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Introduction to the special issue

From corporates and media to state control:

International perspectives on the music business

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The popular music industry has been relatively neglected by economic and business historians. To be sure there are a great many books and articles about the pop business—and the idea of money permeates much of what is written about pop, whether in popular biographies or more scholarly, cultural history accounts. We need only think for a moment about the importance of the charts, for example, to realize that these are a measure of economic success—a sort of FTSE of pop. They represent success and popularity of course, but they also represent sales—business success. Pop acts, themselves, can be seen as enterprises—they are of course interested in artistic integrity, creativity, originality perhaps, but all these aspects and more could be viewed as building the brand, marketing the brand and so on. It remains the case, however, that business and economic historians have shown little interest in this sector of the economy. Indeed, until recently, the whole creative industry sector (however defined) has been comparatively neglected. Notable recent books which have provided an anatomy of the pop industry have tended to be written by those involved in it. Andrew Loog Oldham's *Stoned: A Memoir of London in the 1960s*, and *2Stoned*; Joe Boyd's *White Bicycles: Making Music in the 1960s*; Simon Napier Bell's *Black Vinyl, White Powder*—all these provide intriguing insights into the development and functioning of the pop business in Britain during its key growth phase. This was a phase when the songwriter and publishing companies gave way to new business networks and priorities; when major record companies grew to dominate and were in

turn challenged by, and found accommodation with, a series of new, radical pop enterprises; a period when the first revolution in pop technology gave us electrification, vinyl records, multi-tracking, new broadcast media and so on, changing the face of pop production and distribution in the UK and the world.

If we consider pop from the economic or business history perspective, a number of very interesting questions emerge. Firstly there are 'global' questions such as when exactly did the industry emerge in its modern form; how did large enterprise, such as EMI and Decca in Britain, function internally and strategically; how were they periodically challenged by, or forced to cooperate with smaller enterprises, or the increasing power of the artist; how are pop markets shaped—by trends from the street or through a manipulation of mass consumption and so on. Secondly there are more local and specific questions—how precisely do new trends in music emerge, what specific individual experiences and expertise go into the shaping of a pop career and so on. Markets, technology, enterprise structures etc. and the different national and historical settings in which they develop have been a rich area for traditional historical scholarship relating to the music industry. Study in this field has largely been the preserve of biographers, sociologists and cultural historians. However. In this edition of the journal we have four perspectives on the business of pop, by historians from an economic and business history background, addressing some of these issues in a series of case studies, the first three of which are nationally based.

Stig Tenold's article follows the rise and cresting of the 'Bergen wave' in Norway in the 1990s. We are all familiar with the development of a 'sound' in a particular place in pop history. Liverpool, Manchester, Detroit, Philadelphia, Seattle constitute the most popularly known clusters—but there have been many intermittent sightings or soundings of a more minor nature. Largely thanks to the promotional skills of the Dave Clark Five there was a 'Tottenham sound' in the 1960s, for example. The development of a musical culture in a particular geographic location is of course a complex phenomenon—the Liverpool sound was perhaps rooted in Irish culture, transatlantic connections, the demographic of clubs and artists etc., all of which reached a critical mass when The Beatles carried it over into a nationally (or London-) based phenomenon. Once the idea of a Mersey Sound was picked up by the press, fuelled by record companies scrabbling for all things Liverpoolian, a useful journalistic device had emerged, and subsequent waves may well have been hyped more vigorously from the outset.

Tenold's article provides us with a meticulously undertaken anatomy of the process whereby a 'sound' becomes trumpeted—with some interesting results. He traces the components whereby musicians become identified as part of the wave—in terms of commercial success, critical acclaim and media attention. In

looking at the Bergen wave—in fact two waves, in the early and later 1990s—the first thing Tenold shows is that no particular musical genre can be identified. The wave consists of a variety of musicians, with different approaches and aspirations. What comes through very strongly in the article is the role of the media in constructing the notion of the Bergen wave. The constant vigilance of the press seeking for the next ‘sound’—Bergen was referred to in *The Times* as the ‘new Seattle’ for example—is a clear dynamic in the process. This is not to contradict the notion of the artistic colony—consciously constructed or not. There is to be sure often a real cultural nexus driving regional music development through networks, contacts, local culture, even perhaps a pervasive feeling of exclusion. Nevertheless Tenold shows how an area, when achieving media attention, serves as a kind of overarching brand. Ironically, this is a brand inclusion which some musicians, in time-honoured fashion, claim that they want nothing to do with.

To some the pop music industry may seem at worst to be capitalism's contribution to a cultural void—to others a threatening or subversive force. From the Rolling Stones to Public Enemy and beyond, pop has (often deliberately) been cast as a celebration of destabilizing ideas and bad behaviour. Occasionally, though, the business has been seen in a positive light and even co-opted by politicians eager to enhance their appeal to youth—Harold Wilson and The Beatles, Tony Blair and Britpop being notable, and slightly laughable, episodes in the UK. In more graphic instances of hegemonic ideology, however, ambitions for pop have been taken to a whole new level. Dean Vuletic's article which traces the rise of the pop industry in Yugoslavia in the 1950s and 1960s provides a glimpse of a place where the management of culture, including pop culture, was seen as a key weapon in the cultural armoury of a controlling state. The odd thing about Yugoslavia at this time was its non-aligned status between the Eastern Bloc and the West. The most liberal of the Soviet-influenced Eastern European countries, Yugoslavian pop music's development in part reflected its proximity to the cultures of the West. Institutions including the Ideological Commission and the Cultural and Educational Council had ambitions for pop which sought to modernize Yugoslavia, but also, importantly, to use pop music as a unifying force *within* the country. While looking over their shoulder at the Soviet Union, Yugoslavia's controlling bureaucracies promoted and restructured radio, television and recording enterprises in an attempt to construct a cohesive internal national culture, approximating developments across the Adriatic, including early talent shows such as *The Microphone is Yours*. We now know the fragility of unifying initiatives within Yugoslavia. Nevertheless Vuletic shows how we should be less preoccupied with the story of Anglo-pop hegemony perhaps.

It is also tempting to emphasize the impact of firstly American and then British pop when considering the history of the music business in West Germany after World War Two. The continued military presence provided the usual transatlantic conduit for pop music influences from jazz to pop, and the transnational connectivity between the ports of Liverpool and Hamburg are clear examples of links in terms of musicians, club owners, managers, and audience networks, forming the essence of the music market. Klaus Nathaus, in his article on the development of the West German pop business, provides a useful corrective. His focus is on the tenacity of *domestic* styles, and the processes by which *schlager* (hit music) was perpetuated. Rights are a very important component of the music business, and publishing companies were paramount in the early years. In the early 1950s, band leaders and publishers formed an alliance which shaped the music market. Nathaus provides an anatomy of this system for the proliferation and perpetuation of *schlager*, then goes on to show how the system was undermined by the development of radio and the expansion of the record market. In this new configuration radio station programme directors and record producers became the new gatekeepers for the market, though publishers retained more control over style than, for example, in the USA. The article highlights some of the ubiquitous sharp practice which is endemic in the music industry as various forms of inducement and influence are used to promote particular songs. Eventually *schlager* wilted under the onslaught of US and British music, from rock'n'roll and jazz to the beat boom of the 60s, though the 'old guard' did manage to hang on in West Germany, as music users, rather than listeners, held power in the marketplace.

The market for pop music changed quite dramatically after 1950 as the music and its methods of production, reproduction and distribution changed. The transatlantic and inter-European flow of influences, electrification, development of new recording technologies and techniques, the spread of radio and TV, the consolidation of major record companies, the burgeoning of youth and youthful leisure resources and so on, all changed or grew dramatically. Pop music markets were reshaped in many different ways depending on local or national inertias and trends. The state-guided developments in Yugoslavia, the conservatism and parochialism of the 'old guard' in West Germany, the media-generated idea of clustered musical fashion in western Norway—the examples in this issue point to the particular and episodic nature of change in the history of the pop music business.

But perhaps there remain general trends in the structural nature of the market, and the strategies pursued by the major players in that market. Gerben Bakker's article explores the business from this perspective. Bakker identifies four economic tendencies which shaped activities in the international music industry in the post-war period. These encompass sunk costs, revenues and profit levels, the nature of

music as a quasi-public good and process of music production itself. He follows the strategies of the major firms operating in the multinational market and the ways in which, despite the expansion of the market and increasing musical diversity, increasing industrial concentration is evident, often involving the appropriation of smaller, near-market enterprises as a necessity. Peterson and Berger noted early on that styles of music and industrial concentration existed in a state of tension historically. Bakker provides us here with a very useful anatomy of the process whereby firms are driven to become the 'corporates' which are increasingly distrusted and disparaged by many of the creative workers in the pop industry.

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