small scale production. Relations between the different participants in this network are not necessarily easy. Institutions as varied as ministries of culture, record companies and artistic organizations often come from totally different cultures of production and the mediation of these relations is becoming more important in the current crisis.

For example, in Mexico one of the largest producers of Native American Music is the Instituto Nacional Indigenista. However, the recordings available are distributed mainly via a network of indigenous radio stations, also promoted by the INI. It is almost impossible to buy these recordings. Although one can buy them at the offices of the INI in Mexico City, they are not found in record stores. Rather, record production is seen as part of a process of recognition and support of Mexican Native American cultures and musics. Today, the INI is currently giving technical training to the people who handle the radio stations throughout the country, thus trying to develop an awareness of radio stations as musical archives. But this is a totally different circuit from that of the production of the independents. Thus, although the INI also works from a conceptualization of music as a communicative process, it does so distinguishing the economic dimension from the politics of cultural development. Within this framework, independents and cultural agencies from the state coexist side by side but are marked by totally different cultures of production, making it difficult to establish interactions among them.

Another issue that frequently comes up is that many independent companies record musics that are of little capital or social value within the history of the nation-state. As such, they often place themselves at odds with the history of musical recognition within the framework of the national cultural politics of patrimony. The rise of independents is thus at the crux of the redefinition of the musical politics of diversity within the framework of the nation state in many countries in Latin America. Nevertheless, there are venues, particularly international ones, in which the very local musics produced by the indies or socially-minded cultural NGOs have a role in the cultural-economic ecology of a place. This is the case of the Garífuna and Afro-Costa Rican musicians promoted by the tourism industry and by independent NGOs like InCorpore, which create a range of partners necessary to finance and find informal markets for these musics. They give value, so to speak, to cultures that were marginalized and even completely neglected by the creole states and societies of the twentieth century. Small but significant value adders to the huge tourism industry, these local cultures nevertheless help redefine what it means to be an Honduran or a Costa Rican, or indeed a Central American in the renewed project to integrate the countries of the region (Durán & Yúdice 2002).
Earlier, we referred to the rise of local musics, as reported by IFPI. We also remarked that what exactly the mainstream industry means by "local" is not clear. It can be anything from Shakira or Carlos Vives to a recording of local indigenous music. But what is at stake here are not the boundaries of the industry's marketing genres but rather the fact that the rise of independents coincides precisely with the diversification of the musical market. Thus independents play a crucial role in the worldwide production of new texts and insert themselves within the national and international space in different forms.

In terms of transnational space, they are often the ones that produce new texts although as is pointed out below they seldom keep control of those texts since they tend to find their way to the majors or to pirates. In terms of the national space in different countries in Latin America, they are playing a role in breaking down the monopoly of local music as defined by "national musical genres". Latin American countries have a history of constructing folk musical genres as carriers of the musical identity of the nation. Such is the case of the samba in Brazil, the bambuco in Colombia, the cueca in Chile and the pasillo in Ecuador, to mention a few.

As has been researched by different authors, construction of such musical genres as national symbols, often implied a loss of musical diversity, a musical process of homogenization. Juan Pablo González for example has studied how the rise of the cueca as a national genre implied its sylization into the social graces accepted by the higher classes (González 2001). Kety Wong has similarly studied how the rise of the Ecuadorian pasillo as a national genre coincided with the erasure of more indigenous forms of the pasillo (Wong 2001) and Ana Ochoa and Carlos Minhana have shown how the rise of the bambuco as a national genre implied erasure of the diversity of its forms, the negation of its African and indigenous components and its adaptation to ideals of the body that were compatible to the civilized ideals of the nation-state (Ochoa 1999; Minhana 2000). Thus, in multiplying the amount of local music available, independents are playing a crucial role in redefining the politics of musical diversity within the framework of the nation – state. Such politics are often expressed as a struggle between ideal forms of the genre, new forms being developed by young musicians or as a struggle between urban and rural forms of one same musical genre. In any case, the boundary definitions of musical genres and what they mean for people are increasingly becoming an arena of social and cultural struggle.

There are no available data for the amount of production of independents. The affirmation that a large production of new texts goes through independents is largely derived from observations in record stores in cities such as Mexico, São Paulo, Buenos Aires or Bogotá. The variety of available recordings produced by independents is quite large and the variety exhibited in each country is usually much larger than the offer in stores located in the United States for example. However there are no available statistics for independent production. This has become even more difficult to get, due to the current economic crisis being faced by independents.

Distribution

A large number of the new musical texts in the world emerge from independents. However, whereas in the 1980s, independents saw production as their main arena of work, they now see distribution as the major issue, as the key to the survival of the company itself. Possibilities of distribution for independents changed at the end of the 1980s and beginning of the 1990s with the diversification in music genres promoted by the industries. The emergence of categories such as World Music, New Age music, Latin music and others played a role in diversifying the offer in record stores. Since then, independents can place at least a portion of their catalogue in music stores such as Tower Records and Mix-Up. According to Pepe Avila, president of Fonarte Latino in Mexico, this created a drastic change in distribution of independents (Avila 2002).

But independents also distribute their products in all sorts of formal and informal venues, from bookstores to small crafts stores in towns or to improvised moveable stands in front of cinemas for example. Often, these smaller informal venues adopt a much more personal approach to distribution and thus sell more records than the big record stores. Discos Corasón has found one of its most important distributors in a woman owner of a craft store in Pátzcuaro, Michoacán, who, when interviewed, felt very proud of being one of the distributors of this company. She exhibited the recordings as part of her repertoire of crafts, thus integrating the CD as an artifact into a long history of crafts as the main product of local artistic significance in Mexico. Another of the independent companies also found that an informal stand that sells records and books outside the cultural plaza of Universidad Autonóma de México sells more recordings than some of the bookstores located in malls.

However, despite these new possibilities, distribution is becoming the crux of the problem for independents. If a recording produced by an independent company is successful, it is quite likely that big scale revenues from a newly discovered artist are not earned by the company. Rather, they generally are overtaken either by the majors who offer lucrative contracts to successful artists or they are pirated. As such, independents are increasingly facing a major crisis because they do not control distribution of their products.

Alternative Initiatives

The rich diversity of Latin American musics is produced locally, and much of it by independent companies. But this diversity is threatened as independents are trapped between the difficulties of adapting to new technologies, piracy and the oligopolistic operations of the majors. This means that currently they are facing the crisis either by closing down, which many have done or by trying to diversify their products. Many are turning to live production of shows, cultural policy projects, or production of DVDs in an effort to survive. Another effort is to form associations of independents as has happened in Brazil and Mexico. Still another project, promoted by former director of International Music at Time Warner, André Midani, is to organize the thousands of community radio stations in Rio de Janeiro into a federation that can compete with formal stations ***and*** broadcast those musics that are not usually heard on the top 40 or top 100 stations (Durán and Yúdice 2002).

Midani's strategy is to involve experts from the music industry in partnership with local and international NGOs, community leaders, government, businessmen, media promoters, music and other cultural celebrities, etc. in transforming a means of distribution that is in local hands and making it profitable so that it can withstand the bids to absorb these radio stations that are likely to come from large corporations like Globo. Like InCorpore in Central America, there is a lesson to be learned from this practice: the distribution of local music will be successful to the degree that networks are created from the locality to the broader contours of the society. For these Davids, this may be the only way of countering the oligopolistic practices of the corporate Goliaths and the industrialization of mafia-linked piracy. Hopefully more than a pipe dream, these strategies will enable independents to go on discovering new musics that are threatened by the current crisis.

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