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Face the music

The Economist

by C.W.

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- 1 The implementation of a tax designed to make an extra €86m (\$114m) for the French government would not normally be a newsworthy story. But when a French government committee proposed a 1% tax on all devices that could connect to the internet, it became big news. The Lescure Report, which made the proposal, wants the proceeds of the tax to protect and nurture “French cultural products”—things like music and film. And the move indicates the level of fear felt in the French establishment that its cultural patrimony is being killed by a global (read: American) invasion.
 - 2 But should governments be worried that their national culture is being destroyed by globalisation? A recent paper by Fernando Ferreira and Joel Waldfogel focuses on the music industry, looking at chart entries from 22 countries from 1960 to 2007. These countries correspond to around 98% of the \$34 billion revenue in recorded music over the last decade. And the evidence suggests that globalisation is not nearly as dominant as some might think. [...] People increasingly seem to prefer domestic repertoire to foreign fare.
 - 3 Why is this? Improved communication networks make a big—and counterintuitive—difference. People might assume that the internet would make consumers’ music choices more global. But the spread of the internet has actually enabled the dissemination of local music within countries more than it has increased the availability and consumption of foreign music. Mark Ellen, a music journalist who co-presented Live Aid in 1985, is not surprised. “Part of the folklore of pop music is the magical soap opera of the cast involved. You’re more likely to find that with local bands in ascent whose story you can follow first-hand than with established acts the rest of the world is watching,” he says.
 - 4 The diversification of music television channels may also be important. From its inception in 1981 until 1987, there was only one MTV channel. MTV generally played American and British music, even to consumers in other countries. But beginning with the launch of MTV Europe in 1987, it became easier for people around the world to stumble upon music from their own country. MTV has increasingly customised programming to particular countries. Flying in the face of the prejudices of any self-respecting music snob, the authors argue that MTV is a “force promoting local as well as global artists”.
- [...]
- 5 Francois Hollande (President of France) might still argue that he is justified in offering more help to French culture. By the mid-1990s, only one in ten records bought in France was by a French artist. However, in recent years this ratio has increased. The French government will be quick to take credit—in particular for a 1996 law which required 40% of radio music to be French. State intervention does appear to make a difference. Whether or not this is desirable is another question.
 - 6 I think the authors argue too strongly against the well-worn idea that the global music market is dominated by the USA. True, America may be less dominant than expected—in their 22-country sample. But it does command around 40% of the world music market. Nonetheless, the [new law] is an important reminder that lazy assumptions about globalisation are frequently misleading.



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