CHAPTER 12

A Song for Ireland? Policy Discourse and Wealth Generation in the Music Industry in the Context of Digital Upheavals and Economic Crisis

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The words 'music industry' and 'crisis' have a strong association in news media reporting of and corporate discourse on the digital economy, while at the same time governmental actors have been positioning music among the creative industries identified as potential sites of wealth creation. Consideration of the threats, opportunities and upheavals facing the music industry in the digital economy has tended to be filtered through a technological lens. However, the global economic crisis that emerged in the late 2000s has demonstrated that the new potentialities arising for the music industry cannot be viewed narrowly as technologically driven, and must be assessed in wider economic, political, corporate and cultural contexts. On the one hand, the widespread diffusion of online and mobile innovations holds the capacity to seriously disrupt traditional music industry struc-

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tures, commercial practices and distribution models. On the other, these disruptions play out in the context of a wider set of processes in which the same technologies can also be seen to reinforce long-established media corporate control and concentration.

In light of this, we outline how global-level strategies adopted by the major labels in terms of modifying their practices and reorganising their core structures have served to consolidate their dominant position in the Irish market in the digital era. Of particular interest here is how, in an increasingly digital operating environment, music industry restructuring has facilitated the expatriation of revenues and wealth out of the local national economy. This runs counter to the ambitions of longstanding Irish government policy discourse and strategies to stimulate greater contributions from the music business to the Irish economy, and is rarely, if ever, acknowledged in official policy lines. The imperative to grow returns from the music industry took on greater urgency in the late 2000s when, in the context of a national economic crisis, the government began promoting domestic recovery through a knowledge-based (Smart) economy framework that included music under the broader label of creative industries.

Central to processes reshaping the music industry in Ireland, as elsewhere, has been increasing gravitation towards licensing and services, including copyright, trademarks and evolving forms of music brand partnerships. The heavier application of legal instruments in the form of intellectual property rights (IPR) regimes goes some way towards explaining the gap between music's economic activity in and benefits to national and local economies. Interrogating the disconnect between revenue generation and local returns requires us to provide an overview of Ireland's macro-economic context, as well as specific knowledge economy policy discourses in recent decades, and to locate the place of music and IPRs within the same. To illustrate this further, our study draws on a series of original interviews with stakeholders and informants spanning a comprehensive range of music sectors in Ireland.

Our findings challenge the logic and received wisdom underpinning dominant industry, governmental policy and popular media discourse on the fortunes of the music industry in the digital era and its value as part of a knowledge economy policy response to recent global and national economic crises. Moreover, our research highlights growing contradictions between the IPR policies espoused and pursued by successive Irish governments and the economic returns of core music industry players to the national economy. As we illustrate (and perhaps reflecting the predicament of other small countries), a string of reports (state and industry alike) produced over the past twenty-five years on the music industry and also wider information sector increasingly highlight the importance of a strong and robust copyright framework to maximising the growth of cultural sectors and the contribution of culture to the national economy. Yet in the case of the music industry, the vast majority of revenues generated through copyright are expatriated. In essence, we argue that a key implication of music copyright policy in the Irish context is to direct millions of euros out of the national economy on an annual basis.

12.1 Economic Crisis and the New Significance of Creative Industries and Copyright

We are not only living in an increasingly informational society or a more technological society, but a *neoliberal* information society. It is necessary, therefore, to consider macro-level political economic trends, alongside recent technological changes, as influencing the evolution of the music industry.

In the context of the global economic crisis of the 1970s and 1980s, the once marginalised classical libertarian ideas of such thinkers as Friedrich von Hayek and Ludwig von Mises gained fresh currency and evolved to shape the dominant political paradigm. With the emphasis on deregulation, privatisation and the intensified foregrounding of free-market ideology as the cure for all of society's ills, neoliberalism took root at the heart of policy regimes around the world.

Within this, capital's response to this period of economic turmoil can, in part, be characterised by a significant shift in investment strategies towards service sectors (see, for example, Hesmondhalgh 2013), with culture and information becoming increasingly important sites of economic activity, and IPRs sitting at the heart of expansion in these domains.

It is within this neoliberal context that the Irish economy underwent radical transformation. The country's economic performance until the 1990s paints a dismal picture. For historian J.J. Lee: 'No other European country, east or west, north or south, for which remotely reliable evidence exists, has recorded so slow a rate of growth of national income in the twentieth century' (1989, p. 515). However, through the Celtic Tiger years (broadly, mid-1990s to mid-2000s), Ireland evolved from the economic doldrums to become one of the wealthiest countries in the world. In an environment where social spending was slashed, corporation tax lowered and income tax rates cut by successive governments, Ireland became a glowing example of the success of free-market ideology. However, as O'Toole stresses, Ireland should not be regarded as exceptional or remarkable. Rather, what is interesting is that it evolved as an 'extreme case of a phenomenon that touches every part of the world: globalization' (2004, p. 3). As a site of foreign direct investment and expanding international trade volumes, Ireland became 'unusually globalized … the star performer of globalization' (ibid., p. 5). Since *Foreign Policy* magazine and management consultancy A.T. Kearney first published their annual globalisation index in 2001, Ireland has consistently featured as one of the most globalised countries in the world in terms of the flow of trade and investment, technological connectedness (for example, number of Internet users/hosts) and international communications (including telephone traffic). In some years, according to this index, it has been *the* most globalised territory.

It was within Ireland's Celtic Tiger period of unprecedented economic growth that the country's policies related to an information society and knowledge economy (which embraced the creative industries) took shape. The *Information Society Ireland: Strategy for Action* report was published in 1997, after which two Information Society Commissions were appointed to advise government on strategies and policies related to innovation, knowledge and the economy. The first Commission ran from 1997 to 2000, and the second from 2001 to 2004. The two Commissions tended to have an unproblematic conceptualisation of the information society and adopted a technology-led approach to innovation, with a particular emphasis on improving infrastructures. The importance of associated social innovations tended to be neglected, however.

In the late 1990s, as Irish information society discourse was first stirring, developments around new digital technologies were being linked to the music sector. For example, Ireland's Industrial Development Authority commissioned a report entitled *Multimedia Ireland: Realising the Potential*, which recommended '[e]xploiting the opportunities for cross-fertilization between the established film and music industries and the multimedia industry' (Forbairt and IDA 1997, p. 20).

In Ireland, policy discourse on digital media tended to echo the creative industries language emanating from the UK in the late 1990s and the wider EU in the early 2000s (EC 2005). Digital media were identified by Irish state agencies as a creative sector holding strong potential for job and wealth creation nationally. In many respects, this focus was embodied in the development of the Digital Hub (as a centre for digital media companies and activities) in Dublin, as well as in a failed initiative to replicate Nicolas Negroponte's USA-based Media Lab in the guise of Media Lab Europe.

A 2002 report by state agency Forfás (the former national policy advisory board for enterprise, science, technology and innovation), entitled *A Strategy for the Digital Content Industry in Ireland*, identified what it termed eMusic as among the promising 'digital content market sectors' (Forfás 2002, p. 4). A later report by Ireland's then state training and employment authority, FAS (2004), also pointed to the potential of eMusic, and noted a growing demand among consumers for 'access to music via mobile devices' (FAS 2004, p. 92). While these policy discourses tended to separate digital music possibilities from the traditional music industry, they did point to new possibilities for generating wealth from music in a digitised commodity form.

As Kerr and Cawley (2012) highlight, Irish state agencies at this point had not yet formally adopted creative industries terminology, but such initiatives and discourse were occurring in the context of a thriving economy. In 2008, however, the Irish economy descended into crisis on the back of, among other factors, the bursting of a property bubble and a banking sector emergency. That year, in a government response to the deteriorating economic situation, information society discourse took a turn to what was termed a Smart Economy. In a report entitled *Building's Ireland's Smart Economy: A Framework for Sustainable Economic Renewal*, the government formally adopted creative industries and knowledge economy terminology, which was surprising given the document's heading of 'Smart' Economy. The report argued that '[c]reative industries are also a key driver of the digital and knowledge economy' (Department of the Taoiseach 2008, p. 80). The government promised to 'support the creative industries and film/media which have a key role in driving and enabling technological convergence across platforms' (Department of the Taoiseach 2008, p. 67). Yet reflecting critiques made elsewhere of creative industries discourse, the Smart Economy's conceptualisation and classification of constituent industries was vague and seemingly arbitrary (see Cunningham 2009; Kerr and Cawley 2012; Preston et al. 2009).

Despite positioning creative and media industries as a pillar of the country's economic renewal, the Smart Economy document contained few specifics on the supports that would be available or on policy instruments that would guide the development of these sectors in the context of the country's recession. Despite being eight years old (at the time of writing), the Smart Economy document remains the current framework report for the renewal of the Irish economy.

An interesting subtext to this report was the stress that it placed on robust copyright and intellectual property regimes to enable the creative industries to fulfil their wealth-creation potential. The report argued that for creative industries, 'intellectual property protection and commercialization are top priorities. The creative industries cannot survive in the marketplace without adequate protection from copyright infringement' (Department of the Taoiseach 2008, p. 80). The welding of creative industries' revenue-generation potential to the need to put in place secure copyright/IP frameworks was also evident in a report published by Dublin City Council two years later. The *Defining and Valuing Dublin's Creative Industries* document said: 'All [Arts, Cultural Industries, Creative Industries] outputs embody ideas, values and creativity which become concrete and tradable once protected by copyright' (DCC 2010, p. 15).

The broad definition of creative industries in both documents included the music sector. Reflecting how entrenched narrowly conceptualised copyright arguments have become in policy thinking, a similar discursive pattern emerged in a more recent report on supporting and stimulating greater digital engagement among citizens and business: *Doing More with Digital: National Digital Strategy for Ireland* (2013). While not referring directly to creative industries or the music sector, the report identified as an objective 'copyright and the need to have in place an appropriate infrastructure to support the growth of the digital agenda' (DCENR 2013, p. 35). In seeking to tighten the connection between digital content and IP/copyright, its position was consistent with discourse emerging more directly from music industry stakeholders.

The Celtic Tiger years also saw a steady stream of music industry reports commissioned by the state and/or the industry itself, all of which emphasised the importance of the music industry to Ireland in economic terms. A sample selection includes IFPI (1994); Simpson Xavier Horwath (1994); Stokes Kennedy Crowley (1994); Coopers and Lybrand (1994); Burke (1995); IBEC (1995, 1998); FORTE (1996); Clancy and Twomey (1997); Music Board of Ireland (2002, 2003). Here too, copyright and intellectual property concerns were embedded in the discourse regarding the development of the music industry in the Irish context. For example, the Simpson

Xavier Horwath (1994) report emphasised copyright as a 'pre-requisite' to any strategy for the development of the Irish music industry, and to this end advanced fourteen proposals on copyright reform with the aim that Ireland 'be seen as a copyright friendly country ... as one basis on which to attract international investment in the Irish music industry' (ibid., p. 33).

During the initial years of Ireland's economic crisis, such studies and reports dried up. More recently, however, consultants have again been engaged by various industry representative bodies to measure the impact of the music industry in Ireland and make recommendations for its future direction. Again, narrowly conceptualised copyright rhetoric has been a central feature. For example, commissioned by the Irish Music Rights Organisation (IMRO), the Deloitte report (2015) recommends the appointment of an Irish intellectual property 'Tsar', linked to a music industry task force, to enhance structures that currently exist regarding copyright legislation and enforcement to combat 'the free rider problem in music' arising from digital file sharing (ibid., p. 26). Such a policy initiative is emphasised as crucial to solving 'perceived market failures' and ensuring that 'Irish music will continue to be at the heart of national culture [and] ... act as a driver of economic growth' (ibid., p. 28). Equally, a recent consultation paper emanating from the music sector (IRMA/ PPI 2014) noted that broader copyright industries in Ireland generated a turnover of €18.65 bn in 2011, and gross value added of €4.6 bn, representing 2.93% of gross domestic product (GDP). The paper stressed that 'this value is heavily dependent on copyright protection' (ibid., p. 3).

While the latter reports highlight the growth of the digital music market in Ireland, and point to new opportunities arising for the industry in this context, overall the broad body of policy literature generated over the years presents the music–digital convergence in a problematic light. While 'the Internet, digital consumption and streaming have led to an ever-increasing audience for music', paradoxically they have influenced lower sales and a lower unit value, and driven the expectation 'that music is free' (Deloitte 2015, p. 46).

12.2 Crisis and Music Industry Restructuring in Digital Times

In reaching for strengthened copyright/IP protections, Irish policy discourse on the music industry was distilled, not least, through the perceived threats posed by changing consumer behaviour in the context of an evolving digital environment. While on one level the music industry has responded to the loss in recording revenues in the new millennium by pursuing the suppliers of file-sharing technologies, individual network users and ultimately Internet service providers through the courts, it has also diversified and restructured itself to cultivate new revenue streams and bolster oligopolistic power structures. Here, let us consider some of the headline-level developments in the international music industry that contextualise developments within national boundaries, before moving on to examine their relevance to and implications for the Irish context.

Considering the growth and expansion of the music industry's revenue-generating sources across recent years, a number of developments are of note. While physical sales have declined, the value of the digital market has consistently (but far from uniformly) grown. By 2013, it had risen to a global value of approximately $6 bn (IFPI 2014). That same year, the value of the Irish digital market was €13 m, representing a 62.5% increase over the previous four-year period.

Regarding direct sales, iTunes remains the biggest actor in the digital music store market and carries a catalogue of approximately 40 million tracks. Launched in Ireland in 2005, and currently with online stores available in 119 countries, iTunes achieved 25 billion downloads internationally by 2013 (Apple 2013). In 2015, it was one of more than 20 licensed digital music services in Ireland that encompassed à la carte and/or subscription services, mobile services, streaming, social networking sites, brand partnerships and other direct-to-consumer sites. The pervasiveness of digital is illustrated through the mushrooming array of platforms across which music is now officially released. For example, Beyoncé's *I Am Sasha Fierce* album was released across no fewer than 260 different formats (IFPI 2010).

While there is little consensus among our interviewees regarding the benefits of streaming for recording artists, most point to long-term manifest benefits for big catalogue owners (primarily the three major labels and publishers) from this domain. Many interviewees see it as the dominant consumption model of the next decade and, as such, in the words of one artist manager, the 'surest and most likely form of revenue' for artists and labels in the local and international marketplace (Personal interview).

Equally, the recent evolution of the music industry is characterised as much by developments beyond the digital realm as within it. As many interviewees highlighted, there has been an accelerated drive towards synchronisation (for example, the use of songs in film, television, advertising and so on) in recent years. This is affording labels, publishers and artists an increasingly lucrative site of both revenue generation and promotion. For the director of marketing at the Irish arm of one of the major labels, the fostering of relationships with music supervisors and advertising executives and the 'creation of synergies with brands' is an increasingly important aspect of 'business development' on both artist and label (Personal interview). Elsewhere, another interviewee notes:

> You have advertisers migrating to link with bands and music brands more and more. Music revenues are more and more generated by the application of music in other things. (Personal interview)

Overall global music publishing revenues grew from $8 bn to $9.4 bn by 2012. However, eMarketer estimated that worldwide synchronisation licences for the sector increased from $2.1 bn to $2.5 bn across the same period (Grabstats.com 2012).

Such developments have been at the core of a growing music performing rights sector over the past two decades. According to CISAC (2012), global royalties collected in this domain more than doubled in value across the previous 15 years to a record high of $7.5 bn. In the Irish context, across the same period, such royalties as collected by IMRO mushroomed from approximately €16 m to almost €40 m (various IMRO annual reports, cited in Rogers 2013, p. 101). As a current IMRO representative stated:

> We now know the ultimate size of the Irish market. We now know the number of places that there are in every single category that we collect from, and it is our aim to collect from every single one of them. The law says that wherever music is performed publicly, whoever is in charge of organising that performance owes the writer and publisher a payment. And we are in the business of collecting those payments. Our distributable last year went up by 4.2% on the previous year. So, despite the economic downturn, we've virtually held our own. (Personal interview)

In fact, this sector has traditionally demonstrated itself to be immune to periods of economic turmoil. The more recent growth trends here are consistent with Harker's (1998) account of how performing rights trebled in value in the UK market through the slump across the 1970s and 1980s.

Equally, the live music industry has mushroomed in the twenty-first century. While the IFPI (2012) estimated the value of the concert industry to be approximately $21 bn worldwide in 2010, a study conducted at the University of Liverpool by Dave Laing (2012) indicated this to be a conservative figure, advancing $25 bn as a more accurate valuation. This has represented unwonted growth in this sector over the period of a decade to a point where the concert industry is now as valuable as the record industry.

Overall, while the twenty-first century points to considerable decline in the fortunes of the record industry in terms of the sale of physical recorded products, we can see a very different picture when revenue generation is placed in the context of the broader range of activities that constitute the music industry.

As such, these trends indicate a fundamental shortcoming in much media commentary on the music industry, which has served to confuse the recording sector with the wider music industry. Moreover, with some notable exceptions (for example, Williamson and Cloonan 2007), academic accounts have often fallen foul of the same erroneous conflation.

The reality is that over the past decade, the major labels have reconfigured themselves as 360-degree music companies, with multi-rights deals increasingly sitting at the heart of their relationships with recording artists. As such, labels can now exploit a comprehensive range of copyrights, trademarks and brands emanating from the artists on their roster across the full spectrum of industry sectors. The extent of such reorganising of label structures and practices means that the now three dominant music corporations on the world stage have experienced significant success in negating many of the threats to their economic health arising from the rapid diffusion of illicit online distribution platforms since the late 1990s. For example, across the eleven years from 2004 to 2014 (inclusive), the Universal Music Group estimates its overall revenues to have fallen slightly from $4.8 bn in 2004 to $4.6 bn (Business Wire 2005; Vivendi 2015). Over precisely the same period, the Warner Music Group saw its overall revenues drop from $3.4 bn to just in excess of $3 bn (WMG 2005, 2014), while Sony Music Entertainment saw its overall revenues dip marginally from ¥523 bn to ¥520 bn between 2009 and 2014 (Ingham 2015; Sony 2011). Such modest declines in their overall fortunes illustrate how record sales falls are largely offset against growing dividends from other activities.

Moreover, other commentators point to the broader music industry enjoying significant growth coinciding with the maturation of the digital environment. For example, Winseck (2011) lucidly illustrates how the music industry (encompassing recording, publishing, Internet/mobile and live sectors) evolved to grow combined revenues from $51.2 bn in

1998 to $71.4 bn by 2010. This represented an overall growth of 40% across a period when the music industry was popularly conceived as enduring radical decline at the hands of digital change, and from circa 2007 a period of profound global economic stagnation.

12.3 So What Do These Developments Mean for Ireland?

Ireland provides a particularly interesting case study in that it is widely lauded as consistently punching above its weight as a player in the global music market. The past four decades have witnessed the emergence of a constant stream of successful Irish acts on the international stage, including such names as The Boomtown Rats, U2, Enya, The Cranberries, Westlife, Damien Rice, The Script, Imelda May, Kodaline, Hozier and a plethora of other artists who have succeeded to a greater or lesser level in the international marketplace. By the turn of the millennium, Irish artists accounted for 2.3% of the global recorded music repertoire and, in some years, combined to generate sales well in excess of 50 million units worldwide (Music Board of Ireland 2003). As such, the sound-recording output by Irish artists has on occasions been close to thirty times the worldwide average (ibid.). In a similar vein to how much commentary alluded to the 'U2 effect' in the 1980s with the intensified flurry of A&R (artists and repertoire) activity in the territory, more recent commentary (see Byrne 2015) talks of the 'Hozier effect'.

Here, however, we are primarily concerned with the music consumer market in Ireland. Despite a relatively small population, annual IFPI reports indicate that Ireland has regularly featured in the top 20–25 recorded music markets in the world. While still less than 1% of the global market, this nevertheless compares favourably with many territories of similar or greater size. In 2012, this materialised as 3 million CD purchases, 1.1 million album downloads and 7.5 million single-track downloads (Deloitte 2015). However, this is all in the context of a continuing decline in the revenue generated from the domestic recording market, which fell from €72 m to €33 m between 2008 and 2012 (ibid.). Nevertheless, as the Deloitte report concludes: 'Compared with most other countries, our [Irish] consumption is high' (ibid., p. 31).

This same recording market very much reflects Ireland's position as one of the most globalised states in the world, with concentration of ownership remaining unusually high. While the share of the global recording market enjoyed by the handful of major labels that dominate it (currently Universal, Warner and Sony) has fluctuated between 70% and 75% over recent decades, the same majors have consistently accounted for a much larger slice of the Irish cake. For example, in 2007, the then four major transnational labels collectively held 92% of the market in Ireland.

Such statistics are lamented by those interviewees representing indigenous independent labels. For example, one interviewee contended:

> The multinationals will expatriate profits one way or another. The profits that Warner or Sony or Universal make in Ireland, these companies generally have a way of exporting them ... Even with the success of Irish artists, a significant proportion of the profits made here goes into global pockets ... and the majority of profits made on these records outside of Ireland never enters the country. (Personal interview)

Moreover, as many interviewees testify, and reflecting well-worn trends in other small states, major labels must prioritise between two headline-level tasks in local settings. On the one hand, they can devote resources to the development and promotion of domestic artists so as to increase profit in the local market and seek to have their sister offices in other territories adopt the act. On the other, they can devote resources to the sale of already internationally established artists in the local setting. The relatively tiny size of the Irish market means the latter. As one independent label owner argues:

> They [major labels] are promotion and distribution points ... Some of them have a local repertoire and try and work on it. But they are all controlled from London. The amount of control and input they have into the local music business is quite small. In terms of the multinational music industry Ireland is just a province of England. (Personal interview)

A major label representative explains it like this:

> It all comes down to money. It's the same with all major labels operating in Ireland. Irish offices, if they want to invest in something themselves, have to justify it by speculating that they will sell that particular artist. Given the small population of the country, it is rare that you can generate enough money in return to make it worthwhile making the investment in recording and developing in the first place. (Personal interview)

Many interviewees who operate in the independent scene detail the promotional possibilities arising from SoundCloud, YouTube and a host of online music-specific social networks. However, despite the enhanced scope for a DIY music career emanating from ever more accessible digital recording technologies and the vast potential for independent marketing, promotion and distribution presented in cyberspace, most interviewees still regard major label investment as crucial to the long-term economic survival of an artist. As one artist manager advances:

> I still think you have to have that kind of weight, that kind of power to push you out there to get you to a bigger audience. I genuinely do. I don't think there is anyone else who has that expertise, knowledge and the groundswell of people outside of the record companies that can do that for you. (Personal interview)

Another manager simply puts it like this:

> While there are probably more record labels now than there have ever been in history because every band can have their own record label, the artists who are making all the money are still with major record labels. (Personal interview)

Similar but less pronounced trends are reflected in the sphere of music publishing where the three major players—Sony/ATV, Warner Chappell and Universal—collectively account for 65% of the market (Music & Copyright 2015).

In terms of the sphere of performing rights, again reflecting the international trends already outlined, there has been exponential growth in the level of performing royalties collected in the Irish market over the past two decades. Since becoming an independent performing rights society in the mid-1990s, IMRO has become much more aggressive and assiduous in administering performing rights licences and pursuing related royalties. Gross collections from the gamut of outlets that fall under its remit increased from approximately €16 m in 1996 to more than €38 m by 2010 (see various IMRO Annual Financial Statements, 1997–2011).

However, a highly contentious issue has arisen from this scenario. While revenues have grown at a very significant rate, the level of this income being retained domestically has remained low. As one independent record label owner and publisher (and a former director of IMRO) noted:

> Every year it is different. It depends on who is having success. But I think as a general rule of thumb, we'd say something in the region of 15% [of IMRO royalties] comes back to Irish members ... Well it's a reflection of the use ... What it means really is that the American companies and the UK companies—the major producers of music—have much bigger usage in Ireland than the local Irish indigenous industry. (Personal interview)

Another recently departed director of IMRO offered a fractionally more favourable scenario for indigenous artists and companies, estimating that, on average, between 81% and 84% of performing royalties were expatriated annually, leaving anywhere between 16% and 19% to be distributed locally.

While developments in the digital domain have seen spaces and places for the consumption of music proliferate, radio nonetheless remains a fundamental site of music promotion and revenue generation. As such, it represents an important source of royalties for IMRO. In 2013 there were 2.7 million radio airplays generated by Irish radio stations, reaching approximately 83% of the adult Irish population, who collectively listened to more than 3 billion hours of radio (JNLR cited in Deloitte 2015). However, with the vast majority of content relating to international artists, the vast majority of revenues in this domain are extracted out of the Irish economy. One independent music publisher noted the power wielded by the most significant performing rights organisations on the international stage:

> For organisations like IMRO, they don't care. They get five euro from RTE no matter what they are playing. And, because they have to represent the international repertoire, IMRO cannot be seen to be looking for more of our [Irish] music to be played, because PRS or ASCAP might withdraw their catalogue. (Personal interview)

Another interviewee, a composer and musician, identified the core problem as centring on the Anglophone nature of the international music industry, and the fact that Ireland, as an English-speaking country, saw its indigenous music products 'in immediate competition with all of that [international] product for space on the Irish airwaves, and space in the Irish punter's head' (Personal interview). Related to this, another independent record label owner said that the current lack of scope for minimum quotas of Irish content on Irish broadcast airwaves was compounding the situation of indigenous artists and companies.

Of the performing royalties that remain within the country, traditionally this wealth has also been highly concentrated. For example, in some years 1% of IMRO members have accounted for 67% of revenues (IMRO 2005).

An underlying consensus emerged among the interviewees that, for a combination of such reasons, the economic benefits accruing from the music industry to the domestic economy are always going to be limited. While the centrality of copyright in policy discourse to the development of creative and cultural industries in Ireland is reflected in the significant strides that IMRO has made over two decades in growing revenue returns from the music sector, the ultimate benefits of this to the Irish economy per se are much less clear. Based on the accounts of our interviewees, we might crudely argue that the net contribution of IMRO's implementation of such a policy has been to extract in excess of €30 m from the Irish economy on an annual basis.

In keeping with international trends over the past decade, the live sector in Ireland has witnessed the emergence and rise of Live Nation Entertainment (LNE), which co-owns the country's largest indoor concert venue, the 3 Arena in Dublin, as well as the Bord Gais Energy Theatre. The 3 Arena was the fifth best-attended venue in the world in 2012 when its 82 box office concerts grossed an average of more than US $1 m per show (Pollstar, cited in Deegan 2012). While the country's primary concert promoter, MCD, remains under the guardianship of Gaiety Investments, LNE partners it in festival promotion. Moreover, again reflecting international trends, LNE/Ticketmaster dominates concert ticketing in Ireland and, through its touring agency, is responsible for the never-ending influx of international touring artists.

The underlying irony of the 'digital revolution' is that at a point in time when technology makes the production of music cheaper and more accessible than ever, and cyberspace provides seemingly boundless potential for artists to distribute and promote themselves without the intervention of corporate players, traditional power structures remain intact. Concentration of ownership across recording, music publishing and the live music industry remains high, with wealth also polarised. Within this, the globalisation of the core music sectors in a country such as Ireland means that the vast majority of revenues generated by music leave the country.

12.4 Conclusion

Media industries, under a broader label of creative industries, and reflecting wider upheavals of capitalism associated with drifts from manufacturing to more informational or knowledge-based economies, have received increasing attention from governments around the world as potential sites of wealth and job creation. The emergence of the global economic crisis in the late 2000s has reduced such potential in many media industries (mature and new) and, alongside disruptive processes already associated with the Internet, has eroded traditional structures of production, distribution and consumption. In particular, the global economic crisis has demonstrated that the new potentialities of the Internet for media industries, both as cultural producers and wealth drivers, cannot be conceived, narrowly, as technologically driven and must be assessed within wider economic, political and cultural contexts.

This chapter has illustrated such relations in Ireland by examining some fundamental trends characterising the evolution of the music industry in the digital age. The research examined how, through close government–industry–stakeholder relations and uncontested discursive patterns, digital and networked technological innovations such as the Internet were appropriated to preserve traditional power structures and stakeholder positions in the music sector. We recognise that the major players—and their national subsidiaries—in the Irish music industry have undergone processes of reconfiguration and restructuring in ways that lessen the contribution of the music industry to the local and national economy. While such processes were advanced prior to the Irish economic calamity, they continued and even accelerated during the crisis.

As our interviewees suggested, even during the crisis the Irish music industry's overall revenues remained robust, but in forms that perhaps provided negligible wealth benefits to the local Irish economy. Here we are reminded of the words of management guru Peter Drucker who, in assessing the impact of the film industry on national economies, remarked:

> The movies probably had a greater impact on the human imagination than the Internet. [When they appeared, it was] the first time in human history that you had a worldwide communication medium, and also the first time that illiterate and poor people had access to the world … [but] … if the movie industry disappeared today, it would be noticed economically in only two places: Hollywood and Bombay. (Schonfield 2001)

Our data set of interviews provides a valuable insight into how the Irish music sector treats revenues generated in the local economy. This is especially important in the absence of detailed and systematic data from both governmental and industry sources on the level of wealth generated either directly or indirectly by the sector. What has been apparent from our qualitative research is the success of the sector in applying copyright/IPR frameworks to preserve traditional corporate power structures and to underpin the reshaping and calibration of revenue-generating potentialities to the digital environment. It is also apparent that the sector's consensus position on copyright/IPR frameworks has been, and is being, reproduced unproblematically in governmental and regulatory discourse on creative industries in general and the digital music industry in particular.

In response to recessions in national economies and to digital developments that threatened to undermine the traditional economics of music, industry and policy discourse has been vocal on the pivotal importance of copyright/IPR in supporting the music sector's capacity to create wealth. Yet such discourse has been quiet on the scenario that emerged strongly in our research findings: the lost local economic benefits when the majority of music revenues generated through live performance and rights-based revenues are being expatriated outside of Ireland.

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