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Opening the preference box: sociological contributions to understand the economic dynamics of music

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Glaucia.peres@uni-due.de**Abstract:**

Scholarly debates on the economics of music are marked by a predominance of economic management approaches. Theoretical principles of microeconomics are mostly accepted and employed to analyze production and consumption of music in analogical and digital worlds. The law of supply and demand is thereby considered the main premise for understanding market relations, and rational choice theory is preferred to explain human behavior. From this perspective, different uses of technology or musical tastes are subsumed in the category of preferences that, together with the concepts of constraint, maximizing behavior and market equilibrium are considered sufficient to explain individual action in markets (Becker 1976: 5; 14). As a result, this research field is dominated by methodological individualism. Social phenomena are considered as resulting from aggregated individual choices and the average taken as the most suitable measure of social behavior.

By virtue of its normative power, this theoretical perspective “has something of a monopoly on how to analyze economic problems” (Swedberg 1987: 172), offering the fundament of market predictions and management advices. In the last thirty years, however, some doubts were raised “as to microeconomics’ capacity to connect with empirical reality” (idem). Sociological criticisms in this regard point to the necessity of embedding economic action in structures of social relations (Granovetter 1985), claiming that “social network analysis adequately captures some essential aspects of the lived social experience” (White 2008: 61), if cultural, social and economic aspects are not disentangled from each another (Zelizer 1988; DiMaggio 1994). In this sense, relationships become the unity of analysis instead of individuals, stressing social bonds in place of aggregation. It follows that dispersions and measures of spread become crucial to understand social action. From this perspective, microeconomic premises of individual behavior are not more than a working hypothesis, and the idea of supply equaling demand is considered as just one possible market configuration among others.

For the analysis of the economics of music, it means that the concept of preference must be opened up in order to grasp the combination of cultural taste, musical and discursive practices, technology use, choice of instruments and institutionalized locations of musical practice and consume, which determine the economic dynamics of music. The constant production of categories to classify and distinguish these combinations is at the core of this economic field (Wicke 2004), which means that preferences are not stable in time. From this perspective, economic considerations of music cannot be separated from the comprehension of music genres. The emergence and disappearance of music genres are processes intrinsically bonded to and mutually conditioned by market formation. Therefore, cultural and symbolic aspects are not variables that matter in the economic explanation but constitutive factors in the economics of music.

Advantages of the proposed approach are demonstrated in the analysis of the emergence of the “World Music” market in England during the late 1980s. Commercial agreements between eleven

Labels and two distributors, supported by a marketing campaign, were accompanied by negotiations of values and meanings which could be shared among participants in order to commonly frame their project. Under the label “World Music”, they created a special place in the record shops to rack their records coherently as well as stressed their economic ethos, an ethical work in the recording studios that was similar to the research ethic of ethnomusicologists, a moral attitude related to racism and their identity as independent enthusiastic entrepreneurs. On this basis, economic and cultural activities linked to the category “World Music” were further developed.

In the music market, “World Music” was initially seen as a diffuse music genre due to a convention that equals categories and genres. Contents under this category, however, could not be aesthetically identified yet. As a result, “World Music” started to be applied to other musical projects that did not share the initial common frame. A paradigmatic case is Lambada as “World Music”, which despite huge commercial success worldwide was strongly criticized for its “bad taste” by the British press and involved in the hugest plagiarism process known by that time. In order to assure the continuity of original values in this forming market niche, initial “World Music” labels adopted two strategies: licensing “local recorded” albums as a sign for an “authentic music” of “good taste”, and emphasizing music producer’s aesthetic sensibility in the studios when recording a new album. This second strategy led to a consensus amongst initial “World Music” producers that “there are two audiences who want different things from a ‘World Music’ performer. The World Music audience wants ‘authenticity’, while the ‘authentic’ audience wants their own version of excitement, which in most cases takes – at least partly – the form of ‘modernity’” (Boyd 2009: 51). This distinction was listenable in the different uses of technology: “World Music” producers preferred “the spontaneous energy of a live recording session where great musician interact in real time”, avoiding “high-tech polished perfection” (Idem: 48-9). In this sense, these music producers positioned themselves as “a serious bridge to the ‘commercial’ world of the international music business” (Idem: 50). They justified their aesthetic choices in terms of low production costs and high sales. In this way, it becomes clear how culture and economy conditioned each other in the most elementary level of analysis.

Disputes around aesthetic judgments created a specific valuation order around “World Music” based on quality, which distinguished recorded production with “low technological intervention” as “good taste” and “high quality”. As music producers work as brokers, their performance was evaluated post hoc on the basis of positive media reports and high record sales (cf. DiMaggio 1977: 442). In order to diminish uncertainty about the success of next productions, “World Music” labels insisted in hiring those music producers who attested their competence in the market by their aesthetic choices. As a result, this specific aesthetic sensibility inside the recording studio turned to be a quality standard in the “World Music” market, giving “World Music” contours of a musical form. Evidences in this regard are the records mentioned in the book “World Music – The Rough Guide” (1994), considered the “World Music”-Bible (WOMEX program 1997), the “Top Ten Albums” in the World Music Charts Europe (based on European “World Music” radio shows) as well as the musical program of the trade fair “Worldwide Music Days” (1991-1993) and of the festivals affiliated to the European Forum of Worldwide Music Festivals.

These institutions in turn contributed to stabilize business relationships under the category “World Music”, what eventually happened with the creation of WOMEX – The World Music Expo (1994). After conflicts concerning the character of this annual event, WOMEX established in 1999 as a selective mechanism (filter) that reduces the complexity of the market and stresses common frames for the work with “World Music”. In this context, the project “Buena Vista Social Club” appeared as an example “of what is best in the work [all “World Music” market actors] want to do” (Seligman 1999). From that it follows that “World Music” had from now on aesthetic and commercial parameters as well as a stable base to reproduce itself as market and genre.

From this analysis, we can conclude that a sociological approach to the economic dynamics of music reveals how different economic, cultural and social forces are intrinsically bonded in the formation and stabilization of music markets and genres. Also it was clear that market dynamics are mutually conditioned by the organizational configuration of firms in this industry, which are organized by genres. In this sense, it also sheds light on music consumer behavior, which varies strongly across genres and markets. Therefore, opening up the concept of preference seems to be a good way to understand the economic dynamics of music.

Keywords: economic sociology, music markets, music genres, world music.

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