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2022
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Exploring Cultural Entrepreneurship Among South Africa's Popular Music Practitioners: *A Case of Disruption and Investing in the Future*

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A research report submitted to Wits University School of Arts, Faculty of Humanities, University of the Witwatersrand in fulfilment of the requirements for the degree of Master of Arts degree by combination of coursework and research

Johannesburg, 2 May 2021

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Abstract

This research report explores the extent to which technological, socio-political and economic factors, such as digital disruption and socio-economic disparities, impact the potential success of DIY musicians as cultural entrepreneurs within the contemporary music industry in democratic South Africa. Amidst paradoxical inequalities, digital divides and capitalist monopolies in democratic South Africa, and in the face of historic inequalities and gatekeeping, this research report is an effort to understand the implications of a shifting terrain of power for DIY musicians as cultural entrepreneurs.

One of the key findings of this research report is that inequitable access to digital technologies and education in the business of music are significant factors in the development of the DIY musician as cultural entrepreneur, and potentially perpetuates the historic income and inequality gaps in democratic South Africa. Technological, socio-political and economic factors foreground my perspectives of South African DIY musicians in this case study, and in the case of Black Coffee in particular, demonstrates that control of record labels by artists is important because it provides a democratising form of agency through digital disruption. Furthermore, Bourdieu's theory on conversions of capitals is used to explain the advancement of DIY musicians as central role players in the new digital economy.

Keywords

DIY musicians, cultural entrepreneurship, digital disruption, socio-political and economic factors, South African music industry, Bourdieu theory of capitals, record label industry

Acronyms and Abbreviations

ACTAG	Arts and Culture Task Group
AIRCO	Association of Independent Recording Companies Organisation
CAPASSO	Composers, Authors and Publishers Association
CCIFSA	Cultural and Creative Industry Federation of South Africa
CIGS	Cultural Industries Growth Strategy
CMO	Collective Management Organisation
COSATU	Congress of South African Trade Unions
CSG	Cultural Strategy Group
CWUSA	Creative Workers Union of South Africa
DACST	Department of Arts Culture Science and Technology
DIY	Do It Yourself
FIM	International Federation of Musicians
GDP	Gross Domestic Product
GRC	Gallo Record Company
IEG	Independent Evaluation Group
IFPI	International Federation of the Phonographic Industry
IP	Intellectual Property
MITT	Music Industry Task Team
NORM	National Organisation for Reproduction Rights in Music in Southern Africa
PAWE	Performing Arts Workers' Equity
POSA	Performers' Organisation of South Africa Trust
PwC	Price Waterhouse Coopers
RISA	Recording Industry of South Africa
SAMCCWU	South African Media Creative and Cultural Workers Union
SAMIC	South African Music Industry Council
SAMPA	South African Music Promoters Association
SAMRO	Southern African Music Rights Organisation
SARRAL	South African Recording Rights Association Limited
TPSA	Technical Production Services Association
TUMSA	Trade Union for Musicians of South Africa
VAT	Value Added Tax

Declaration

I declare that this research report is my own unaided work. It is submitted for the degree of Master of Arts in the Faculty of Humanities at the University of the Witwatersrand. I confirm that it has not been submitted before for any other degree or examination in any other university.

NAME: DENAY WILLIE

SIGNATURE: 

DATE: 30th of April 2021

Dedication

This research report is dedicated to my parents, Denville and Venetia Willie

And is in loving memory of my beloved brother, Andre Joseph Petersen.

Acknowledgements

I would firstly like to say thank you to my Lord and Saviour Jesus Christ, without whom none of this would be possible.

I wish to also extend a special thanks to my supervisor for her guidance, encouragement and support in helping me to complete this research report. Thank you also to “Prof” Chati, Avril Joffe, and Lynn Matthys in particular, for helping me cross the finish line.

I wholeheartedly thank all the participants in this research report for their gracious inputs and invaluable insights. A special thank you to Black Coffee and Simukayi Mukuna from FlightMode Digital for making this research possible.

Thank you to Frank Gormley and The Rainbow Academy for your unwavering support. To my family – Chan, Dre, Zion and all my brothers and sisters, and Jerome Campbell - thank you for always being in my corner.

To all the artists: Black Coffee, Dominic Peters (GoldFish) and Loyiso Bala: I am eternally grateful your inspiration, grace, and generosity.

A special thank you to the South African National Arts Council, The Department of Sports, Arts and Culture and The University of Witwatersrand for funding this research report.

Chapter Outline

This report consists of six chapters. Chapter one provides a context to the key issues addressed in the research such as the problem statement, rationale, research aim and objectives, and the research questions I wish to address. It further marks out the parameters within which I have conducted the research. Chapter two describes the conceptual framework I employ as a theoretical lens for my analysis. The research methodology and approaches are set out in chapter three. In chapter four, I explore a body of literature which explicates key ideas of cultural entrepreneurship and digital disruption, particularly as it applies to 'DIY' musicians in the South African music industry. Chapter five discusses the findings of the research and presents salient data analysis based on personal interviews with key South African musicians. Finally, chapter six concludes with my key thoughts and reflections around the research questions, aims and objectives.

Chapter One: Introduction

Background

Since the turn of the 21st century, digital technologies have brought about a profound transformation of the global music industries[1], introducing widespread and rapid reinventions to its traditional structures, value chain, value logics and role players. This overarching phenomenon, described as "digital transformation" (Paccinini et al., 2015:1635), has led to far-reaching revisions in the interaction between established players such as record labels, publishing houses and management firms (Dolata, 2009), whilst simultaneously enabling the entry of new actors such as powerful web-based companies, digital start-ups (subscription, licensing and streaming), and the rise of what many scholars refer to as the 'Do It Yourself' (DIY) musician in the mainstream contemporary or popular[2] music industry.

DIY musicians are defined as independent in-house creators and producers of their own music, and are characterised by entrepreneurial, idiosyncratic and autonomous attitudes towards the ownership and management of their artistic careers and products (Moore, 2004). According to Hesmondhalgh (1998), DIY musicians include those who create and perform music, as well as self-manage the construction of a music industry career.

This offers an alternative to the old adage of musicians operating as artists only. By leveraging digital technologies, DIY musicians across all genres in the industry have the ability to secure creative control of their music and management of their careers without reliance on mainstream music firms (Tschmuck, 2016). This, according to Scott (2012), has given rise to a new found pre-eminence of the role cultural entrepreneurship can play in the music industries, and also the notion of the DIY musician as the "ideal-typical cultural entrepreneur" in the new digital music economy (Scott, 2012:8).

[1] Shaw (2017) explains that "… the music industry is comprised of many industries, such as the music publishing industry, the record music industry, the live music industry, the music brand industry, the audio/visual industry, the instrument and tools industry, as well as the education industry" (ibid, 2017: 42)

[2] For the purposes of this study, it is important to note that there are institutional and ideological differences between the classical and popular music art worlds (Friths, 1996). Perhaps the most notable difference is that there exists in the classical sector a pool of potential employers (e.g. orchestras, theatres) with whom individual musicians can seek work, whereas in popular music musicians have tended to be seen as free contractors rather than (potential) employees. 'Popular musicians' might thus be expected to exhibit a different set of attitudes as they are viewed as free contractors and the group most likely to be affected by both the opportunities and threats assumed to be characteristic of the digital music industry (Haynes and Marshall 2018).

At a time when the presence and exploitation of digital technologies continue to present seismic shifts to how the global music industry operates and on how artists make a living from their craft, the issue of marginal access for artists to the 'money-making side' of the music industry (along with economic mobility, social collateral, ownership and power) is foregrounded. Linked to this is the common criticism that the mainstream popular music industries have for centuries been dominated by established institutions such as record labels, publishing houses and management firms, who have operated as gatekeepers and proponents of a hegemonic capitalist structure that has encroached upon the protection of rights, financial well-being and creative freedoms of the artist (Hesmondhalgh, 1999). The mainstream popular music industry is also characterised by the superstar phenomenon (Nordgård, 2018) and precarious working conditions, which have led to huge income differences and volatile career prospects for many musicians (Hesmondhalgh and Baker, 2013).

The devastating effects of the COVID-19[3] pandemic on the global and local music industries which has incurred ongoing multiple forced closures of live music venues, the cancelation of many artist tours and bookings (and revenue), and the dire escalation of unemployment numbers within the sector, has further highlighted the issue of artists taking ownership of their careers and creating alternative and autonomous means of income. The impact of Covid-19 on the music industry in South Africa indicate that nearly half of South Africa's live music workers might be forced to quit the music industry for good (Ansell, 2020). Many local artists and cultural workers are faced with dire financial hardship and continue to seek meaningful ways to engage government to reinvigorate and revive the industry.

The South African music industries, although vibrant, diverse and dynamic, are also experiencing dramatic changes as a result of globalisation and digitalisation. The digital music market is a forerunner of change, with revenue from digital music expected to show an annual growth rate of 8.89%, and increased user penetration from 6.5% in 2021 to 18.9% by 2023 (PwC, 2019). The music industries in South Africa employ an estimated amount of 300 000 registered workers and are estimated to be worth over

[3] According to an online report by The Conversation, The Covid-19 pandemic continues to incur devastating impacts in South Africa in 2021. National lockdowns have resulted in forced closures of theatres, live music venues and small music businesses, the shelving of productions, events and tours, the cancellation of markets and festivals, and an increase in piracy (Ansell, 2020).

R3.119 billion, contributing approximately 0,194% to South African GDP in 2014/2015 (Shaw, 2017).

Although the music industry in democratic South Africa is founded upon a resourceful and rich cultural heritage of cross-cultural influences and demographic diversity (De Villiers, 2006), it emerged from an apartheid dispensation within which its structure was shaped and fashioned on the socio-political and economic ideology of white supremacy. By design, the structure of the industry benefitted white South Africans to the exclusion of their black counterparts, with many black musicians still operating within a historically disparate, mercurial and unequal music industry environment (Ndzuta, 2012; Pyper, 2013).

Recent studies show that in spite of a more favourable environment in democratic South Africa, musicians are still struggling to fully realise their cultural and economic value and continue to operate within an environment described as fragmented, polarised and enshrouded with hegemonic, top-down structures (Coplan, 2007; Bruce, 2013; Shaw, 2017; Ndzuta, 2012). Despite a plethora of outstanding talent, many musicians are inadequately prepared or supported in their endeavours to fully realise both their artistic and commercial potential (Ndzuta, 2012). Furthermore, digital disruptions have brought forth mixed results for post-Apartheid cultural policy, particularly for black[4] musicians in this space (Joffe and Newton, 2008).

It is within this context that this research report foregrounds the work, practice and lived experience of three of South Africa's top tier DIY recording music artists operating as cultural entrepreneurs within the mainstream popular music industry. It explores the implications of a shifting terrain of power as brought about by digital disruption in the record label industry, and investigates the ways in which socio-political[5] and economic factors such as historical inequalities, digital divides[6] and capitalist monopolies impact

[4] This research report uses Krige's approach to racial terminology as espoused by the South African Apartheid Government: "… I will refer to people by the traditional categories of 'African', 'Coloured', 'White' and 'Indian' given how those classifications were used by the Apartheid state to produce different experiences (ibid: 1)

[5] The socio-political characteristics are factors that define and influence public policies (Huber et al., 1993). The level of economic and social development, the environmental quality, and the well-being of the citizens are thus influenced by socio political factors. (Almeida, T.A.d., García-Sánchez, IM (2017).

[6] The term "digital divide" refers to the gap between individuals, households, businesses and geographic areas at different socio-economic levels with regard to both their opportunities to access information and communication

the milieu of cultural entrepreneurship and contribute towards the success or failure of DIY musicians in the popular music industry in democratic South Africa.

The exploration of the interplay between digital transformation, socio-political and economic factors and its significance for the contemporary South African DIY musician as cultural entrepreneur is achieved through the use of a case study analysis of three of South Africa's top tier DIY musicians: Black Coffee (DJ, Urban and House Music), Dominic Peters of the band GoldFish (Dance and House Music) and Loyiso Bala (Kwaito and RNB), who operate within the dance, house, electronic, DJ and R&B spaces. 'Top tier', for the purposes of this research, refers to South African DIY musicians who have achieved iconic success as both global recording music artists and cultural entrepreneurs within the popular music industry in democratic South Africa.

Nkosinathi Innocent Maphumulo, also known as Black Coffee, is an internationally acclaimed and award winning South African DIY musician, DJ, producer, singer and songwriter. Born in Umlazi township in KwaZulu-Natal Province in 1976, he majored in jazz studies at Natal Technikon, where he met the members of his first Afro-pop group, SHANA, in 1994. His career jumpstarted after participating in the Red Bull Music Academy in 2003, and in 2005 he launched his solo career with a remix of Hugh Masekela's 1972 hit 'Stimela'. In the same year he released his first self-titled album, *'Black Coffee',* and formed his own company, Soulistic Music, as a sole proprietor (Rickinson, 2016).

Goldfish is an Electronic Music DJ duo from Cape Town, South Africa. In 2006, the duo, Dominic Peters and David Poole, both graduates of jazz performance from the University of Cape Town, changed the electronic music game in South Africa, and earned the attention of a growing international house and electronic music fan base. After seven years, basing themselves between Cape Town and Ibiza, Peters and Poole have settled in San Diego to concentrate on the burgeoning US Market. A consistent string of chart-topping hits and a live show that has seen countless festival appearances has helped GoldFish become one of the most enduring and influential groups in live electronic music across the globe.

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technologies (ICTs) and to their use of the Internet for a wide variety of activities (OECD Glossary of Statistical Terms)

Loyiso Bala is an award winning South African R&B recording artist. He is currently channel director and content specialist at Trinity Broadcasting Network (TBN), an international religious music and TV production company. Bala is a business owner, SAMRO board member and holds a Master of Business Administration degree. The three will be discussed throughout the paper, as well as some of their successes and challenges.

In May 2020, Black Coffee acquired a 20% stake in Gallo Music Group through his investment holding company FlightMode Digital, after The Lebashe Investment Group bought Gallo Music Group for R75 million from former owners Tiso Blackstar in March 2020. Speaking to *Business Day* in 2020, Black Coffee states that he invested R15 million, and describes this moment as historic. He states that the deal represents "… an industry revolution where African artists will be part of structures that are fair, that encourage new ways to monetise content and where artists and creatives have a truly equitable stake." (Wicks, 2020). Black Coffee is hopeful that the deal will potentially "… end the traditionally adversarial relationship between artists and record labels … from what was a highly exploitative system, to one of renewal and fairness, by ensuring that the musicians retain the rights to their work…" (Wicks, 2020).

The Black Coffee-Gallo Music Group deal is also of particular interest to this research report because of its potential contribution to the conversation around negotiating control between record labels and artists, and the potential democratising agency offered by digitisation in the recording music industry. The deal provides an example of a singular approach to cultural entrepreneurship which values and prioritises artists owning their intellectual property, and brings to the fore a unique proposal for scholarly interrogation as it relates to the exploration of cultural entrepreneurship in the recording music industry in democratic South Africa.

By analysing the lived experiences and perspectives of these three South African DIY musicians, this research hopes to add valuable insights and strategies to artists and music associations alike, who seek to understand how to build successful careers as cultural entrepreneurs in the new digital music economy. This research will further explore possible linkages between the role of cultural entrepreneurship and digital disruption in creating opportunities of renewal for DIY musicians in a sector burdened with the legacy of historic inequalities, exploitation, inequitable access to digital technologies, and

capitalist monopolies. Furthermore, it foregrounds the rise of the DIY musician entrepreneur as a force of "ideological resistance" that serves to counter the long standing, traditional seats of capitalist power and hegemonic control of traditional role players within the recording music industry (Drijver and Hitters, 2016: 12), and explores how, if at all, the Black Coffee-Gallo Music Group deal could provide an example of the possible shift in prescriptive postures of power between record labels and DIY musicians.

This research report grapples with the concepts of the cultural entrepreneur, cultural entrepreneurship and the DIY musician as potential proponents of a transformative environment for South African musicians, thereby introducing a concept that is yet to be tested beyond what is presently understood about the relationship between music and entrepreneurship.

By making connections between the interplay of social and economic progress, the music sector and government investment, it reframes the topic of how to achieve music career success in the context of fast-changing digital technologies in a country that does not invest in wider technological reach. As such, the treatment of the topic hopes to advance knowledge of the subject of cultural entrepreneurship in the South African popular music industry context.

Problem Statement

The recording music industry itself remains an oligopoly with a competitive fringe of DIY[7] micro-music businesses and 'indie' record labels that 'orbit' around them (Moreau, 2013:19). Further, there remains differing degrees of conflict between recording artists and record labels, who in the main are known for their exploitation of artists' profits and revenues through majority ownership of their recording, performing, publishing, licensing and mechanical rights and royalties (Nordgård, 2018).

Since 2016, the two music majors, Universal Music Group and Sony Music Entertainment, are estimated to own 65-70% of the global market share and continue to control the economies of scale at two key stages in the value chain - distribution and

[7] The notion of 'DIY' has particular connotations within popular music, emerging as part of the UK punk scene in the late 1970s and continuing in other non-mainstream genres in the early 1990s. Importantly, the 'DIY' ethic has historically been associated with independent methods of production and distribution as a form of challenge or resistance to the mainstream industry traditionally dominated by multi-national corporations (Drijver and Hitters, 2016).

promotion - thereby creating powerful barriers to entry to the recorded music industry. Although recording companies are still the biggest stakeholders in the music industry, alternative 'DIY' approaches for artists to independently produce, promote and distribute their music are eroding these traditional structures of power and DIY musicians are starting to take agency in their careers and businesses (Hesmondhalgh, 1999; DeFillippi, 2016; Nordgård, 2018; Strachan, 2007; Shaw, 2017).

This research seeks to understand how top tier DIY South African musicians, such as Black Coffee, Dominic Peters of the band GoldFish and Loyiso Bala, have been able to navigate and create successful careers as both recording artists and cultural entrepreneurs in the face of historic Apartheid legacies, gatekeeping, fast-changing digital technologies, and a century of monopolistic behaviour of the record label industries in the contemporary music industry in democratic South Africa.

Black Coffee's acquisition of a 20% stake in Gallo Music Group also represents a site of anomalous intrigue, not only for DIY musicians as cultural entrepreneurs, but also for black musicians operating in this space. As a venture capitalist, Black Coffee brings a different perspective to some of the challenges of the music industries and to improving the conditions in which cultural entrepreneurship occurs. Though the details of the deal are largely private, the deal potentially signals the phenomenon of potential shifts in prescriptive powers between artists and traditional record labels.

The key problem addressed by this research is the longstanding dominance of recording music companies that is reported to be declining. Hence, this research will explore how ongoing technological, socio-political and economic factors in democratic South Africa might contribute towards the success and failure of DIY musicians as cultural entrepreneurs.

Rationale

This research is also inspired by my lived experiences, passion and insights as a professional career musician, performer, educator and cultural entrepreneur who has worked in various music industries across the globe. This includes engagements with various role players, such as recording labels, recording and performing artists, booking

managers and agents, tour promoters, publishers and live music venue owners in countries such as China, Cuba, Europe, South America, North America and the African continent (Tunisia and Morocco). This research report applies and interprets the concept of cultural entrepreneurship within the field of cultural management to a real-life context. It reframes the topic of how to achieve music career success in the context of fast-changing digital technologies in the music recording industry, in a country that does not invest in wider technological reach, by applying the concept of cultural entrepreneurship. Through this research report I hope to gain insights into the dynamics that enhance or impede cultural entrepreneurship within the music industries in democratic South Africa, and to contribute to policy discussions about how DIY musicians could be better supported and prepared as cultural entrepreneurs in the global music digital economy.

There is currently a lack of scholarly information about cultural entrepreneurship within the South African music industry, and further, an understanding of how DIY artists, such as Black Coffee, GoldFish and Loyiso Bala have managed to navigate pathways of anomalous success as both musicians and cultural entrepreneurs in the context of fast-changing digital technologies and historical socio-economic inequalities. Moreover, very little is known of the impact of digital disruption and the role of cultural entrepreneurship in creating platforms of transformation and renewal for DIY musicians in the mainstream popular music industries in democratic South Africa.

Several lengthy searches conducted by the researcher reveal that there are very few scholarly works directly related to the subject of the business aspects of the music industries and cultural entrepreneurship within South Africa (Bruce, 2013; Shaw, 2017). This research seeks to contribute to a scarcity of literature on cultural entrepreneurship in democratic South Africa, it aspires to inform work on artists' career building, and speak to the development of protean careers as probed by scholars such as Anheier et al. (1995), Pinheiro and Dowd (2009) and Hall (1996).

Building on Bourdieu's (1985) classic observations in the study of creative workers and their careers, this research report seeks to add to knowledge about building pathways to jobs and sustainable careers. The paper probes salient lines of enquiry into the role of cultural entrepreneurship and disruptive digital technologies in fostering new pathways of access and autonomy for artists formerly operating within hegemonic structures of power

and politics within the music industry at large (Wikstrom, 2009; DeFillippi, 2016; Tschmuck, 2012; Shaw, 2017).

This research explores existing knowledge that sheds light on the systemic socio-political and economic history of racial inequality and hegemonic structures of power and control that have shaped the South African music industries (Ansell et al., 2007; Coplan, 2007; Ndzuta, 2012; Shaw, 2017). Knowledge on the social and historical dimension of the South African music industries is documented by scholars such as Brett Pyper (2013), David Coplan (2007), Gwen Ansell (2005) and Lindelwa Dalamba (2013). A valuable resource from the South African music business vantage point is Jonathan Shaw's (2017) book, *The South African Music Business*, which details the essential business components of the local music industries, and emphasises the lack of reliable information on the industry and future digital trends.

This research is a slight departure from existing studies, and hopes to contribute to the nascent field of academic research in cultural entrepreneurship within the music industries in democratic South Africa. Building upon key scholarly works which disseminate ideas on the hegemonic power and historical inequalities within the South African music industries (e.g., Ansell et al., 2007; Pyper, 2013; Walters; 2011; Ndzuta, 2012), this research investigates the role of digital disruption in propelling transformation that has shifted the traditional structure of power between record labels (the 'Majors') and local musicians. Further, the study explores the significance of digital disruption for the contemporary South African DIY musician as cultural entrepreneur, from the perspective and lived experiences of DIY musicians Black Coffee, GoldFish and Loyiso Bala.

Research Aim and Objectives

The aim of this research is to explore the role of cultural entrepreneurship in creating platforms of transformation and renewal through the lived experience and practice of three of South Africa's top tier DIY musicians operating as both cultural entrepreneurs and music practitioners within the mainstream popular music recording industry in democratic South Africa.

The objectives are:

1. To explore the social and lived experiences of DIY musicians and to investigate how, if at all, the concepts of cultural entrepreneurship can be seen and explained as demonstrating enterprising success or failure of DIY musicians in the recording music industry.
2. To identify how ongoing technological , socio-political and economic factors impact cultural entrepreneurship within the mainstream popular music industry in democratic South Africa and potentially contribute towards the success or failure of DIY musicians operating as cultural entrepreneurs.
3. To investigate how, if at all, the Black Coffee-Gallo Music Group deal may represent the beginning moments of 'change towards equitable renewal' for artists and the music industries of South Africa.

Research Questions

The research question that this research report poses is, to what extent technological, socio-political and economic factors impact on cultural entrepreneurship in the music industries in democratic South Africa, and contribute to the potential success or failure of DIY musicians operating as cultural entrepreneurs in the mainstream popular industry?

The further sub-related questions are:

1. How are DIY musicians operating as cultural entrepreneurs in the mainstream popular music industry in democratic South Africa, and what can be learned from their experiences about the role of cultural entrepreneurship in unlocking the unrealised potential of the South African music industry?
2. How are DIY's impacted by technological factors, such as digital disruption, and socio-political and economic factors, such as an inequitable access to digital technologies?
3. What, if any, are the potential implications for the relationship between artists and record companies arising from Black Coffee's deal with the Gallo Music Group?

Chapter Two: Conceptual Framework

This research uses an inductive, empirical research analysis into the key technological, socio-political and economic factors that contribute to the potential success and failure of DIY musicians as cultural entrepreneurs in the recording music industry in democratic South Africa.

The research will discuss cultural entrepreneurship within a 'Bourdieusian' framework of multiple types of capital (Bourdieu, 1985). Bourdieu's multiple types of capital is understood as the readily available economic, social and cultural resources to be mobilised and converted in the 'struggle to build a career' (Scott, 2012). Bourdieu's theory of multiple types of capitals is used to explain the advancements of DIY musicians through the conversion of various social and cultural capitals into economic gains. I argue that the DIY artist has been created through the process of artists being empowered through ownership of intellectual property (IP), and cultural capital. I further point out that this inadvertently situates them as central role players and stakeholders, and as cultural entrepreneurs in the new digital economy. In light of historic inequalities and disparities in the South African music industries, this research seeks to understand how inequitable access to these 'capitals' could influence the potential success or failure of DIY musicians in democratic South Africa.

Through the above theoretical lens, the three variables explored in this research are:

The significance of 'protean' careers in the development of cultural entrepreneurship in the South African popular music industry

Macro-economic factors, social norms and technological innovations continue to transform the nature of work and development of careers in an already complex music industry that comprises an incredibly diverse range of social players, sub-sectors, companies and institutions, and a diverse range of functions, roles and activities (Bennett, 2015). Further, Hall (1996) discusses how the organisational career is dead, while the protean career is alive and flourishing. The career of the 21st century will be 'protean': a career that is driven by the person, not the organisation, and that will be reinvented from time to time, as the person and the environment changes (ibid: 1996). The traditional psychological contract in which an employee entered a firm, worked hard, performed well, was loyal and committed, and thus received ever-greater

rewards and job security, has been replaced by a new contract based on continuous learning and identity change.

Socio-political and economic factors that shape the South African popular music industries

Development practitioners are also increasingly aware of the role of social and political factors in shaping development outcomes. The most recent World Development Report, *Equity and Development*, (2005) emphasises the importance of understanding how inequalities in power and wealth translate into unequal opportunities, and how it leads to loss of productive potential and increased political instability (World Bank, 2005). Likewise, political power relations tend to reflect and shape social and economic distribution patterns in so-called 'inequality traps'. These traps constrain economic growth and poverty reduction, and increase social tensions (World Bank, 2005).

In contemporary South Africa, culture and creativity are of great significance as an engine for economic growth (Abbing, 2016). According to Joffe and Newton (2008), the development of the creative industries are seen as key contributors to GDP and are of top priority within global economic and political agendas. In the same light, the Music Industry Task Team (MITT) vision for the South African music industry is one that is " … a powerful means of stimulating employment, developing human skills and generating social capital and cohesion" (MITT, 2000: 2). This research explores the ways in which socio-political and economic factors such as historical inequality gaps, digital divides and capitalist monopolies influence the environment in which cultural entrepreneurship occurs within the recording music industries in democratic South Africa, and may contribute to the success or failure of DIY musicians in this space. Moreover, it represents a site of scholarly intrigue that reflects the complex interplay of the dynamics of a historically prejudiced and divided music industries.

The role of digital innovation in the changing power relations between DIY musicians and record labels in the South African popular music industry

Digital disruption is often defined as a type of environmental turbulence induced by digital innovation that leads to the erosion of boundaries and approaches that previously served as foundations for organising the production and capture of value

(Karimi and Walter, 2015; Rauch et al., 2016). Digital innovations brought forth within the last two decades have fundamentally changed how value is created, distributed and consumed within the creative and cultural industries, and specifically has transformed the traditional structure, logic and networks within the music recording label industries.

Before the 21st century, recording artists were reliant upon record companies to finance the production and distribution of their music, to broaden their consumer base and to market and promote their albums (Klein, 2016). With the onset of new digital technologies and the internet, artists are now able to produce music in the comfort of their own homes and are able to pre-finance the production with the help of new crowdfunding tools. Content aggregators such as The Orchard, Believe Digital, Finetunes and Rebeat enable musicians to upload and distribute their work to all music streaming and download portals worldwide, such as iTunes, Amazon, Google and Spotify (Tschmuck, 2016). Social media sites and user-generated content platforms enable musicians to market and promote their music to a global audience.

Twenty-first century digital technologies thus present enterprising opportunities for musicians to adopt a 'do-it-yourself' approach to the creation, securing and monetization of their music and services, as well as the planning and management of their own careers. Artists now have a network of supporting services at their disposal, which not only grants them potential autonomy from traditional players, such as the record labels, but moves them to the centre of the industry's value-added network as a key role player (DeFillippi, 2016; Tschmuck, 2016; Nordgård, 2018).

However, the global market for recorded music is still largely dominated by two major record labels (Sony Music and Universal Music) who own 70 percent of the entire global music market share (Tschmuck, 2016). Cultural intermediaries, such as record labels, music promoters and music publishers thus still control entry into larger markets. Conversion of the various forms of social and cultural capitals (such as talent, skills and networks) into cultural products such as "songs, recordings, successful performances, promotional videos or website hits" (Scott, 2012: 14) are therefore essential for DIY musicians who wish to mobilise their careers and present themselves as attractive 'subjects of value' (Skeggs, 2004: 4).

Record labels have subsequently reorganised and restructured their offerings to artists by means of ‘360 deals’. These deals are exclusive contracts that are negotiated with signed artists that allow the record label, in exchange for services such as funding and promotion, to share in a percentage of all the artists’ revenues, such as merchandise sales and publishing royalties, rather than just receiving a percentage of the earnings from album sales (Tschmuck, 2016). The ‘360 deal’ is an important example of the shift in traditional relationships between artists and record labels. As more artists have engaged with new digital technologies to create, produce and promote their music, recording companies have incurred a dramatic loss to their revenues and also to their number of signed artists (DeFillippi, 2016; Tschmuck, 2016). In response to the change brought about by new digital technologies and the democratising agency offered to DIY’s, record labels have had to reformulate their offerings to and partnerships with recording artists.

Chapter Three: Research Methodology

There is currently a lack of scholarly information about cultural entrepreneurship within the South African recording music industry, and a lack of understanding of how DIY musicians have managed to navigate pathways of success as both musicians and cultural entrepreneurs in an industry plagued by racialized socio-political and economic inequalities inherited from the Apartheid era. What is further scantly documented is the ecology in which South African musicians operate, and in particular, the social and lived experience of black musicians operating in this space.

Black Coffee's stake in the Gallo Music Group is of particular interest in this research due to the anomalous nature of artists gaining such strategic entry and access to the 'money-making' side of the record music industry. Further, as a black venture capitalist, Black Coffee brings a different perspective to some of the socio-political and economic challenges of the music industries in post-Apartheid South Africa and to improving the conditions in which cultural entrepreneurship occurs.

The research will also discuss the implications of disruptive digital technologies in creating new role players, new value propositions and new value logics within the contemporary music industry, and the implications for emerging DIY cultural entrepreneurs in the record industry in democratic South Africa today.

Position of the researcher

The social constructivist (also interpretivist) paradigm assumes that individuals seek understanding of the world around them and construct subjective meanings of their experiences which are shaped by both interaction with others and by historical, societal and cultural norms (Creswell, 2014). Meanings are therefore deeply entrenched in historical and social contexts and are multiple and varied. The goal of this research is to rely as much as possible on the participants' views to construct meaning. Research questions are therefore broad, open-ended and developed through discussions or through interactions (Crotty, 1998). The interest of interpretivists is to evaluate or judge and refine interpretive theories (Creswell, 2014) and the researcher recognises how their interpretation could be impacted by personal bias, which must be limited by all means. Another shortfall of the interpretative approach is

that it is difficult to explain unintended consequences, and historical contexts are often neglected (Creswell, 2014).

According to Croswell (2014), meanings are deeply entrenched in historical and social contexts. To avoid the neglect of historical contexts, copies of the transcribed participant interviews, policy documents and organisational documents were carefully and individually coded and analysed by the researcher for meanings and themes, which were both varied and multiple.

To avoid personal bias, the researcher, who is a trained musician, educator, and performer in the field of both jazz and popular music, distanced herself during the ethnographic fieldwork from preconceived ideas about the examined research topic in order to keep an open mind to new information from the participants. The researcher employed the technique of negotiating familiarity with the field in order to do so (Ohnuki-Tierney, 1984). The process involves the opinions of the researcher being distanced from the process of collecting information whilst those of the participants are embraced (ibid: 584). Prior knowledge of the field, as a result, did not give way to subjectivity from the researcher, but supported consistent transparency.

The views of the researcher were balanced through using only accounts expressed by the research participants (O'Leary, 2005). The researcher negotiated the reality and prior experience of the field through conscientiously scrutinising her voice and suspending judgment on the views given by the participants until the conclusion of the overall research undertaking (ibid).

Research Design

This research employs a qualitative, single-case study approach to explore the technological, socio-political and economic factors which impact on the South African DIY musicians operating as cultural entrepreneurs in the popular music industry in Democratic South Africa.

Qualitative research is an approach for exploring and understanding the meaning individuals or groups ascribe to a social or human problem, and the approach supports an inductive style which focuses on individual meaning and the importance of rendering the complexity of a situation. Qualitative methodology aims to understand the meaning of social phenomena and focuses on links among a larger number of attributes across relatively few cases (Creswell, 2014:32).

A single case study analysis design was chosen for this research because of its in-depth focus "… of a single phenomenon occurring within its real-life context." (Yin, 1999:211). This approach denotes that the researcher develops an in-depth analysis of a case, an event, activity or process of one or more individuals. For the purpose of this research, an in-depth case study of the lived experience of three of South Africa's top tier DIY recording artists and cultural entrepreneurs (Black Coffee, GoldFish and Loyiso Bala) was developed in order to better understand the processes, mind-sets, challenges and limitations involved in the building of their successful careers in the music industry in democratic South Africa.

The case study approach is particularly useful when there is a lack of knowledge regarding the phenomenon and where the researcher chooses to study with the aim of developing insights into existing gaps (George and Bennett, 2007). Single-case studies also provide a viable alternative to large group studies as the approach can provide strong internal validity for assessing interventions (Creswell, 2014). A critique of the single case study approach is that it lends itself to subjectivity.

To reduce the impact of potential biases and to guard against findings that are of a single method and source (Patton, 1990), triangulation of the research methods, data, participants and theoretical constructs were used to provide "a confluence of evidence that breeds credibility" (Eisner, 1991: 110). The case study method is especially useful when there is a lack of knowledge regarding the phenomenon of scientific interest and where the researcher chooses to study with the aim of developing theory and providing additional insights into existing gaps (Bennett, 2007). Single-case studies provide a viable alternative to large group studies. They can be designed to have strong internal validity for assessing relationships between interventions and outcomes.

Sample and Sample Strategy

A purposive sampling strategy was chosen to identify and select individuals or groups who are knowledgeable or experienced about the phenomenon of interest (Patton, 1990). This research report foregrounds the lived experience of the work and practice of three of South Africa's top tier, contemporary DIY recording music artists operating as cultural entrepreneurs within the mainstream popular music industry.

The main protagonists are three of South Africa's internationally acclaimed, prolific and award -winning musicians, producers and cultural entrepreneurs of the 21st century: Black

Coffee, Loyiso Bala and Dominic Peters of the band GoldFish. Each protagonist was individually interviewed in order to gain multiple and diverse perspectives from different races in the field. In order to provide multiple sources of inputs and multi-layered insights, the sample for artists was drawn from South Africa's top performing popular music DIY musicians within the same age group, genre of music and of similar industry standing and success. Other participants include South African industry experts, leaders, business owners, managers and thought leaders within the cultural and creative industries and music industry, as well as a representative from the South African Department of Sports, Arts and Culture.

Demographics of Sample

The total number of participants involved in this research is ten and all the participants are male.

Black Coffee, Loyiso Bala and Dominic Peters of the band GoldFish are accomplished South African DIY musicians who have achieved iconic success over the past two decades as both recording artists and pioneering cultural entrepreneurs in both the local and global recording music industry. Simukayi Mukuna is a business graduate from the University of Cape Town and also managing director and partner at Black Coffee's venture capital company, called at Flightmode Digital. Andre Le Roux and Martin Myers are both seasoned music business experts with extensive experience as leaders, thinkers, consultants and business owners in the field. Jonathan Shaw, a music practitioner himself, is one of South Africa's leading authors on the music business industry in South Africa and is the owner of Shaw Music Studios.

Wiseman Ngubo has a background in law and is the chief operating officer of CAPASSO. CAPASSO is a digital rights licensing agency based in Johannesburg, South Africa, which collects and distributes royalties to its member music publishers and composers. Ngubo is attributed for bringing tremendous change, growth and impact to the organization, especially with regards to introducing new digital frameworks and structures targeted at pan-African and international markets. James Bassingthwaighte is a professional musician, composer, band leader and also cultural entrepreneur. Bassingthwaighte is well known in South Africa as a music director and has worked with many of South Africa's legendary recording artists such as Caiphus Semenya and Bongo Muffin, to name a few. Zwelakhe Mbiba is Director-General at the South African Department of Sports, Arts and Culture, specializing in the music industries of South Africa portfolio.

Table for Sample of Participants in this Research:

Top South African DIY Musicians and Cultural Entrepreneurs				
Participant Name	**Age Range**	**Gender**	**Race**	**Background**
Nkosinathi Maphumulo (Black Coffee)	30-45	Male	Black	DIY Musician and Cultural Entrepreneur
Loyiso Bala	30-45	Male	Black	DIY Musician and Cultural Entrepreneur
Dominic Peters (GoldFish)	30-45	Male	White	DIY Musician and Cultural Entrepreneur
Industry Experts, Thought Leaders and Business Owners from the SA Music Business Industry				
Simukayi Mukuna	30-45	Male	Black	Managing Director and Partner with Black Coffee at Flightmode Digital
Andre Le Roux	45-60	Male	Coloured	Music Industry Expert, Former Head of SAMRO
Martin Myers	45-60	Male	White	Music Industry Expert, Owner of Music Exchange
Jonathan Shaw	30-45	Male	White	Music Industry Expert, Author, Business Owner
Expert Practitioners in the Music Industry				
Wiseman Ngubo	30-45	Male	Coloured	Lawyer and COO of CAPASSO
James Bassingthwaighte	30-45	Male	White	Professional Musician, Composer, Band-owner and Cultural Entrepreneur
Cultural Policy Expert: Department of Sports, Arts and Culture				
Zwelakhe Mbiba	45-60	Male	Black	DG at the Department of Sports, Arts and Culture

Primary data was sourced from multiple, in-depth, semi-structured and personal interviews with key stakeholders (top DIY musicians, industry experts, academics and cultural policy managers) across the music industry value chain in South Africa. Secondary data was sourced from academic literature, government and cultural policy documents as well as organisational documents. Further, data was sourced from brochures, press releases, audio and video recordings, e-mail discussions and news items from local, national and international websites.

Due to Covid-19, all interviews were conducted online in a private setting via Zoom, with each interview session recorded and transcribed verbatim.

Document and textual analysis was applied to primary and secondary texts, whilst individual in-depth interviews were transcribed and analysed word for word using thematic analysis. Each interview was different but incorporated established core questions. As a result of the standardised core interview questions, data from each interview could be compared during the data analysis so that common themes could be found. Transcribed copies of interviews, policy documents and organisational documents were coded for meanings and themes. The data was separated into categories using research questions and responses from participants in order to identify emerging patterns, meanings and themes. The data was then placed into categories according to emanating themes. Data was matched, compared and cross analysed from the research questions and answers to create a unit of analysis, which was analysed to identify patterns and threads in answering the main research question (Creswell, 2014).

To reduce the impact of potential biases and to guard against findings that are of a single method and source (Patton, 1990), the triangulation of the methods of data collection, multiple sources of data, a wide range of participants and theoretical constructs were used to ensure "… a confluence of evidence that breeds credibility" (Eisner, 1991:110).

Limitations

This research only reflects a handful of diverse approaches to understanding the role of cultural entrepreneurship in the democratic South African music industry, and does not represent the South African music industry as a whole (Davies and Mosdell, 2006). The sampling strategically focused on a small group of South Africa's top DIY musicians as cultural entrepreneurs within the popular music industry in order to gain insights into their lived and professional experiences, and therefore the research is not generalisable to other DIY musicians.

This research does not include the voices of musicians outside of the popular music industry nor does it include the perspectives of female DIY musicians as cultural entrepreneurs. A key limitation for this research report is that views and perspectives from Gallo Music Group are not included. Although the researcher initiated several invitations for a representative of Gallo Music Group to participate, there was no response up until the submission of this report. Another challenge was the lack of robust academic texts with regard to cultural

entrepreneurship within the music industries in democratic South Africa. However, the research employed a number of international scholarly works and interviews in order to give voice to and validate perspectives on the recording music industry in South Africa and the Gallo Music Group.

Ethical considerations

Since interpretive researchers place strong emphasis on better understanding of the world through first-hand experiences and insider perspectives, truthful reporting and quotations of actual conversation have been recorded (Merriam, 1998). The researcher employed data gathering methods that encouraged participants to speak freely and to help them clearly understand the intentions and purposes of this report. The aim was to explore the implications of a shifting terrain of power as brought about by digital disruption in the record label industry and to investigate the ways in which socio-political and economic factors such as historical inequalities, digital divides and capitalist monopolies impact the milieu of cultural entrepreneurship and contribute towards the success or failure of DIY musicians in the popular music industry in democratic South Africa. Data gathering methods have been sensitive to context (Neuman, 2003), and to the best ability of the researcher, to enable rich, detailed and thick descriptions of social phenomena by participants.

The researcher ensured participants' confidentiality through confidential treatment of the raw data for specific purposes of interpreting the data for the research report. The participants provided the researcher with permission to use their names and identities. The data was stored in a password protected computer and documents will be stored for one year in encrypted format.

Chapter Four: Literature Review

This chapter of the research report seeks to explore the historical development of South African society, particularly as it pertains to the development of the South African music industry, in order to contextualise more recent and current developments in the music industry in democratic South Africa. The research report is informed by critical texts by South African authors such as Ndzuta (2012), Muller (2004), Ansell (2005) and Coplan (2007), that provide insights into the inextricable linkages between musicians' experiences of power, politics and the socio-political history of the South African music industry. Muller's work (2004) provides a synoptic history of South African music as affected by local politics and social change; Ansell (2005) gives an account of the foundations of popular music in South Africa, tracing its economic and social history; and Coplan (2007) describes the social, historical and political developments of three centuries of urban South African popular music and entertainment, particularly related to the black population.

The South African Music Industries

In David Coplan's 2007 sociohistorical analysis of the development of the South African music and entertainment industries between 1990-1960 (*The African Musician and the Development of the Johannesburg Entertainment Industry, 1900-1960*), he discusses the link between South Africa's dark political history and its impact on the development of black music and culture within the music industry in South Africa. Coplan (ibid) explores the integral role of music and performance in shaping identity and black cultural expressions within early colonial and urban social orders.

In the early 1900's, Johannesburg was the mecca of urban, commercial and entertainment life, with black musicians playing a formidable role in the building of cultural and social bridges that contributed strongly to the growth of black community and social life. Despite South Africa's "…severely constricted and depressed social universe of white segregationist policy" (Coplan, 1979: 5), black urban performing arts reflected the expressions of a sophisticated and heterogeneous society, and created a cultural repository for emerging social value systems. Music, concert parties, dances, and shebeens[8] played an important part of everyday life that not only inspired a bustling scene of live entertainment and indigenous

[8] Shebeen in "Irish slang", means a 'little shop': term for an unlicensed black drinking spot usually in a private home" (Ansell, 2005: 330).

jazz, but also sprouted the development of many local black owned music businesses, such as professional bands and live entertainment venues run by local managers and promoters.

Black music practitioners at the time had scant educational opportunities in their chosen field of work due to a lack of access to formal music education apart from missionary schooling (Ansell, 2005). Although black musicians were industrious, self-organised, business-orientated and for a long time had been major cultural innovators transmitting and leading the acceptance of the modernising influence of 20th century Black American culture, they were not afforded opportunities to formalise their craft.

Amidst increasing racialized censorship of black music, black performances and the restriction of movement for black musicians at the turn of the 20th century, uniquely inspired black entertainment was discovered by white patrons and show business organisers, who began to secure engagements for black performers at international venues, such as Sadler's Wells Theatre in London (Coplan, 2007). The prejudice of the authorities against independent black enterprise made white production almost a necessity for black professional ventures, in the context of increasing subversive racial ideology and oppressive socio-political and economic policies enforced upon black South Africans. In such a skewed reality, the seeking of white critical approval, artistic advice, training, and managerial assistance appeared to many black performers as a necessary step in pursuing their goals of meeting international professional standards.

By the 1930's, the state implemented policies to move black populations further away from the city to 'townships'. Township is "…the title given by white [Apartheid] local authorities to the Spartan residential areas they constructed for black citizens." (Ansell, 2005:330). Despite black musicians having little to no educational opportunities past missionary schooling and learning on-the-job (Ansell, 2005), many entirely black-organised variety troupes, bands and musicians continued to operate right up until the end of the 1950's. Official restrictions, curfew laws and managerial inexperience however severely limited their revenues and added to white interest in the commercial potential of black performing arts, which drove black talent increasingly into the hands of white producers. (Coplan, 2007).

With the inception of Apartheid[9] in 1948, laws passed by the state between the early 1900's and the 1980's would adversely affect music practitioners and the growth of live performance. Black musicians were only permitted to be semi-professionals, and could therefore not be self-employed performers (Ansell, 2005). Race laws also demanded that musicians of different races could not perform together, and very few music venues showcased employed black musicians. Furthermore, black musicians were not permitted to join labour unions or form their own business (ibid). The development of music professional standards was prohibited by the state, making it illegal for black musicians to form or join trade unions. As a result, few musicians of colour could be enterprising with their music skills or create work for themselves. Due to restrictions imposed on their place of work and a ban imposed on movement into areas reserved for 'whites only', many black musicians struggled to find fixed employment, and compared to their white counterparts were paid much less for the same job (ibid).

Broadcasting followed a similar pattern. Radio and broadcasting were censored mediums controlled by the state and weaponised as a tool for the dissemination of Apartheid segregationist ideology (Shaw, 2017). The South African Broadcasting Corporation (SABC) exercised strict censorship and employed a staff of linguistic experts to search out even the most oblique references against the Apartheid political regime. Important outlets of recording and broadcasting therefore largely denied the consumption of any local music suggestive of any form of covert political character. This in turn led to systematic self-censorship on the part of recording studios themselves. While some black bands were recorded by name by the SABC prior to 1960, black musicians were just as often called to the studio independently to make recordings under hastily invented group or individual names and for much lower rates than their white counterparts. Black musicians were also not aware of the royalties and rights payments owed to them since they were not educated in that regard (Ansell, 2005).

The social dislocation caused by the forced removals in the late 1950's also adversely affected the patronage and consumption of black local music. Professional musicians, whether recording or not, were increasingly moved to perform at white venues with the

[9] Apartheid involved a variously institutionalised system of "laws that forced people of different cultural and language backgrounds to live in separate places, and be treated unequally and often unjustly before the law in South Africa (1948-1990)" (Muller, 2008: 30).

prospect of ‘better’ earnings, exposure, and employment. During the 1960s, Apartheid ideology was further entrenched with the enforcement of segregationist legislation under then Prime Minister Hendrik Verwoerd, amidst the rise of political opposition and armed resistance. Increased volatility in the political climate was met with active suppression of black music, censorship, and the banning of anti-Apartheid rhetoric, songs, lyrics and musicians (Ansell, 2005; Shaw, 2017). Many South African musicians, such as Miriam Makeba and Hugh Masekela, left South Africa to live abroad whilst giving voice to the plight of black South Africans at home. During the 1970’s and 1980’s, increased pressure was placed on the Apartheid regime by international sanctions. South African artists aligned to the struggle for liberation were banned from travelling outside of South Africa, whilst many international artists refused to tour in South Africa as a sign of protest against the violation of human rights against the black South African population (Shaw, 2017).

The 1980’s also saw the rise of new digital technologies such as DAT (Digital Audio Tape), Compact Disc (CD) and Digital Versatile Disc (DVD), coupled with the growing trend of big multinational record labels starting to entrench themselves worldwide with “branches in every major territory” (Shaw, 2007: 220). Major international record labels - Bertelsmann Music Group (BMG) and Sony Music - established roots in South Africa in 1992 and 1995 respectively. Sony Music became Sony Music Entertainment (South Africa) and merged with BMG in a joint venture in 2004, with Sony buying out its share in BMG in 2008 (Shaw, 2017:231). While the major record labels “… started to dominate as…transnational entertainment corporations”, new digital technologies in the late 1990’s, such as the internet, Napster, MP3 file sharing software, and audio file download capabilities, allowed for the “free”, albeit illegal transmission and dissemination of music independent of the record music sector’s control and supervision (Shaw, 2007: 232-233).

Ansell et al (2007) also notes that the potential of music market growth was thwarted by Apartheid policies and that “Apartheid significantly underdeveloped the infrastructure of the majority industry and the working patterns of practitioners” (ibid: 10-19). Similarly, there was restricted information dispersal and the stifling of labour unions, as trade unions for black men were banned for a long time. Owing to that there was also no room for musicians to network. As a result, “a thorough understanding of royalties as a source of income failed to take root among musicians of colour” (ibid: 20).

The first democratic elections of 1994 ushered in an era of intensive national policy making focused on the re-building and re-imagining of South African society in order to address the deficiencies of an inherited socio-economic and political landscape predicated upon 46 years of subversive and legislated oppression and racial discrimination against its black citizens under Apartheid. The newly elected African National Congress (ANC) was tasked with the challenge of establishing a policy agenda that would bring about national reconciliation, social and economic redress, and transformation towards an inclusive, non-racial and democratic society.

The 1990's was a decade of freedom for South African music with lifting of sanctions and liberation of the media. International subsidiaries of major music recording companies such as BMG and Sony International were established in the 1990's, while the independent music scene continued to grow throughout the mid-1990's with the development of new local independent labels, retailers, agencies and CMO's.

The 1990's also saw the rise of music unions and music organisations such as the Recording Industry of South Africa (RISA). Musicians Union of South Africa (MUSA) later merged with the Performing Arts Workers' Equity (PAWE) to become the Creative Workers Union of South Africa (CWUSA). CWUSA, affiliated to COSATU and the International Federation of Musicians, was de-registered by the Registrar of Labour Relations in 2014 for noncompliance and "operating outside of the Constitution" (Shaw, 2007:231). A new union, the South African Media Creative and Cultural Workers (SAMCCWU), was formed in 2015.

The White Paper on Arts and Culture (1996), hereafter referred to as the 'White Paper', was the leading cultural policy document to guide the building of a democratic arts, culture and heritage dispensation in democratic South Africa. The White Paper, grounded in the constitution, provided a mechanism for introducing widespread transformation to the sector. The White Paper is viewed as the catalyst of landmark cultural policy growth strategies and music industry research, most notably the Cultural Industries Growth Strategy (CIGS) of 1998 and the Music Industry Task Team (MITT) of 2000 (Walters, 2011).

The *South African Music Industry Report* (CIGS 1998) sought to 'harness existing capacities' and 'enable potential possibilities' for the development of the music industries at local, regional and national levels (Walters, 2011). Key aims were to "make explicit the current social and economic contribution of the sector, to present an economic analysis of the

baseline data, to identify impediments to growth, to identify growth strategies and opportunities for employment creation and competitive development" (CIGS, 1998:5). In situating music as both cultural expression and commodity, key among its developmental strategies for the South African music industry was the creation of enterprising employment opportunities for industry and practitioners, development of support mechanisms for SME's, leveraging investment opportunities, to highlight areas for government participation and legislation, and to identify potential private sector initiatives. The report also stressed the need for greater dialogue and coordination among industry stakeholders and the importance of the South African music industry to "profile" itself within the international industry (ibid: 83).

The CIGS report highlighted critical challenges, such as the " … limited resources for South African artists' development; widespread piracy, racialized music consumption due to the limited disposable incomes of different racial groups, and conflict over the distribution of royalties" whilst highlighting rapid and promising growth of the industry attributed to "… the promulgation of local content legislation; an explosion in radio broadcasting services as a result of deregulation, and increasing synergy between the growing market of local and international musicians." (CIGS Music, 1998).

The report formed the basis of government interventions, such as the formulation of the Music Industry Task Team (MITT) in 2000, which was set up to identify and implement a range of initiatives to overcome critical challenges within the music sector. The MITT Report documents *"*a legacy of disempowerment and lack of access to education, training and information about the economics of the industry among musicians and related workers" (2000:4) as central obstacles to developing humane and equitable cultural industries. The MITT process was an inclusive one that documented the experiences and opinions of artists, musicians, composers, the labour movement, multinational companies, the corporate sector and small enterprises. The MITT released 37 recommendations aimed at strengthening the music industry.

The MITT report highlighted that the music industry, as part of the cultural industry, experienced low consumption of local music due to a wide range of indigenous cultures being actively excluded, distorted and suppressed by the Apartheid government (MITT, 2000).

> *"… One of the most devastating aspects of this legacy is that local music is not developing as fast as it should. Eighty per cent of the music sold in South Africa is international. While international music is thriving in the South African market, the development of local music is not keeping pace. Likewise, live music venues and productions are not thriving in South Africa* (MITT, 2000)

The MITT report also highlighted problems related to insufficient and outdated copyright legislation; widespread piracy and copyright infringement resulting in negative impacts on the growth of the local music industry; ineffective systems for monitoring local content and low levels of local content consumption in the media; and the legacy of disempowerment and lack of access to education, training and information about the economics of the industry among musicians and related workers was highlighted, coupled with a lack of transparency and accountability of key players.

In relation to artists, the MITT (2000) report identified the prevalence of unfair contracts - historic and current - leading to a polarised and hostile industrial relations environment. The report recognised the widespread perception in the industry that the contracts in use disadvantage the artist, and that black performers and composers lacked understanding about their rights, those of record companies, music publishers and collection societies.

> *"There is general recognition in the industry that many of the contracts between record companies and artists and between music publishers and artists signed in earlier decades were unfair to the artists concerned. This is attributed to the inequitable industrial relations environment of the past. As a result, certain artists are still bound by unfair agreements that were negotiated many years ago, a major cause of the acrimony, mistrust and polarisation that plagues the industry today" (MITT, 2000).*

The report further highlights "… an imbalance in power relations in the industry that negatively impacts on its growth - in particular, the inadequate definition of musicians' status as workers in labour legislation which undermines their access to legal protection and other benefits." (MITT, 2000).

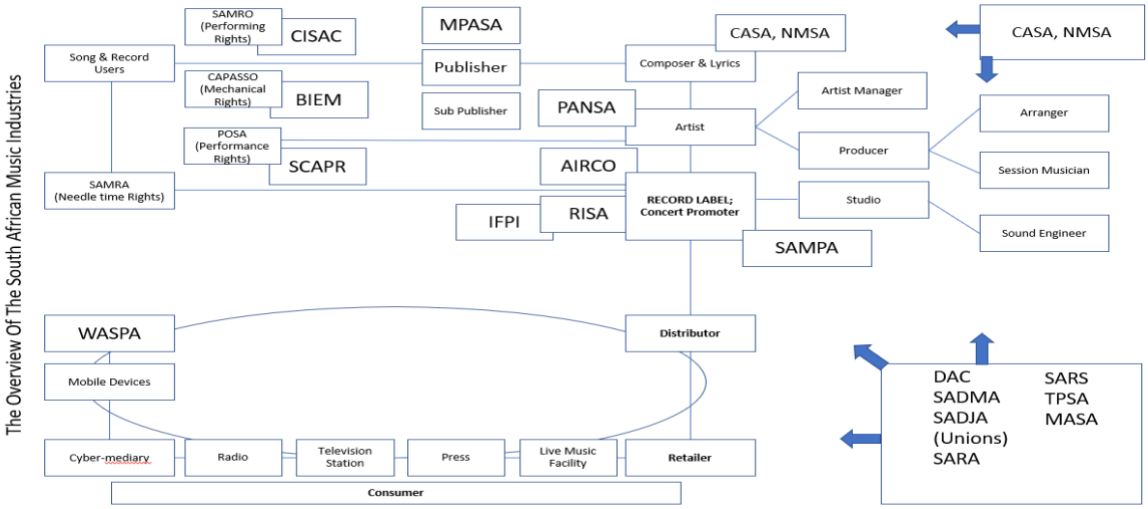
According to Joffe and Newton (2008), there are three significant components that comprise the music value chain in the contemporary South African music industry. The recording sector, which concerns the production and consumption of tangible music products such as CDs, music videos and internet downloads; the performance sector, which focuses on live performance which is the principal means of income generation for musicians in South Africa; and the multidisciplinary sector, where music is a component of a product or performance such as audio-visual material (film, theatre performance, commercials and tourism).

Current trends in the SA music market include globalisation of music and the steady merging of small companies with larger more affluent ones. We see the rise of many DIY artists and SME's that have developed to service the needs of the DIY artist. The market is saturated with many new forms of music entertainment, and "the digital era is here… with mobile devices being the next big medium "(Shaw, 2017: 244). Due to developments in digital technologies especially in the 2000's, major labels saw a dramatic decline in CD sales, and started pursuing digital streams of revenue more vigorously. Many major artists, leveraging new technologies, ventured into management of their own careers, and establishing themselves as entrepreneurs in events and merchandize.

According to the *Music Industry in South Africa Report* (2020), South Africa's music industry is dominated by international global record companies, Universal Music Group and Sony Music Entertainment. According to the PwC Entertainment and Media Report 2019, South Africa's fastest growing revenue segments, the recorded music, live music and podcast revenue, are expected to surpass R3 billion in 2021, although 80% of music sold and consumed locally is international. The live music industry remains robust and is forecasted to add the largest amount of revenue by 2023. The recorded music sector continues to increase in value because of the rise of its digital revenues.

The diagram below by Jonathan Shaw in 2017 represents an overview of the South African music industries, and provides support to De Villiers' (2006) notion that the contemporary music industries are comprised of an integrated network of stakeholders, role players and associations. As an emerging world player, it is ideally positioned for the development, implementation and utilisation of new technological and commercial systems. However, this will require the collaborative participation from stakeholders across the sector and in particular, in-depth research on the local music industry (De Villiers, 2006; Shaw, 2017).

The South African Music Industries (Shaw, 2017)



De Villiers (2006) positions musicians and composers as the basis of the South African music industry, and describes the industry as labour intensive, highly skilled and functioning across a complex networks of communication, production and delivery. According to Shaw (2017), the music industries employ around 300,000 people in South Africa, with approximate industry participant numbers as follows: 5,000 composers (SAMRO membership), 1,000 publishers (NORM membership), 7,000 performers (POSA membership), 2,500 record companies (RISA membership), 190 technical events companies (TPSA membership) and 300 music promoters (SAMPA membership) (Shaw, 2017: 252).

Access of black artists to education (formal and informal), employment opportunities and socioeconomic status, as well as participation in the market as it pertains to the South African music industry, past and present, emerge as key themes in the literature. It is within the context of these historical and current developments in the industry that this research report seeks to explore the interplay between technological, socio-political and economic factors as it relates to the experiences of DIY artists and the development of cultural entrepreneurship.

Cultural Entrepreneurship in the Music Industries

Research in the field of 'entrepreneurship' itself has become an established discipline over the past decades, to such an extent that independent, albeit still relatively young, fields of research have emerged that examine entrepreneurship in special sectors. This includes, for

instance, entrepreneurship in the cultural and creative industries (Hagoort, 2007; Klamer, 2011; Lounsbury and Glynn, 2000). It is in this regard that terms such as 'arts,' 'creative' and 'cultural' entrepreneurship have become more widely used and researched.

While some researchers agree on the core characteristics of general entrepreneurship theory (Beckman, 2007; Hausmann, 2010; Klamer, 2001), cultural entrepreneurship in the cultural industries is widely recognised as a recent phenomenon with theory-building still in development. Scholarly literature on the subject remains scarce, with a plethora of meanings discussed but little consensus as to the definition (Chang and Wyszomirski, 2015). Authors primarily use the terms 'arts,' 'creative,' and 'cultural' entrepreneurship interchangeably and draw on different notions of cultural and creative entrepreneurs. These definitions differ as to whether they include, for example, non-profit activities and/or commercial activities. However, scholars agree in the main that creative and cultural entrepreneurs concentrate on economic activities dedicated to producing goods and services with mainly aesthetic and symbolic value" (Smit, 2011: 46).

For Schumpeter, often regarded as the father of entrepreneurship theory, the entrepreneur is a central figure in creating "… economic growth through innovative factor combinations that produce new goods, technological innovations and markets." (Swedberg, 19991: 36). Similarly, Grebel (2004) asserts that entrepreneurs are interpreted as "managers of uncertainty and risk; coordinators, leaders, industrial superintendents, and decision makers within a firm; market or industrial innovators; a person who supplies financial capital; or a contractor." (ibid: 13).

Aageson (2008) defines cultural entrepreneurship as the specific activity of establishing cultural businesses and bringing to market cultural and creative products and services that encompass a cultural value, but also have the potential to generate financial revenues. He adds that cultural entrepreneurs are risk takers, visionaries and change agents, who generate revenue from innovative and sustainable cultural enterprises and create financial, social and cultural value (ibid, 2008). Cultural entrepreneurship is seen as the 'missing link' between creative talents and the markets, and it is related to economic or entrepreneurial activities of the cultural and creative industries as a whole (Hausmann and Heinze, 2016).

In the context of cultural entrepreneurship within the music industry, many activities undertaken by DIY artists such as Black Coffee, GoldFish and Loyiso Bala could be interpreted through these frames. Scott (2012) asserts that DIY musicians are ideal-typical cultural entrepreneurs, and include those who create and perform music, as well as self-manage the construction of a music industry career (Hesmondhalgh, 1998; Moore, 2007). Activities undertaken by DIY musicians include "… the development of musical micro-enterprises (bands, solo careers, record labels) and products (songs), and involves the co-ordination of a range of risks, investments, contracts, and the co-ordination of social networks" (Scott, 2012: 14).

In tracking the field, Hausmann and Heinze (2016), conclude that in the 1990s cultural entrepreneurship was predominantly discussed in the context of project management and was strongly associated with the realisation of a specific project or individual event. Since 2000, the term is more frequently used in the sense of founding a new company, with seminal authors referring to the creation of an enterprise or organisation as a core characteristic of cultural entrepreneurship. Rae (2005), for example, discusses the exploitation of an enterprise, Hausmann (2010) focuses on the creation of a business, and Preece (2011), the starting of a not-for-profit organisation. Scholars such as Ellmeier (2003) and Konrad (2010), on the other hand, distinctly assign the notion of cultural entrepreneurship to industry workers and freelance artists in the creative and cultural industries who are forced to operate as entrepreneurs due to changing labour market conditions within the cultural sector. Ellmeier (2003) highlights new job profiles emerging in the cultural sector that fundamentally change the image and status of artists into that of 'cultural entrepreneurs' who earn their living from offerings within their micro-enterprises.

Hausmann and Heinze (2016) posit that most scholars discuss, explain and define entrepreneurship in the creative and cultural industries by means of the other characteristics of general entrepreneurship theory. Prominent themes, for example, include the discovery, evaluation and exploitation of entrepreneurial opportunities, as discussed by Hausmann (2010), Johnson (2007), Rae (2005), and Scott (2012). Scholars Chang and Wyszomirski (2015) also suggest a possible general definition for 'arts entrepreneurship' as the "…management process through which cultural workers seek to support their creativity and autonomy, advance their capacity for adaptability, and create artistic as well as economic and social value" (ibid, 2015: 1). The management process involves an ongoing set of innovative

choices and risks intended to recombine resources and pursue new opportunities to produce artistic, economic, and social value.

Chang and Wyszomirski (2015) group arts or cultural entrepreneurship into five levels - personal character traits, goals, strategies, tactics and context - and posit that the possible basis for their taxonomy could advance our understanding of the phenomenon of arts entrepreneurship. The authors suggest that these five levels provide us with variables that embody a metaphorical 'recipe' that enable us to hypothesise relationships and achieve a 'resultant capacity' for explanation, prediction, and choice that will, in turn, "… help to build models and to generate explanations and research hypotheses to guide and facilitate not only practice but also pedagogy…" (ibid, 2015: 27).

Scholarly literature on entrepreneurs and entrepreneurship within the music industry are discussed generally by scholars Colbert (2003), Hausmann (2010), Preece (2014), Scott (2012) and Wilson and Stokes (2006), and specifically on the basis of case studies by Cinnéide (2005), Johnson (2007) and Preece (2014). Colbert (2003) discusses the recombination of well-known marketing tactics to the specificities of the arts market, while Preece (2014) explores the idea of performing arts entrepreneurship, and focuses on new venture creation as a key aspect of entrepreneurship. Scott (2012) discusses the notion of DIY music producers as cultural entrepreneurs, and Hausmann (2010) highlights the shortfalls of the existing music education system in Germany in preparing young artists for a future freelance career or management role in start-ups.

As a whole, dominant discourses within the music industries have for the last two decades related to issues around change, crisis, threats and opportunities as brought about by digital transformation, and as seen in the reconfigured social, cultural, economic, political and technological dimensions of the 'new' digital music industry (Haynes and Marshall, 2018).

Digitisation, for example, has resulted in the dramatic decline of global income from the sale of recorded music for the major record companies by 43% between 1999 and 2013 (IFPI, 2014: 9). The crisis resulted in a significant contraction of the world's 'major' music recording labels from six to two, dramatic job losses, and a decline in the number of acts signed (Haynes and Marshall, 2018).

While mainstream accounts have emphasised the crisis of the major-dominated mainstream recording industry, a more optimistic discourse has been promoted emphasising the

opportunities for independent DIY musicians and micro-independents in the new digital music industry. It is argued that digital disruption to the sector and new digital technologies have enabled artists to build more stable, autonomous and financially rewarding careers without the support of major record labels (Drijver and Hitters, 2016), whilst also enabling secure creative control and ownership over their productions and contributing significantly to an increased supply and consumption of different types of popular music (Leyshon et al., 2005; Handke, 2010; Oliver, 2010).

Within the last decade, several international DIY musical acts such as *Ani DiFranco* and *Clap Your Hands Say Yeah*, and local South African DIY artists such as Black Coffee, Cassper Nyovest, GoldFish and Loyiso Bala, have presented examples of DIY artists who have become successful without the support of traditional record labels. Increasing accounts of these successes have contributed to a growing emphasis on the 'entrepreneurial dimensions' of becoming a successful musician in the new digital music industry, with recent research suggesting that "… emerging music professionals need an entrepreneurial spirit … they need to think like an entrepreneur … in order to sustain a career in the diverse fields of the music industries." (Netherton, 2017:1).

Bennett (2015) also argues that in order to build a successful career, musicians must engage in entrepreneurial activities and the carving out of niche markets, whilst industry commentator Dave Kusek (2014) postulates that forward thinking musicians must increasingly act like entrepreneurs and CEO's of their own product and companies. Tommy Darker (2013) promotes his concept of the 'musicpreneur', defined as an independent, polymath musician who creates business models and revenue streams and takes care of both the artistic and entrepreneurial aspects of their music career. In discussing the Engelmann et al. (2012) concept of 'artepreneurship', Tschmuck (2016) argues that artistic talent must be merged with different revenue streams to launch a successful music career.

On the other hand, Haynes and Marshall (2018) in their study, *Reluctant Entrepreneurs: Musicians and Entrepreneurship in the 'New' Music Industry*, discuss an area of contention whereby career musicians, who regard themselves as routinely being engaged in 'entrepreneurial activities', are reluctant or resistant to seeing these activities, or themselves, as 'entrepreneurs'.

From this vantage point, it is argued that musicians have always routinely been involved in activities that may be considered as business and entrepreneurial practices, such as the promotion of gigs, the selling of records, networking, strategizing about future revenue generation, and negotiating with lawyers and publishers. For the music respondents in the Haynes and Marshall (2018) study, entrepreneurialism was not a value to which they aspired to, but rather was thrust upon them because of the conditions of the contemporary music industry. Respondents discussed how they saw the tasks they were involved with as simply 'part and parcel' of the job of being a musician. The routine manner in which musicians sustain themselves by engaging in entrepreneurial activities is thus not simply 'caused' by the transformations affecting the popular music industry but rather represents a continuation of the 'autonomous and entrepreneurial modes that have come to define popular musicians' patterns of working' (Stahl, 2013:9).

Interestingly, musician respondents in the Haynes and Marshall (2018) study also took a pragmatic rather than ideological approach to being a DIY, describing the process as being driven by a general recognition that "… if one wanted a sustainable career in music, taking care of business was a necessity (ibid, 2018: 14). The study also revealed that new music industry dynamics dictates that for musicians to have any chance of moving up to the " next level… managers and bigger labels now expected artists to have a level of entrepreneurial consciousness" (ibid, 2017: 15).

In summary, what can be derived from this analysis is that there is no consensual understanding of entrepreneurship in the cultural and creative sector, with definitions often differing quite widely from each other. What can also be derived is that in many cases no precise distinction is made between cultural/creative/arts entrepreneurs and other players in the cultural and creative sector. Terms describing other players such as "freelancer" and "self-employed workers" (Ellmeier, 2003) or "owner-managers" are sometimes used as synonyms for the entrepreneur (Johnson, 2007; Konrad, 2010; Smit, 2011; Wilson and Stokes, 2006).

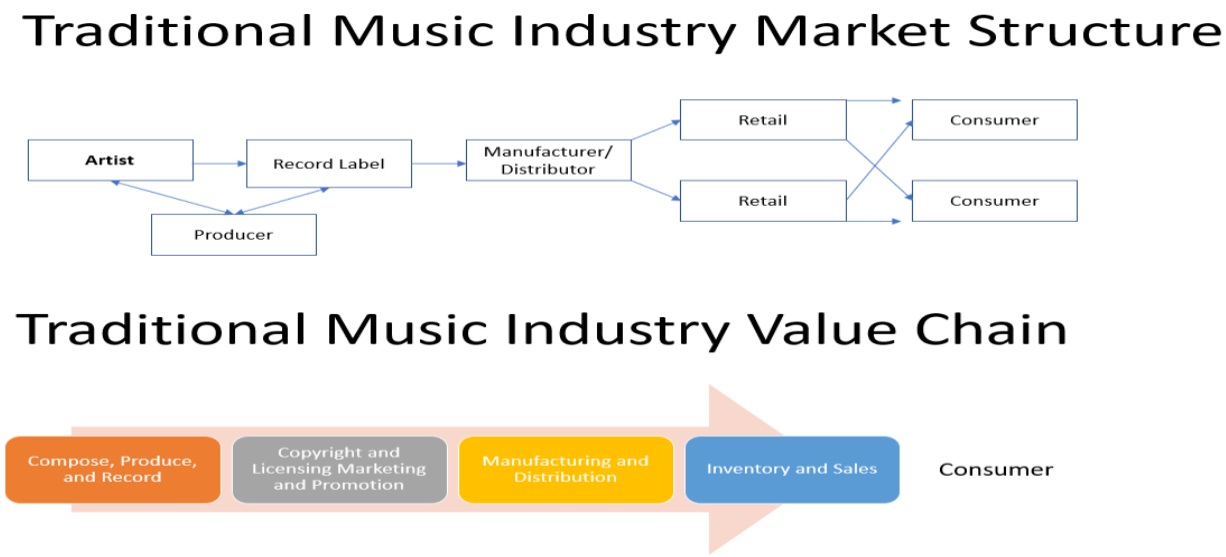
Digital disruption in the Music Industries

Theory relevant to digital disruption as part of the broader field of disruptive innovation theory emerged in the 1990s, and has received ongoing attention in academic research (Daniel, 2017; Møller et al., 2017; Raynor, 2011). One of the most prominent authors

relevant to disruptive innovation is Christensen (1997), whose work, building on Schumpeter's (1967) foundational theory of 'creative destruction', posits that technological progress leads to innovation with an altering effect on companies and their market positions.

As discussed earlier, in the traditional music market structure record labels provided most of the upfront money required to create and produce commercially viable products (songs) from the 'IP' of music creators (the artist), and also housed the necessary means to publish, distribute and market their works. As illustrated by Bockstedt et al. (2005: page number) diagram of the traditional market structure and value chain of the music industries below, record labels were able to dominate the economies of scale at two key stages in the value chain - distribution and promotion - thereby creating powerful barriers to entry to the recorded music industry.

The Traditional Market Structure and Value Chain of the Music Industries (Bockstedt et. al, 2005)



Digital technologies have fundamentally changed how value is traditionally created, distributed and consumed in the cultural and traditional music industries. Powerful web-based companies such as Google, Facebook and Apple, for example, have become dominant role players, and big data is the new currency for digital start-ups in subscription, licensing and streaming (Kulesz, 2018; Paccinini et al., 2015). New entrants such as self-distributing creators, electronic publishing houses and creative start-ups with new online platforms and value-added networks have enabled DIY musicians to take 'centre stage' as cultural entrepreneurs in the digital economy (Tschmuck, 2016).

Seminal authors (such as Wikstrom, 2009; DeFillippi, 2016; Tschmuck, 2016; Moreau, 2013; Nordgård, 2018) outline critical digital disruptions to the 21st Century music industry. First, disruptive technologies transformed the legal foundations of the music business. The legal framework of the old, traditional recordings business was rendered obsolete by digitalisation, data compression and the internet. In lieu of this, we see a fundamental redesign of the institutional relationships between music companies and artists, between licensers and licensees and between copyright holders and consumers, necessitating a substantial overhaul of copyright, property rights and rights of use. Second, disruptive technologies brought about the 'virtual value chain', (Bockstedt et al., 2005) whereby, for example, the creation, production and distribution of music was no longer restricted to physical recording studios, but could be produced independently and in a decentralised manner by the music artists themselves. Finally, disruptive technologies ushered in substantial changes to the constellation of traditional actors and their power relations.

Nordgård (2018) argues that the anatomy of the new digital economy seems suspiciously 'similar to the old' (traditional model), that is to say, it is still heavily tilted towards the same oligarchic structures of the 'laws of attention' or the 'laws of a superstar economy' (Elberse, 2013:34). Hence, one could argue that the digital economy is even more skewed towards the top, and as such, the digital revolution has brought about an 'economic continuity' or 'disruption' to the historically elite, former gatekeepers and oligarchs of the traditional music industry, such as the multinational 'Major' record labels, and big music publishing and management firms.

Hesmondhalgh (2013) touches on the concept of 'digital utopians' or 'digital ultra-optimism', claiming that there is an expectation among much of the general public and entrepreneurs that digital innovation has an inherent democratising and liberating effect that allows for a greater level of participation and control by fans and users that is "… at the expense of professional and institutional business." (ibid: 2013:315). Hesmondhalgh (2013) convincingly questions these claims by presenting three major sets of criticisms: the digital divide, a continuous concentration of power, and commercialism, labour and surveillance.

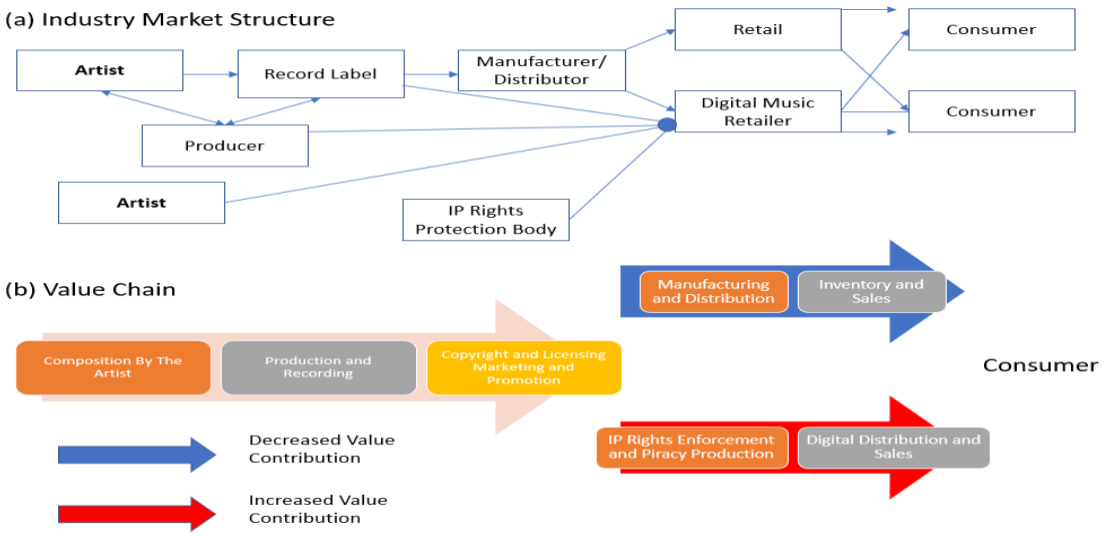
Jones (2104) further posits that "… the paths to market success still lie through music-industrial practices." (ibid: 2014:58). Once any musician achieves even a small level of success at a local level they will, by necessity, become entwined with the institutional practices of the established music industry and, despite the widespread rhetoric about the

disruptions within the industry, many of the economic and legal structural relations continue to operate in the same way.

For DIY musicians, new digital technologies are an important means for the creation, distribution, promotion and management of their own music and careers, and offers substantial freedom and autonomy (Tschmuck, 2016). New technologies are also utilised to secure creative control and ownership over their productions and have contributed significantly to an increased supply and consumption of different types of popular music. As a whole, dominant discourses within the music industries have for the last two decades related to issues around change, crisis, threats and opportunities as brought about by digital transformation, and as seen in the reconfigured social, cultural, economic, political and technological dimensions of the new digital music industry (Haynes and Marshall, 2018).

The diagram below is an adapted illustration by the researcher and demonstrates how digital disruption has brought about a dramatic change to the market structure and value chain of the traditional music industries. By utilising new technologies, artists now have direct access to independent means of production and distribution, and ultimately, autonomous access to consumers and the market.

Adapted Illustration: Digital Disruption to the Market Structure and Value Chain the Music Industries (Bockstedt et. al., 2005)



The digital crisis resulted in a significant contraction of the world's 'Major' labels, which fell from six to three, two in 2016, and resulted in dramatic job losses and a decline in the number of acts signed (Haynes and Marshall, 2018). While mainstream accounts have emphasised the crisis of the major-dominated mainstream recording industry, a more optimistic discourse has been promoted emphasising the opportunities for independent DIY musicians and micro-independents. It is argued that new technologies have enabled artists to reach new global audiences and to build more stable, financially self-sustaining and independent careers without the support of major record labels (Drijver and Hitters, 2016).

Although the major labels have since changed their strategies to survive the digital crisis by adopting '360 deals' with artists, a central claim related to the role of the record company in the digital era is that it has or will become obsolete (Tschmuck, 2016). Bockstedt et al. (2005) further suggest that record labels must prioritise finding new ways of maintaining their capability to provide added value in the new digital economy. The '360 deals' are seen as one of the strategies that labels adopted to survive the impacts of the digital disruption. It further signifies a new relationship of partnership with artists and implies a greater degree of involvement with the business structures of the music industry, such as involvement with managers, booking agents, media industries, sponsors, etcetera.

Chapter Five: Research Findings

The findings from the interviews conducted are linked to the objectives of the research, key issues identified in the relevant literature, as well as issues identified by key actors in the arts and culture industry more broadly.

My findings are presented in three key areas:

1. Cultural entrepreneurship: The journey of the DIY musician as cultural entrepreneur from the artists' perspectives.
2. The impact of digital disruption, socio-political and economic factors on the potential success or failure of the DIY musician from the perspectives of the artists and industry experts, authors and managers.
3. The significance of Black Coffee's deal with Gallo Music in changing the landscape of the South African music industry with specific reference to cultural entrepreneurship, DIY musicians, and digital transformation.

Introduction of Findings Section:

It is important to highlight that technological, socio-political and economic factors are discussed in every section as they play a vital role in the journey of DIY musicians and their potential for success or failure as cultural entrepreneurs in the popular music industry in democratic South Africa.

<u>Theme 1</u>: Cultural entrepreneurship: the journey of the DIY musician as cultural entrepreneur from the artists' perspectives

Findings Table: Theme 1

MAIN THEME	SUB-THEMES	CODES OR KEY WORDS
The Journey of the DIY musician as a cultural entrepreneur from the artists' perspectives	**Background and formative years**	Music as identity, calling and passion Music embedded in social, community life and culture Role of music education Music as a means to a better life Intrinsic and instrumental values
	Early career as DIY musician **Process, challenges, big breaks, and insights**	Personal work values, ethics, and attributes Strategies for growth Mentorship Street Smarts Capitals Cultural value Stewardship
	Transition into business and entrepreneurship	Learning how to monetize You are a product and brand Recording Labels Re-invention and Innovation Innovation Partnership Collaboration Ownership Longevity

<u>Theme 2</u>: The impact of digital disruption, socio-political and economic factors on the potential success or failure of the DIY musician from the perspectives of the artists and industry experts, authors and managers

Findings Table: Theme 2

MAIN THEME	SUB-THEMES	CODES OR KEYWORDS
The impact of digital disruption, socio-political and economic factors on the potential success or failure of the DIY musician from the perspectives of the artists and industry experts, authors and managers	**Technological Factors** **Digital Transformation** **Trends and implications for DIY musicians and record labels in the South African music industry**	Change in market trends New business models and logic Role of social media Major record labels losing power New narratives and DIY musicians as entrepreneurs
	Social Political Factors **The South African Music industries** **Barriers to entry, threats, strengths, and opportunities** **Gatekeeping, capitalist monopolies and exploitation**	Transparency, trust, and accountability Access to Information and education Business skills and acumen and Covid -19 impacts Digital divide, inequality gaps, privilege The live music sector, IP, ownership, and control Capitals and Apartheid legacies
	Artist Empowerment: The artist as stakeholder	DIY ownership and control and the artist as stakeholder New entrepreneurial mind-sets and new DIY trends New revenue streams for artists

<u>Theme 3:</u> The significance of Black Coffee's deal with Gallo Music in changing the landscape of the South African music industry with specific reference to cultural entrepreneurship, DIY musicians, and digital transformation

Findings Table: Theme 3

MAIN THEME	SUB THEMES	CODES OR KEY WORDS
Significance of Black Coffee's deal with Gallo Music in changing the landscape of the South African music industry with specific reference to cultural entrepreneurship, DIY musicians and digital transformation.	**The Gallo Deal**	Key players and structuring of the deal Who? What? Why? When? How?
	Black Coffee and The Gallo deal with significance to: **cultural entrepreneurship, DIY musicians and digital transformation**	Cultural entrepreneurs as change agents and transformation linked to ownership DIY as entrepreneurs and stakeholder strategies Defining success and cultural entrepreneurship

Discussion of theme 1: Cultural Entrepreneurship: the journey of the DIY musician

Background, education and formative years

> *"It wasn't easy… It took the understanding that it's not going to be easy to be different… "* (Black Coffee, personal interview, 2021).

With reference to background and milestones, artist participants responded by revealing their motivations and how they came into music as a career. Black Coffee states that, "… *I think my musical inspiration came firstly from just being a fan of music. I used to love music as a kid … and growing up, wherever there was music, I was there! … That's how it started, just loving music.*" (Black Coffee, personal interview, 2021).

Although they may not have perceived it as a career from the onset, all the artist participants were motivated by a sense of "calling" and a deep love for music.

For Loyiso Bala, music was like a national sport. He says: "*Where I grew up in the Eastern Cape in the eighties, music was like how rugby is today and how soccer is today in the townships."* Bala shares how music was a source of great personal fulfilment, joy and inspiration and how it was deeply entrenched in everyday aspects of social and community life, saying that *"Everybody sang. Actually, it was funny if someone didn't sing… everyone was part of a choir. My grandfather had four to five choirs. So music, for me, I never saw it as a career, I thought that it's just a thing that people did. It was our culture."* (Bala, personal interview, 2021).

All the participants were introduced to formal education and training in music at primary school, high school and tertiary levels, and this played a critical role in nurturing their talent, honing their performance skills, and providing platforms of experiential learning that would open up the doors of opportunity for entrance into the 'real world'. Black coffee had this to say:

> *"When I was standard six they introduced a music class. That's where I started to have interest in music, understanding a bit of theory, playing the recorder, singing in the choir and just doing anything musical… At fourteen or fifteen, my cousin and his friend had a mobile disco sound system, and they used to do events around the*

> *community, like twenty-first birthdays and graduation parties. So I thought I'd go in with them and I soon developed interest in learning how to DJ."* (Black Coffee, personal interview, 2021).

For Dominic Peters of the band Goldfish, a jazz performance graduate in double bass and composition from the University Cape Town (UCT), university was where he met his bandmate, and music and business partner, David Poole, to form the acclaimed electronic dance/house duo Goldfish. *"UCT made a massive, massive part of who Goldfish is today, for myself and for David, my bandmate. The training was like boot camp for the real world of music."* (Peters, personal interview, 2021).

Black Coffee majored in Jazz Studies at Technikon Natal, now known as the Durban University of Technology. He later formed his first Afro-pop band called SHANA in 1994, which was signed to the Melt record label in 2000. This ultimately paved the way to his solo career jumpstart at the Red Bull Music Academy in 2003/4 and the release of his first album "Black Coffee", along with his recording label company Soulistic in 2005.

According to the online article *Levels of Digital Divide in South Africa* by NGO Pulse (2020), the volume of inequality in present-day South Africa still sits in black communities. Many communities of colour are still unable to access pathways to better education or jobs, including better education and career opportunities in the music industries. These factors were prevalent in the lives of, for example, Bala and Black Coffee. Highlighting these issues of socio-economic divides in post-apartheid South Africa plays a significant role in attempting to answer the research question in this research report.

As Bala further elaborates:

> *"Myself and my bothers all attended school in a township in the Eastern Cape. So, you can imagine what it was like when we all had the opportunity to attend a private school in Natal as part of the Drakensberg Boys Choir. I auditioned and was successful. And from this point… it was just a better life. I started travelling all over the world. My parents could not afford for me to go to a private school. Music was really a tool that gave me a better life."* (Bala, personal interview, 2021).

For Bala, music was a means to a better education through private schooling, and education became his means to music as a career and business. The nurturing of his gift played a significant role in opening new opportunities of improved socio-economic standing, and further, brought him beyond the barrier of township life (and into more affluent and resourced communities).

Common to all the artists was that their formative years in the music industry were difficult. They all seem to be naturally pre-disposed to hard work and showed much resilience and determination throughout the development of their early careers. All the artists were mentored in the early stages of their careers and received music education at tertiary level. Further, they all described the idea of wanting to be 'creative innovators' within the music space and industry.

Finally, the idea of 'being different' and the awareness of the road ahead being difficult is a common point among participants. This research report looks at the socio-political and economic hindrances to the artists' development in the local music industry, but perhaps consideration should also be given to the obstacles that artists' face in terms of their personal and leadership development. The idea of human potential and fulfilling ones' own self-actualisation (against the odds) is an interesting contributor.

Personal Work Ethics, Values, Attributes - "Blue prints"

As DIY's all the artists had an innate sense of hard work and placed a high value on commitment to achieving their artistic goals and vision. They had an instinctual sense that their gift or calling was linked to a bigger purpose and displayed an insatiable drive, relentless zeal and passion in pursuit of their perceived purpose and calling. They had a high regard for professionalism in the industry and were constantly self-motivated to learn new things and try new things in the quest to develop themselves as creative innovators within the music space. They valued hard work and the process of continual learning and self-development.

Ultimately, it was their passion and commitment to their 'calling' that drove their ambition to build careers as musicians, despite the scary prospects of an uncertain and mercurial future. *"… It was hard,"* says Black Coffee, because *"…there was no blue print for being a DJ in the electronic space at the time. I was building something with my own hands, and from the roots up."* (Black Coffee, personal interview, 2021). Peters similarly says, *"… We were one*

of the first acts to incorporate live instrumentation with dance music … there was no blueprint for what we were doing… So there was a lot of experimentation, head scratching and 'googling'. How do we do this?" (Peters, personal interview, 2021).

In this regard, each participant discussed some of the various challenges they had with regard to limited access to resources and 'know how' at the time. For example, with the release of his first homemade album, Black Coffee, in an interview with Southern Eye (2014), states: *"I don't know how to explain the production stages of my first album because all I did was put down the basic ideas that I had. I didn't know how to use any MIDI controllers... everything was played with a computer mouse… "* (Black Coffee, personal interview, 2021).

It seems that with all the interviewed artists their formative years in the music industry were difficult and unclear to chart. Though they all refer to the role of mentors or a mentoring programme, and while they all pursued a form of tertiary music education. Although they all articulate a strong work ethic, their formative career paths share several common challenges. To summarise these - one, industry infrastructures were rigid, and second, technologically, around their specific style/genre of music and music outputs were unknown or limited.

Strategies for growth, stewardship, street smarts and capitals

For Black Coffee, innovation was not only about music, but it was also about "doing things right" as a businessman. He wanted to do things right for himself and one of those things was to open an office. This meant putting solid business structures in place and creating a team around him to look after his interest as an artist. Black Coffee prioritised the management of the business side of his career development and put standards and formalities in place for tasks such as bookings, gig payment structures, contracts and finances – all of which were sub-standard or had not been put in place before (Black Coffee, personal interview, 2021).

As Black Coffee explains:

> *"We got a lot of backlash for it … because there's a lot of things that I wanted to do right for myself. For instance … most of the DJs would be paid cash at the time. There was no books, there was no VAT paid. I was young and new, and …no-one wanted to pay the extra percentage for VAT. It took a lot of being solid in the plan, sticking to it and educating the guys that actually, the extra money is not for me, it's for the tax man."* (Black Coffee, personal interview, 2021).

Although not initially drawn to the business or entrepreneurial side of things, all the artists described how, in fact, 'business dealings' were part and parcel of being a 'working musician'. If they were to achieve their artistic goals they would have to get to grips with understanding "…*an industry that needed a lot of education."* (Black Coffee, personal interview, 2021), and Peters adds that "…*the South African context, provided little support, especially in the beginning … unless you aligned yourself with a record label*." (Peters, personal interview, 2021).

Aageson (2008) and Towse (2011) state that cultural entrepreneurs are mission driven but focused on creating both financial and cultural wealth. They are sensitive to the processes which produce cultural value and combine artistic qualities with business sense, such as knowledge and sensitivity toward creative and cultural processes, combined with the ability to spot opportunities and utilise knowledge and comprehension of the potential public and marketing techniques (Klamer, 2011). As pioneers and innovators of their time, Black Coffee, Bala and Peters operated as combined artists, career managers and financial stewards of their early careers, and were willing to take the risk of navigating unchartered and often tricky terrains. Learning how the business of the music industry works was not an option but rather a necessity in order to achieve their artistic goals and ambitions.

Strategies for growth involved personal attributes of risk taking, initiative, drive and ingenuity, and a reliance on what Peters (2021) calls "streets smarts", which can be described as the instinctual ability to spot and grab hold of opportunities, and convert these opportunities or potentials into tangible returns, added value or realisations. Peters describes it as "making things happen", "creating a buzz" or the ability to "close the deal" (ibid: 2021). To get to the next level, the artists also provided countless examples of how they utilised various sources of Bourdieu's (1985) social capital, such as family, friends, social networks and industry contacts, to help them build up their knowledge about the business side of the industry, and to aid their efforts in the necessary marketing, promotional skills, and other offerings their markets needed.

With very few resources, information or 'know how' available on how to build or progress in their careers, artists relied on their own "street smarts", such as to build their own networks, develop their own brand, and to create opportunities in the market place such as bookings, gigs and radio interviews. Bala also discusses the role of social capital such as personal

values, trust, reputation and networks, and the role it played in helping to launch his solo career.

Bala explains as follows:

> *"... So, in 1999, my brother was part of a group called TKZee. It was the biggest group, probably the biggest money-spinner for BMG Africa. When Zwai (my brother), presented his younger brother to them, they actually signed me before I even started singing... all because of how much they actually trusted my brother. So, the TKZee introduction was really like a launching pad for my solo career."* (Bala, personal interview, 2021).

In bringing Bourdieu's (1985) capitals into play, cultural intermediaries such as record labels often facilitate (or control) entry into larger markets. "Conversion" of the various forms of social and cultural capitals (such as talent, skills and networks) into cultural products such as "… songs, recordings, successful performances, promotional videos or website hits" (Scott, 2012:4) are therefore essential for DIY musicians who wish to mobilise their careers and present themselves as attractive 'subjects of value' (Skeggs, 2004:14).

Converting different types of capital into market returns and symbolic rewards are both rewarding and potentially profitable for DIY production, which essentially is done on a 'shoestring' budget (Hesmondhalgh and Baker, 2011:64). These artists, in utilising their social capital, intentionally built strong partnerships, mentorships, small businesses and administration teams around them as their careers were gaining momentum.

On the resourcefulness of a mentor who helped give Black Coffee his first gigs, he reflects:

> *"When I started there were people that were looking after me ... like with Christos, and his wife, Tebogo. I was a new artist and young DJ, and Christos used to take me to his own gigs. You know, kind of showcase me ... He went as far as sharing his music with me because I was a young DJ with no resources to look at new music."* (Black Coffee, personal interview, 2021).

Friends and family also provided essential support structures for the artists. Peters confirms this when he says*: "So, yeah, but I think also just having someone in your camp who you can trust implicitly to run things by is also key. Because sometimes you just don't know… It's also*

about being able to recognise strengths and weaknesses in your partnerships or your teammates… so to bring those strengths to the table…" (Peters, personal interview, 2021).

Product and brand development

All the artists spoke about the importance of acting and functioning as a 'business' as it pertained to the monetizing of their gift in the marketplace. This process entailed the ability to convert their cultural capital, such as education, skills, natural abilities and musical talent into a product, a brand, or a movement that people (the public) would love, appreciate, and want to be a part of. This process was seen to be 'entrepreneurial" and would inevitably result in economic returns or gains.

Peters further explains:

> *"Music training is really, really important but what you REALLY need is the entrepreneurial side of it. The difference between success or not is knowing how to "reach people" with your specialised training. That's where 'street smarts' come in. Creating something that says… Hey! I am making this style of music. How do I get people involved in that? How do I create something that people want?"* (Peters, personal interview, 2021)

Motivations

As DIY's, the artists' entrepreneurial activities were initially driven by necessity as there was very little industry infrastructure and support at the time. There was no existing 'blue-print' for their pioneering artistic aspirations. Artists were also not by the financial means to fund their aspirations and relied on the appropriation and conversion of Bourdieu's social and cultural capitals, such as partnerships and social networks, to help them advance in their careers.

Learning the business side was a tool for appropriating how to operate in the music industry and was a must for achieving their artistic ambitions. Motivations to pursue the entrepreneurial side of things were not natural, but was inspired by desires for change, making a difference, personal growth and realisation of their artistic potential. They were driven to "get things done", to "fix things", "create a movement", "start a buzz", "tell my story" and "build things". It was about "purpose".

Black Coffee explains that *"I was always trying to build things… trying to build a unique brand. I was trying to be a DJ and I was trying to educate the industry about what I was trying to do. I was also just obsessed about creating a better version of what I've seen happenin*g." (Black Coffee, personal interview, 2021). Peters and his band were similarly trying to innovate, and he states that, "*A lot of that process was unwitting. We didn't really know. We were trying to create something - a style of music - that people would say: 'How do I get people involved in that? … And then from there it was able to snowball…"* (Peters, personal interview, 2021).

On entrepreneurship and the Gallo deal, Black Coffee remarks:

> *"I wouldn't say that the transition to becoming an entrepreneur was natural. I'm just a curious guy. I'm always trying to figure out looking at ways to find solutions. This is why I started my venture capital company Flightmode Digital. Gallo is an extension of this. I asked the questions: How can I benefit as an artist? And then how can all the other artists benefit…in this change? So that's where it came from. It wanted to change things … make things better."* (Black Coffee, personal interview, 2021).

The Crossover: monetizing and strategies

Not all the artists had the financial means to fund their artistic goals. They sought help along the way through the use of capitals and "street smarts". It was a meandering journey of many stops and starts, trial and error, and mistakes and incubation. However, all the artists placed a high premium on self-development, hard work, tenacity, saving money to re-invest in their talents, and to be dedicated stewards of their opportunities and capitals.

Money was seen as an important means to fulfilling their artistic dreams and ambitions. Good financial stewardship, which was often outsourced, allowed them to progress in their careers and ultimately allowed them to bring about meaningful change and economic mobility not only to their own lives, but also communities at large. Success and learning the business side was not motivated by money, but rather by the fulfilment of their dreams, reaching their full potential and being able to tell their story.

Artists were cognisant of values such as longevity in the industry. Rewards that mattered most were "getting things done", making a difference, making people 'feel' and being a service (symbolic rewards). Now in their later years, cultural entrepreneurship is seen as tool

for longevity, for developing enterprising new products and for symbolic, personal rewards, such as changing the lives of others and bringing about social change.

As exemplified by the DIY's in this case study, the primary mission of cultural entrepreneurs is to create cultural and symbolic value for both producers and consumers of cultural goods and services (Aageson, 2008; Acheson et al., 1996; Klamer, 2011). Further, their career achievements can be attributed to personal attributes of risk-taking, perseverance, determination and passion as change-agents and pioneers.

As DIY musicians, their approach to business activities within the record label industry potentially introduce shifts in attitudes, beliefs and behaviours (Martin and Witter, 2011), and influence changes in perceptions of aesthetics and the identity of musicians operating as 'artists' only. The DIY participants, as cultural entrepreneurs, are resourceful individuals who have recognised and leveraged cultural capital in the process of value creation (Throsby, 1999).

What can further be derived from the approach of the DIY participants is that in building their careers and networks, they further demonstrate what Hall (1996) describes as the new career contract. This concept denotes that in the process of developing one's career, there is an agreement with one's self and one's work. The path to the top is replaced by the path with a heart. The path with a heart involves one's own most-appreciated talent, and success is measured in terms of one's vision and central values.

As cultural entrepreneurs, the DIY participants have also knowing or unknowingly utilised approaches associated with the development of 'protean careers' and 21st century changes in career environments. In this regard, Hall (1996) describes the emergence of the "cellular organisation" (ibid, 1996:13) or minimalist structure in response to shifts in the labour markets. In this cellular form, there is a shift from managerial competencies towards members taking charge of their own careers. There is an emphasis on engagement with new technologies, cross-functional and international experience, small teams, collaborative leadership, self-management skills and personal traits such as flexibility, integrity, and trustworthiness.

As demonstrated by the motivations of the DIY participants, cultural value created is beyond that of utility or use value for the producers and consumers only, and often has a value for the

'common good'. The desire to bring about meaningful and impactful change to the social and economic dimensions of their communities was common to all the participants.

In conclusion, cultural entrepreneurship is seen as the 'missing link' between creative talents and the markets (Aageson, 2008) and can be defined as the specific activity of establishing cultural businesses and bringing to market cultural and creative products that encompass cultural, social and financial value. Cultural entrepreneurs generate revenue from innovative and sustainable cultural enterprises and create social, cultural and financial value (ibid: 2008).

Following this approach, many of the activities undertaken by the DIY artists in this research report can be interpreted through these frames. It is therefore argued that the role of cultural entrepreneurship and the cultural entrepreneur can be seen as an explanation for the enterprising success or agency of the DIY participants. Entrepreneurial attitudes are also seen a key driver of the career successes achieved by the DIY's, further suggesting that cultural entrepreneurship can play an integral role in unlocking the unrealised potential of the South African music industry.

Discussion of theme 2: The impact of digital disruption and socio-political factors

The impact of digital transformation and socio-political factors

> *"…I don't really know how much power the traditional labels have anymore, because the most successful artists are not linked to the old model. I really am not just being self-serving, but I really think that the power is in the artists' hands… now more than ever"* (Simukayi Mukuna, personal interview, 2021).

Mukuna is highlighting a phenomenon brought about by digital disruption which has occurred across the value chain of the various industries that comprise the music industry. This research report however mainly focuses on disruption within the record label industry and discusses the implications that relate to the change in dynamics between record labels and the DIY musician as cultural entrepreneur.

As argued by Tschmuck (2016), "… the digital revolution has moved the artists centre stage in the music industry" (ibid: 25). The supporting evidence of his claim is the increasing change of bargaining power that artists wield in the digital era. Access to innovative digital

technologies have enabled DIY artists, such as Black Coffee, GoldFish and Loyiso Bala to create, produce, distribute, own, and manage their creative output and careers.

With regard to 21st century market changes in South Africa, Wiseman Ngubo, a lawyer by profession and Chief Operations Officer of CAPASSO, states that:

> *"… We've seen the cost of creating music move from expensive equipment to (that of) much cheaper "bedroom music equipment" of really high quality. This has lowered the threshold which allows for the creation of more and more music. Due to access that comes with the technology, we are seeing a lot more entrants who are able to build careers into the music industry, who would otherwise not have 'received the time of day' from labels…"* (Ngubo, personal interview, 2021).

Digital technology has not only brought about advantageous market reforms for artists such as the lowered cost of production, increased output, lower thresholds and access to new entrants, but has also disrupted the traditional logic of the music industry. In the traditional music market structure, record labels provided most of the upfront money required to create and produce commercially viable products (songs) from the 'IP' of music creators (the artist) and also housed the necessary means to publish, distribute and market new works. Given this market structure, record labels were able to occupy the centre stage by becoming essential intermediaries in the music industry value chain. In a world where consumers relied heavily on tangible mediums to access music, record labels, who were previously responsible for recording music, manufacturing CDs, distributing works and the promotion of recordings, were an indispensable channel for artists and producers to reach consumers.

Mukuna, Managing Director for Black Coffee's venture capital business, Flightmode Digital, explains:

> *"… the music industry was structured largely by limitations and monopolies on distribution, as well as the technologies in place around the world. This led to an organising of the industry around a "Song", "Hit", and "CD" structure. Most artists did not have the money to produce their music and 100 percent of the cost (was) paid upfront by the record company. So with their finances (prowess) and market machines to pay for the cost of recording, distributions, facilitate marketing and promotions, they could determine the structure of the industry, what contracts look like, how*

> *people get rewarded, and which artists make it. Now, with access to the internet, with access to cheaper recording tools, with access to social media, artists no longer need that model..."* (Mukuna, personal interview, 2021).

Technologies have thus enabled artists to self-produce, publish, promote, fund and essentially manage their own careers, with devastating impacts on the record label industry (Tschmuck, 2016). Major record labels are reported to have suffered a dramatic decrease of 43% in global income from the sale of recorded music between 1999 and 2013 (IFPI, 2014:9), resulting in the contraction of the major labels from six to three and now two in 2016, coupled with a significant drop in the number of signed acts, and tens of thousands of job losses (Haynes and Marshall, 2018). The 2015 IFPI *Digital Music Report* also shows that new online music business models account for 46% of the share of industry revenues, bringing these on equal footing with the share of traditional physical music products. Control and ownership of production and distribution previously dominated by record labels have essentially been decentralised, and replaced by new online download-based distribution models, video sharing platforms such as YouTube, and streaming models such as iTunes, iCloud and Spotify (Haynes and Marshall, 2018).

The role of social media

All three DIY respondents validated the claim that digital technologies, such as the internet and social media, played a critical role in helping them to launch their bands, promote their music and to access and expand their local and international reach and support. Traditional legacy media, such as the radio, also played an important role, with DIY artists using a mix of traditional media but mostly digital platforms to communicate and sell directly to their fans.

Peters recalls:

> *"... Yeah, we were building our social media and uploading clips to YouTube, way back in the day before YouTube was even a big thing. Also, at the time, Radio 5FM played a massive role in breaking bands into the South Africa market ... They had a daily thing called the "High Five at 5" where they had the top five tracks voted in by the public. We got everyone from our sisters, aunts, moms and friends to text this number and vote for Goldfish. We couldn't get onto radio before that. We finally bullied our way on by all our mates banding together. That was our in..."* (Peters, personal interview, 2021).

On 21st century digital trends, Black Coffee notes that:

> *"… Social media has given us so many opportunities to do things different than before. Before, you would need a record label to put you on a billboard or to create a music video … Today, you don't need a record label to put you on social media, nor do we need billboards anymore…"* (Black Coffee, personal interview, 2021)

In discussing the local music scene, Bala, Black Coffee and Ngubo (personal interviews, 2021) note the "Jerusalema" dance challenge as an example of how contemporary South African DIY pop artists are effectively using platforms to promote their music and culture to audiences at home and abroad. Bala notes that *"… Social media is a powerful tool … and artists are using social media to gain an advantage over the traditional record labels…"* (Bala, personal interview, 2021).

Changing dynamic between artists and record labels

All the experts in this research agreed that digital technologies have brought about a dramatic change in the dominance of the record label industry both globally and domestically. Digital technologies have brought about a weakening of the centralised control of record labels and record label intermediaries in the value chain. Changes to the traditional ecosystem are perceived to have brought about access to many new enterprising opportunities for new and emerging role players.

Business industry expert, author and record label owner, Jonathan Shaw, comments:

> *"Record companies are not signing artists in the capacity that they used to … There's a lot more resources other than a label. Whereas 20, 30 years ago artist didn't have access to a recording studio very easily… or access to distribute your music, now artists have the opportunity to record on their own and piece their own careers together…"* (Shaw, personal interview, 2021).

The diminished role of record labels due to digitisation has simultaneously given rise to the repositioning of DIY's as cultural entrepreneurs who wield power, with added values that can be leveraged through technology. Such revisions are widely interpreted to have generated levels of "entrepreneurial consciousness" among creative practitioners (Netherton, 2017:1), with claims of an increasing number of smaller enterprises achieving phenomenal advantage

over larger corporations (Hesmondhalgh, 2011). For example, Ngubo states that; "*A recent study in 2020 stated that musicians that are signed to major labels released over 1.2 million songs, compared to DIY musicians who released over 9.5 million songs…"* (Personal interview, 2021). Shaw also points out that "*At one stage there was only about 5 to 8 percent of indies in the market… that's now broadened out to 30 to 40% percent in the market..."* (Personal interview, 2021).

Digital shifts are also perceived as bringing about a 'democratising' effect whereby artists have new found freedoms in management of their own careers, and also control of their IP and financial affairs. The elevated status of the DIY has brought about bargaining power in terms of negotiating terms of contracts, fees and royalties (Ngubo, Le Roux, Shaw, personal interviews, 2021). Online platforms also serve as an important source of freely available information on how the music business industry works, how to monetize and how collection agencies work, etcetera. Martin Meyers (personal interview, 2021) notes how marginalised genres such as jazz and world music, which are often not pushed by labels, have utilised DIY technologies to find a greater presence in the market. Many new business services to DIY and independent labels are available, including 'crowd-funding' and direct sales sites such as Bandcamp, CD Baby and Patreon have also mushroomed (Ngubo, personal interview, 2021).

Labels as partners

Mukuna further explains that the shift also speaks to *"... the change in (the type) of partnership and relationships between artists and record label..."* (Personal interview, 2021). Shaw adds that, *"Labels have also have moved from a focus of signing artists towards artist services, such as '360 deals', which has driven a lot of the forward trajectory for the industry. Artists now are forced to reckon with having to build their own careers… "* (Personal interview, 2021).

According to this narrative, artists now have the opportunity to record, create and self-manage their careers, and are increasingly being perceived as 'businesses' in their own right. Le Roux explains that, *"... any artist that's worth their salt has to engage with technology nowadays…"* (Personal interview, 2021). Thus for Myers, *"Entrepreneurship is absolutely the key towards adding to factors of success or failure for DIY musicians in the new digital economy."* (Personal interview, 2021).

All the experts are unanimous in their view that another major shift that needs to take place is for artists to adopt a more business and entrepreneurial mind-set. James Bassingthwaighte (2021) suggests that the narrative needs to change around the importance of artists being educated, skilled and trained on the business side of things, and barriers to the market need to be much lower (Personal interview, 2021). Myers further states that artists need to prioritise upskilling their business acumen, and develop skills such as *"... knowing how to read a spreadsheet, how to invest in the stock market, how to save, how to do budget…. so that they are financially literate when they go forward."* (Personal interview, 2021).

Notwithstanding the changing role of the record industry, recording companies still remain an important part of the music industry ecosystem. Processes such as 'being signed' and having 'a record' remain important factors of status and legitimation for artists within popular music, even for many of those musicians on the outside (Tschmuck, 2016; Bockstedt, 2005; Reverbnation, 2011).

Artists may still prefer to sign a contract with traditional music labels and publishers, as production and distribution roles can be very costly. At the same time labels are increasingly focusing on their successful acts in attempts to reduce the risks in an already struggling business, which makes it more difficult for emerging artists to sign contracts with record companies. Shaw argues that *"... You will find that a lot more artists pioneer themselves to get to a point where a label becomes interested in them. And they'll get offered a deal to take their career forward. As an artist, if you realise that a label is a business partner… that is what drives this whole thing forward…"* (Personal interview, 2021).

Another consideration is that not all artists have the skills, time or entrepreneurial mind-sets to perform the tasks of music publishers and record labels. As posited by Towse (2011), cultural entrepreneurs take the necessary responsibilities and initiatives to build their own careers and "… do much more than manage the activity; typically they discover it and exploit its revenue potentialities." (ibid, 2011:157). Not all performing artists and musicians have the same levels of aspirations, ambition or drive to operate as cultural entrepreneurs in this space and will therefore still rely on the resources and pre-financing options of music labels.

Other scholars further argue that the opportunities afforded by disintermediation require a particular set of skills in order to flourish. Success is now "… interpreted as dependent less

on the inherent quality of the music than on the ability to develop a strong brand identity that generates multiple revenue." (Haynes and Marshall, 2018). Although musicians may be perceived as entrepreneurial, not all entrepreneurs are musical and the authors similarly argue that there is a significant difference in the role, purpose and function of these two players (ibid).

There is no doubt that digital reforms and revisions have brought about welcomed relief to artists, who for many years have notoriously been at the receiving end of unfair, one-sided deals, and a monopolisation of the industry by management firms such as record labels. Black Coffee says, *"Our country has experienced so much sad stories … and it's been happening for a long time, to a point where most artists are used to this..."* (Personal interview, 2021).

While Shaw's sense is that shifts in the industry also came about "… *because artists wanted to be able to have more say and control"* (Shaw, personal interview, 2021), Myers argues that *"... exploitation and monopoly are vested interests that want to keep things this way…"* (Myers, personal interview, 2021). Black Coffee however poignantly suggests, *"I'm not going to blame it on record labels and I am not even blaming it on artists … Because some of them had "it" [good deals and money]. It passed hands and it came to them … but we need solutions…"* (Black Coffee, personal interview, 2021).

Covid-19 and its impact on the music industry in South Africa

As the Covid-19 pandemic continues to incur devastating impacts in 2021, this crisis is of particular interest to this research as it has simultaneously foregrounds the longstanding issues of systemic inequalities and economic divides that are critically linked to the unequal opportunities for success, well-being, sustainability and survival of South African musicians.

As discussed in the literature review, there is a direct correlation between the complex historical origins of the South African music industries and its links to the development of the music industry that remain "fragmented as a result of institutional apartheid, globalisation and cultural imperialism…" (Walters, 2011:9).

Covid-19 has, in particular, brought devastating impacts on the live music industry in South Africa, which is the largest revenue sector that is valued at R1.4 billion (Shaw, 2017). The sector therefore houses a huge source of income and employment for many of the contract

and freelance musicians in South Africa. As Joffe and Newton explain, "…. In South Africa, musicians do not earn a living from recorded music but rather from performance or working in other creative enterprises (theatre, film, commercials). Local artists that are most active in the live performance sector are also those who achieve the highest record sales…" (2008:42).

Similarly, journalist Gwen Ansell, in her recent online report, states that due to Covid-19, "… nearly half of South Africa's live music workers will possibly be quitting the industry for good…" (2020). The nationwide lockdowns have resulted in the closure of live music venues and the cancellation of bookings, concerts, tours and so on. This has created immense financial hardship. Myers further states that there are also widespread reports of rampant piracy as music is being consumed "like never before" (Myers, personal interview, 2021). To survive, musicians are subsequently forced to find new ways of generating sustainable income. This, for the most part, will now involve utilising innovative technologies for live online streaming of performances, and by necessity, musicians might have to self-produce, promote, and manage the creation of their content (Digital Futures Report, 2020).

What is important to highlight here are the implications of Apartheid's legacy of rule and divide, whereby black musicians were formally prohibited from participating in the economy and were denied the same opportunities as their white counterparts to own a business, access resources and markets, to develop their social networks and to amass cultural capitals such as education.

According to a recent 2019 TimeLive article on inequality and poverty trends in South Africa, it is purported that after more than two decades of democracy in South Africa, "… white people (still) earned three times more than black Africans on average" (Nkanjeni, 2019). It is further reported that "… black households had the highest unemployment, earned the lowest wages and had the lowest levels of access to the internet …" (ibid).

The fact that the vast majority of the income inequality and therefore lack of access to innovative digital technologies sits in the black population is problematic and has huge implications for the development of black DIY'S in the music sector, and thus cultural entrepreneurship on the whole. The Apartheid legacy and the concomitant ongoing racially skewed patterns of socio-economic development for the vast majority of black South Africans can thus directly be linked to the inability of some black musicians to be enterprising and entrepreneurial with their music skills or craft (Ndzuta, 2012).

The digital divide and implications for potential success or failure of DIY musicians

Despite the growing importance of access to Information and Communication Technology (ICT) in an industry that is positioned as one of the drivers of the knowledge economy, race, age, income and education are still the most important predictors of access to digital technologies in South Africa. As stated in the NGO Pulse report "… [these factors] will contribute to the rising inequality and marginality of (the) excluded citizens, in particular in South Africa" (NGO Pulse, 2020).

In this regard Ngubo (2021) discusses how access to digital technologies are essential not only for operation within an ever-changing digital economy, but also highlights that digital technologies are a vital source of education for musicians. He argues that digital technologies are a means to improve one's cultural capital and value and identifies the threat of high costs of data and inequitable access to digital technologies for black musicians operating as cultural entrepreneurs in the music industry in democratic South Africa. (Ngubo, personal interview, 2021).

Le Roux explains why inequitable access to digital technologies for DIY musicians is a crucial issue. He states that *"… The digital divide in terms of technology, access to technology and access to the marketplace is very real. Anyone can go onto Facebook, YouTube, Instagram and livestream. That doesn't mean anyone can make money. Anyone can livestream from their cell phone. It doesn't mean they can livestream with quality…. and monetize."* (Personal interview, 2021).

The concerns highlighted by music business expert participants Le Roux and Ngubo are validated in the most recent findings of the September 2020 study by the South African Cultural Observatory, titled '*Impact Analysis: Live Music and its Venues and the South African economy during COVID-19'*. In this study it is reported that inequality, and especially the country's digital divide, precluded many from participating in the pivot to online music. Inequitable access to digital technologies significantly hampered the efforts of many who may have intended to adopt digital transformation strategies to survive and secure their future.

Implications for DIY's as cultural entrepreneurs

Linked to this concept of the DIY as cultural entrepreneur, Mukuna explains the interplay between digital divides, ' inequality traps' and the impact of 'skewed' pathways of economic mobility and access to markets for black DIY's (Personal interview, 2021). These socio-economic factors play a determinant role in the potential success of black DIY entrepreneurs in an unequal, racially monopolised sector.

Mukuna states that:

> *"…The South African economy is dominated by [inherited] monopolies and the previous organisation of certain assets [Apartheid]. The follow-on effect for (black) entrepreneurs is that while we're trying to foster an entrepreneurial economy, the environment is not really structured and conducive. It's not easy to get money, existing companies make it hard to break that monopoly and it's super difficult if you don't have connections and networks…"* (Personal interview, 2021)

Mukuna (2021) also highlighted the several challenges still faced by black DIY's in the sector, including access to various forms of social, cultural and economic capitals, limited resources, a lack of access to education, technical skills, social networks and also markets. Inherited socio-political and economic disparities and inequitable access to digital technologies faced by black DIY musicians severely limit their ability to participate as key players in the new digital economy, and inhibits their opportunity to capitalise on this moment of digital democratisation and enterprising autonomy. This reality, unless systematically addressed, may inadvertently serve to perpetuate Apartheid's legacy of rendering small enterprises insignificant by "… having largely 'denied' Africans the (opportunity) to enter business and the economy… " (Turok, 2008:184).

Discussion of theme 3: The significance of Black Coffee's deal with Gallo Music Group

> *"… The fact that Black Coffee is involved in a transaction of this nature …essentially buying one of the oldest assets in the South African music business… surely speaks to the most transformation. So ownership, I think, is right at the other end of transformation, right?* (Mukuna, personal interview, 2021).

Key players

As one of South Africa's highest earning and most successful musicians and entrepreneurs, Nkosinathi Innocent Maphumulo, also known as Black Coffee, has released over nine albums and is the recipient of numerous international awards, including the BET Award for Best International Act in Africa (2016) and Best International Producer and Best International DJ (2018). Since 2005, his company Soulistic Music, has built a worldwide network of exclusive track licenses, tours and engagements in the local and international touring market.

Black Coffee is also celebrated as a highly successful and pioneering venture capitalist with his company Flightmode Digital, which is behind several ground-breaking enterprising initiatives in digital start-ups and education in South Africa. His contributions are of great social and economic impact and benefit to not only local creatives in the music world, but also to young entrepreneurs and communities in South Africa. Black Coffee's projects prioritise finding African solutions to African problems such as the empowerment of black communities, job creation, and the promotion of entrepreneurship.

In May 2020, Black Coffee acquired a 20% stake in Gallo Music Group through his investment holding company FlightMode Digital, after The Lebashe Investment Group bought Gallo Music Group for R75 million from former owners Tiso Blackstar in March 2020. Speaking to Business Day (2020), Black Coffee states that he invested R15 million. Black Coffee is hopeful that the deal will potentially "… end the traditionally adversarial relationship between artists and record labels … from what was a highly exploitative system, to one of renewal and fairness, by ensuring that the musicians retain the rights to their work…" (Wicks, 2020). Black Coffee states that the deal with Gallo Music Group is important to him because of what it potentially means for the collective South African music community and the music ecosystem.

Gallo Music Group, South Africa's oldest independent recording label and Africa's largest music company, is based in Johannesburg, South Africa. The iconic record label has been in the music business for 90 years and is home to a host of iconic South African stars, such as Nathi, The Mahotella Queens, Ladysmith Black Mambazo, Paxton Fielies, Benny Manyegani, the late Lucky Dube and the great Dorothy Masuka.

Black Coffee's success, albeit unanimously praised across the sector, is an anomaly for the majority of aspiring black music entrepreneurs who operate within a historically disparate,

mercurial, exploitative and socio-politically inequitable environment within the music industry in democratic South Africa. Many talented musicians of colour 'fall through the cracks' as they are precluded from the necessary resources, networks and support to fully realise their potential (Ndzuta, 2012). Further, artists are rarely afforded the opportunity to partner with or enter into enterprising deals that allow them to participate in ownership of market shares and profit -making processes primarily dominated by power-wielding recording labels. The Black Coffee-Gallo music deal is thus of significant interest to this research report.

Black Coffee, who grew up in one of South Africa's poorest provinces and has become one of the world's most successful musicians and cultural entrepreneurs, represents a site of anomalous intrigue for both the DIY musician and especially black musicians in South Africa because of the unusual breakthrough.

It is important to note that at the time of my interview with Mukuna, certain aspects to the Black Coffee-Gallo Music Group deal had not yet been fully ratified, and as such, the deal was still in its infancy stage. Subsequently, not all the details of the deal were available for comment or public consumption and other than Black Coffee and Mukuna, the rest of the participants involved in this research were aware of the deal, but had little knowledge of the deal itself. The participants were however able to contribute provisional thoughts, aspirations, comments and reflections.

The significance of Black Coffee's deal with Gallo Music

The research explores how, if at all, the Black Coffee-Gallo Music Group deal is an example of a shift in postures of power between record labels and DIY musicians.

The deal was inspired by Black Coffee and Mukuna's vision to bring about change in the industry and to reposition South African and African artists in a manner that is in line with what they think the future of music looks like. Mukuna states that *"…in many ways, (it is about) giving artists more control and the relinquishing of 360 deals'…"* (Personal interview, 2021). For Black Coffee, the deal is a landmark moment, where on a bigger scale he has the opportunity to transform the Gallo Music Record Label from its traditional structure to *"… create a new blueprint of how a futuristic record label should look like"*. As much as Gallo is a for-profit company, he hopes to design the label in such a way that it will work to the

advantage of the artist, and at the same time solve problems that African artists have faced for an extended period of time.

Mukuna, managing director and also business partner at Flightmode Digital, provides further details of the Gallo Music Group deal and states that:

> *"… The deal includes Gallo and all the assets that it holds. Flightmode is a shareholder in the company Lebashe – Arena, that owns Gallo. Gallo – so the business is essentially two in one, so there's a recording business and a publishing business that form Gallo. Lebashe – Arena bought the entire thing and we've bought a portion of that business with Arena. So Arena is a shareholder and we're a shareholder in Gallo"* (Mukuna, personal interview, 2021).

As to how the deal came about, Mukuna explains:

> *"… Flightmode and Arena Holdings, which is held by the investment holding company Lebashe is an investment holding company with three principals, whom both Black Coffee and I had met before. When we saw that they had bought the Arena business and we inquired… they were in the process of looking to buy the asset, and had a vision in mind which aligned very much with the vision that Black Coffee had..."* (Mukuna, personal interview, 2021).

South African artists, as with artists around the world, have for almost a century operated within a mode of reliance, ownership and control by the hegemonic and monopolistic designs of the traditional record label industry (Tschmuck, 2016; Bockstedt, 2005). Artists would often be at the bottom of the chain with regards to ownership of their IP, royalties and potential revenue. The traditional music industries, and in particular, the recording companies, were built on models in which the music 'hits' offset the economic failures and where economic failure could be regarded as the norm (Negus, 1999). Sustainability lay in the greatest possible exploitation of the few successes (Nordgård, 2018).

Given the historical relationship between artists and record labels, the Gallo deal articulates a potentially renewed position of artists as equitable stakeholders and role players in the new digital music economy. Black Coffee explains that *"The vision is to create a label that does not exploit artists anymore. Given the history of all the labels that have been in the country,*

how do we create a new environment where the label makes money and the artists make money? But more than just making money… where artists have incentives, their interests are looked after and the structure is conducive enough for them to do what they do best… which is make music. That's the entire idea for me that made the Gallo idea attractive…" (Black Coffee, personal interview, 2021).

It becomes evident that technology can help DIY musicians break traditional boundaries of ownership and increase participation in the music business. With Black Coffee's deal, artists may have a network of supporting services at their disposal, which not only grants them autonomy from traditional players, such as the record labels, but moves them to the centre of the industry's value-added network (Wikstrom, 2009; DeFillippi, 2016; Tschmuck, 2012; Nordgård, 2018).

Black Coffee's deal speaks to changing the narrative around musicians as stakeholders and key players, and presents an equitable position for artists as a new and normative practice. In this sense, Black Coffee is a change agent, and by using digital technology and innovation to reverse the plight of musicians, he once again demonstrates how cultural entrepreneurship is not just driven from financial rewards, but rather from a deep sense of bringing about meaningful social change to other musicians. Likewise then positioning himself as a positive impact on cultural value. The deal speaks to a futuristic model for labels that empowers musicians through ownership and control of their IP, and with support services.

Another area of interest is how the Black Coffee-Gallo music deal will influence publishing, catalogues and revenue streams. How will the future label supplement potential losses of income to DIY's where they have to negotiate higher royalties, sync licences, branding and merchandising? Ngubo reports that labels have entered into venture deals with artists as stakeholders and '500 fortune' brands. To this point, he addresses new ways in which artists can monetize their catalogues and states that "… *it is well accepted that the role of partnerships with labels remains a vital step for DIY's to advance their standing and to gain traction in the market."* (Ngubo, personal interview, 2021).

Whilst the details of the deal are not yet known, it will be interesting to understand how this deal will promote partnering with musicians in a new way – further and beyond the '360 deal'. Interestingly, when posed the question, Black Coffee states: *"So, if you come here, you're going to own your master. We're going to help you set up your own structure... We*

will market everything for you and support artists through the music and business side…." (Black Coffee, personal interview, 2021).

What are the implications for DIY's and relinquishing the '360 deal'?

Digital disruption has brought about choice and freedoms and the ability to build autonomous careers, as DIY's and artists are able to have control and ownership over their IP. The '360 deal' is seen as one of the strategies that labels have adopted to survive the impacts of digital disruption and further signifies a new relationship with artists. These deals are exclusive contracts that are negotiated with signed artists that allow the record label, in exchange for services such as funding and promotion, to share in a percentage of all the artists' revenues, such as merchandise sales and publishing royalties, rather than just receiving a percentage of the earnings from album sales (Tschmuck, 2016).

Certain lines of inquiry are offered: What are the implications for its relinquishment? And what by way of innovation will be its replacement? What does a new music platform look like compared to current trends?

The issue about the DIY is this: DIY musicians and artists have the right to choose. Ownership of IP for artists, brought about by the digital revolution, is the cultural capital that has moved them to the centre stage, inadvertently, as cultural entrepreneurs. Essentially it is their right to access and own their own IP (the logic of the music industry). This has created the artist as stakeholder and simultaneously this has had a democratising impact on 100 years of hegemonic control by record labels and music firms.

Another consideration is that such ownership forces artists to reckon with the fact that they operate as new owners of economic capitals and are in fact "small businesses" in their own right, in order to mobilise themselves in the new economy, despite the global market for recorded music still largely being dominated by two major record labels since 2016 (Sony Music and Universal Music).

Policy Considerations

Policy imperatives which glean significant returns on investments through educational programs, tax relief, financing assistance, development assistance schemes, and international promotions, are posited by Shaw (2010); Bruce (2013) and Ndzuta (2012). In addition,

revised policy should assist the state and private sector to recognise musicians as formally employed (Ndzuta, 2012). Again, key questions are tabled: Could cultural entrepreneurship, (as a strategic tool for the development of commercial enterprise), unlock the significant unrealised potential of the South African music industry? Further, the music business has changed greatly in the last two decades. Should policy adopt a more forward-looking approach to the constantly changing economy and role of musician as DIY?

Chapter Six: Conclusion

"Artists are now self-made ... ultimately because they did not take 'no' for an answer…" (Shaw, personal interview, 2021).

In answering the question to this research report - the extent to which technological, socio-political and economic factors contribute to the potential success of DIY musicians as cultural entrepreneurs in the contemporary music industry in democratic South Africa - the conclusion of this research is that the interplay between these factors is inextricably linked to successful outcomes for music entrepreneurs and also the growth and development of cultural entrepreneurship within the sector as a whole, which needs to be supported by strong policy frameworks that support DIY musicians, and other areas such as music education. This research has further established that digital disruption has brought about irrevocable change to the music industries by enabling seismic shifts, not only to the market structure, but also to the historic repositioning of the DIY artist as a key stakeholder and cultural entrepreneur in the new digital economy.

Digitisation has brought about a sense of liberation for DIY artists whereby the baton of ownership, autonomy, self-governance, and the right to choose, has for the first time, been placed in their hands. In stark contrast to a century of adversarial control by record labels, new digital technologies have facilitated the "transfer of rights" to artists through access to and ownership of their IP, which has essentially placed the artist centre stage in the value chain.

Furthermore, I would argue that the rise of the DIY musician as cultural entrepreneur can be seen as a type of disruptive change agent or typology of democratisation that serves as a symbolic force of 'ideological resistance' to counter the longstanding, traditional seats of capitalist power and hegemonic control formerly occupied by the likes of "… music industry

gatekeepers such as record labels, publishing houses, or management firms…" (Scott, 2012:8). In a way DIY musicians are exercising their agency in an environment that is challenging.

It may be argued, then, that the DIY musician as disrupter, change agent and producer of cultural and economic value is, according to Schumpeter (1967), the same side of the coin as a cultural entrepreneur. Digital disruption has facilitated new levels of operation for DIY's as cultural entrepreneurs in new spaces, allowing them to forge pathways of enterprising opportunity, access new fields of operation, occupy new positions of power, and mobilise new levels of social, economic, and cultural exchange through partnerships and collaboration. DIY musicians as cultural entrepreneurs could be seen as the drivers of economic mobility, cultural diversity, and proponents of increased cultural value within the digital value chain.

As shown in this research report, in the South African context access to equitable opportunities for artists' advancements through the conversion of social and cultural capitals into economic gains is essential for the successful mobilisation of DIY's as cultural entrepreneurs in the digital economy. Access to digital technologies for DIY's are equally as important for their day-to-day operations and 'blue-printing' activities as cultural entrepreneurs. This resource plays a critical role in providing a platform for accessing expedient information and enabling self-production, promotion, distribution, and sales of their cultural products – thereby promoting the ongoing building of their careers and exchange of capitals.

Lack of access to digital technologies is therefore a significant threat to the development of the DIY musician as cultural entrepreneur and perpetuates the historic income and inequality gap in South Africa. This helps us to understand the impact of the perpetuated cycle of capitalist monopolies, digital divides and unequal outcomes for musicians, in particular black musicians, who operate within the music industry in present-day South Africa.

Notwithstanding policy interventions for sector regulation and reform (the extent of which are not possible to cover in this research report), musicians themselves should seize this moment to mobilise transformation (as seen with Black Coffee's ground-breaking deal with Gallo Music Group) and forge ahead with their newfound freedoms.

A few critiques of this research report's findings are as follows: Given the limited scope of this report, the researcher was not able to include all the data findings that emerged in this study. Systemic issues relating to the protections of intellectual property rights, the role of collective management organisations (CMOs), and the increasing power wielded by big technology companies and multinationals in the digital music industry could not be covered.

Priority was given to include data that would answer the research question and objectives. Further, this report does not present work by male artists in a different age group (both older and younger than the artists covered), nor any female South African artists who may be forging significant and similar innovations. For reasons not covered in this research, female artists may perhaps be more marginalised than those of their male counterparts. Furthermore, the impact of these artists is not similarly shared between the grass-root levels, academy, or the public at large. Finally, there is no public forum or initiative that, as yet, could leverage, as a collective effort, and with broader publicity, the significance of the Black Coffee-Gallo Music Group deal.

In conclusion, ultimately the potential success or failure of the DIY musician as cultural entrepreneur in democratic South Africa will continue to hang in the balance between equitable access for the appropriation of new technologies and capitals, at a time when South Africa is one of the most unequal societies in the world. The creation of a greater number of successful cultural entrepreneurs in the music industry is therefore a vital and necessary step in creating more social cohesion and equality in democratic South Africa.

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APPENDICES

ARTIST QUESTIONNAIRE

Background

1. Are you able to tell me more about your musical background and inspiration for doing music? Was music was a choice or a calling as a career? Who or what inspired you to pursue music?

Journey at the Start as DIY

2. What was the journey like- starting out as a DIY musician? What were the various steps you took to build your music career and can you describe some of the processes? (OR) What were the steps that you took as a DIY (unsigned) musician to build your career? Are you able to describe some of the processes as a DIY musician and artist/ producer in building your career?

Challenges

3. What were some of the challenges and obstacles you faced as a "young" DIY musician entering the industry?

Big Breaks

4. Can you talk about some of your "big breaks"? What was the "turning point" in your career? (OR) Can you talk about some of your iconic career milestones and highlights?

Insights with Labels

5. What were some of the insights that you gleaned about the business side of the music industry – by working with record labels, promoters, agents, managers?

DIY Processes

6. Are you able to describe some of the 'DIY" processes for you in as both artist, producer, businessman?

Transition To Entrepreneur

7. What was the transition like- in terms of combining the development of both your artistic and entrepreneurial endeavours? What is a natural progression?

8. Do you consider yourself to be an entrepreneur? And how would you define what it means to be entrepreneur?

Gallo Deal

9. (Black Coffee): Your investment company, Flightmode Digital, recently signed a landmark business deal with Gallo Music. What was your inspiration behind the deal?

10. (Black Coffee): In your view, how is it a watershed moment for artists and also the industry? How will the deal bring about renewal and transformation for musicians and artists and promote more fair, equitable and profitable platforms and opportunities for musicians?

Gated Communities and Capitalist Control

11. The music industry is historically viewed as a "gated" community, with seats of power, control and money sitting with the managers, labels, publishers. Etc. What are your views or experiences with regards to the phenomenon of gated access, exploitation and capitalist monopoly in the industry?

Shifts in the Digital Economy

12. There is a lot of talk of DIY artists "doing it for - and by themselves" in the new digital economy. We see a shift in traditional roles, role players and to the entire value chain. What are your thoughts on how artists and intermediaries / businesses should come together to work within the new digital ecosystem?

Digital Disruption

13. Digital technology has completely transformed the music industry. How has digital technology impacted your own career a musician and entrepreneur? What are the trends? And how have they created new opportunities and freedoms for you?

Socio-Political Gaps in SA music industry

14. What in your view, are the current challenges and "gaps" that exist in the South African music industry today -that perhaps impede the development of up and coming musicians? (OR) In your view, what are the current socio-political and economic challenges that the South African music industry faces today?

15. In your view, what are the structural changes that need to take place to ensure that young and upcoming musicians, specifically of colour, are able to pursue careers as successful musicians and entrepreneurs?

16. Post -Apartheid Policy has emphasised redress, transformation, equitable access and delivery and also the economic mobility of the sector. Have we seen transformation in the sector and what transformation do we still need to see?

How should musicians be adapting for the new digital music economy?

17. How should contemporary musicians be adapting to survive and build sustainable careers in the new digital music economy?

18. In the new digital music industry- Do you need to be an entrepreneur as a Musician to survive?

Role of Cultural Entrepreneurship

19. What is the role of cultural entrepreneurship, if any, in building a strong and vibrant future music industry and economy?

Success Factors

20. What would you say are the key ingredients to achieve success as both an iconic musician and also successful entrepreneur? What are the most important career strategies?

Sub-questions:

- What does success mean for you?
- Are there any factors that you consider to be indicators of success or "success factors"? What makes you successful in the music industry today?
- What is the role of music education in your own career? And what role should it play in our industry?
- How could policy bring about change, renewal for musicians in SA?

BUSINESS EXPERTS, LEADERS AND ACADEMICS QUESTIONNAIRE

Background

1.) Please tell me about yourself and your professional journey in the music industry?

2.) What inspired your interest and work in the music industry?

The Gallo Deal

3.) Gallo Music and Back Coffee - as a "DIY" -recently entered into a landmark equity deal. His investment company obtained 20 percent of the Gallo Music catalogue. The deal is deemed as ground-breaking for artists who are normally side-lined from the business side of things and are not at the forefront of these enterprising opportunities.

4.) How does this deal, in your view, impact the general status quo between artists and record labels? How does it represent "ground -breaking" shifts for artists in the industry and what are the implications for the traditional role of artist and the record label?

5.) How does the deal speak to renewed possibilities of partnership and collaboration between existing stakeholders and how does it address renewal and transformation across the sector?

Partnerships

6.) How should artists and the various bodies and players in the ecosystem be coming together in a new way to create a thriving and equitable environment in the new digital music industry?

Capitalist Monopolies, Gatekeepers And Exploitation

7.) Can you speak to the idea of capitalist monopolies, gatekeepers, and exploitation in the current SA Music Industry? Who has the power?

Digital technologies

8.) Digital technology has transformed the topography, role players, sector landscape, value chain and ecosystem of the music industry in SA and globally. How have these changes impacted the overall business structure and logic of the music industry and economy?

9.) What are the shifts? Where are the shifts?

10.) What are the implications of digital innovation for DIY musicians, recording companies and music entrepreneurs?

11.) What, in your view, are the major trends, patterns and developments?

Ownership and Control

12.) The pivot word nowadays is ownership and control. Is there a connection between entrepreneurship and digital innovation in contributing towards more success for the DIY musician?

Opportunities And Threats, Limitations And Barriers To Entry For Musicians,

13.) What are the various areas of opportunities and threats, limitations and barriers to entry for musicians, music entrepreneurs and the DIY artist?

Digital Divide

14.) Can you also speak to the issue of digital divide and equal access to digital technologies in SA?

Socio-Political Factors

15.) Post -Apartheid policy has emphasised redress, transformation, equitable delivery, access and the economic development and mobility of the sector.

16.) How would you describe the current socio-political milieu of the SA Music Industry and market in light of these aspirations?

17.) Have we seen transformation in the sector? What transformation do we still need to see?

18.) What are the current socio- political challenges that the South African music industry still faces today?

19.) How do you think these challenges might be addressed and solved?

20.) 14.) What are the barriers to entry for entrepreneurs and specifically, for entrepreneurs of colour? How do you think these challenges might be addressed and solved?

Future Developments

21.) What do you see as the key future developments for the music industry in South Africa?

Role of Cultural Entrepreneurship

22.) What is the role of cultural entrepreneurship, if any, in building a strong and vibrant future music industry and economy?

Critical Areas for Research/Policy Gaps

23.) What, in your view, are critical areas for research and national policy to ensure that the South African music industry in prepared for future global developments?

How Should Musicians Be Adapting -Future Digital Music Industry

24.) How should contemporary musicians adapt to survive and build sustainable careers in the new digital economy?

25.) Do musicians need to be entrepreneurs in the 21st century digital music industry?

Sub Questions

1. How would you define entrepreneurship as a musician?

2. How is it tangibly demonstrated in the new - digital music economy-industry?

3. What does musicianship look like in the 21st century?

4. In your view, what are the changes that need to take place in the music industry today to ensure that young and upcoming musicians are equipped to pursue successful careers as musicians and entrepreneurs?

5. What would you say are the most important career strategies/ or characteristics for artists who seek to understand how to build successful careers as musicians and cultural entrepreneurs in the music industry?

6. Are there any factors that you consider to be "success factors"?

7. What future threats does technology pose to the industry?

8. What are the implications with Covid-19 for the music industry?

9. Where do we sit currently in terms of addressing the issue of access and access for artists?

10. What are the implications for the work and role of CAPASSO in the new Digital music industry?

Sub-questions on the Black Coffee-Gallo Music Deal

1) Flightmode Digital recently entered into a 15 million landmark equity and investment deal with Gallo Music catalogue. Are you able to share more details or specifics on the partnership? How is it structured and how does it work?

2) Are you able to share details on the content and volume of the publishing catalogue and who is in the catalogue? Did Flightmode digital purchase the total publishing catalogue?

3) What is the value of the catalogue? How will Flightmode Digital monetize the catalogue and grow it?

4) Are there songs you could rework and remake internationally, and then expand the wealth of that catalogue?

5) How will rights work? And what kind of other licences or sublicenses did you acquire from the publishing perspective?

6) How and Why, in your view, is the deal is deemed as ground breaking and historical for artists?

7) How does the deal ensure that artists are part of structures that are fair and encourage new ways to monetise content?

8) How does the deal bring about renewal and transformation for musicians? And how does the deal speak to further possibilities of partnership and collaboration between stakeholders across the sector?

9) The pivot word nowadays is ownership and control. BC has ownership of his own music- therefore revenue and with the publishing deal also ownership of others. How will the deal create an environment where artists and creatives have a truly equitable stake?

10) Gallo is SA oldest and most formidable record label in Africa. History paints a mixed picture of Gallo's historical role when it comes to ensuring the rights and well -being of musicians and their IP. What is Gallo's current position in the market and is this deal apart of redemption?

<u>Important: Gallo Music did not reply to all requests for an interview.</u>

POLICY QUESTIONNAIRE

Background

1.) Are you able to introduce yourself and tell us a bit more about your background, in particular work at DSAC or DAC?

Policy Priorities And Objectives For The Arts And Culture Sector, Specifically The Music Sector?

2.) What are the current policy priorities and objectives for the Arts and Culture, also creative and cultural sector in SA? Also, specifically, the music industry?

Digital Technology

3.) How do these policies speak to current trends of digital technology and entrepreneurship within the global and local market and sector?

Covid-19

4.) What has been the impact of Covid-19 on the sector and existing policies?

Digital Technology

5.) Digital technology has transformed the entire sector landscape and ecosystem of the music industry. What are the measures in place to address the unequal access specifically for digital technologies for musicians who come from sub- economic communities?

6.) How can/ will policy address the various areas of opportunities and threats? Limitations and barriers to entry?

Role Of Partnerships and Collective Governance

7.) Are you able to speak to the role of partnerships and collective governance between stakeholders across the sector?

What Is the Role of Cultural Entrepreneurship?

8.) What is the role of cultural entrepreneurship, if any, in building a strong and vibrant future music industry and economy?

Cultural Entrepreneurship

9.) How does government offer support to entrepreneurs in the music industry?

Key Future Developments

10.) What do you see as key future developments for the music industry in South Africa?

11.) As we head into the next decade, what is government's overall strategy to overcome the socio-political and economic challenges that the South African music industry still faces today?

12.) What, in your view, are critical areas of research and national policy to ensure that the South African music industry in prepared for future cultural entrepreneurs?

Participant Participation Form



11th of January 2021

Dear Sir/Madam,

My name is Denay Willie and I am a Masters student in the Department of Cultural Policy and Management at the University of the Witwatersrand, Johannesburg. I am conducting research for my research report with the title: *A Qualitative Analysis of Cultural Entrepreneurship in The Music Industry in the Democratic South Africa: The Case of Black Coffee and Gallo Music Group*. The research is supervised by Ms. Johanna Mavhungu for the purposes of completing my Masters in Arts in the field of Cultural Policy and Management.

The study will explore the role of cultural entrepreneurship, digital innovation and the history of South African Music in shaping the industry's challenges and successes of South African music entrepreneurs.

As part of this project, I would like to invite you to take part in my research as an expert participant. This activity will involve one interview that will take around 45 minutes. With your permission, I would also like to record the interview on Zoom or Microsoft Teams and the recording will be both video and audio. There will be no personal costs to you if you participate in this project. You will not receive any direct benefits from participation and there are no penalties if you do not choose to participate or if you withdraw from the study. You may withdraw at any time or not answer any question if you do not want to.

The information provided during the interview will be held securely in a password protected computer. Only myself, as the researcher and my supervisor, will have access to this information. All information collected is solely for scholarly and academic purposes and will be disposed of once my final research report is submitted to faculty in February, 2021. At no stage will information be shared or disseminated with anyone.

As a research participant, you have the right to remain anonymous during the research and in the final report and this will be respected by using interpreted data that is not easily traceable to individual participants. At the same time, anonymity cannot be guaranteed because of your status. People may recognise you based on your comments and hence, the research will be interpreted for the final report if you choose. If possible, I would like to make use of real names instead of aliases - however, if in any instance, you prefer to have aspects of the interview be anonymous, I will respect your wishes.

If you have any questions during or afterwards about this research, feel free to contact me on the details listed below. This study will be written up as a research report which will be available online through the university library website. If you wish to receive a summary of this report, I will be happy to send it to you.

If you have any concerns or complaints regarding the ethical procedures of this study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrecnon-medical@wits.ac.za.

Thank you for considering my request.

Yours sincerely,
Denay Willie



Researcher:
Denay Willie, 2200561@students.wits.ac.za Contact: 0678725898
Supervisor: Johanna Mavhungu, Johanna.mavhunga@wits.ac.za Contact: 0725939945

Participant Consent Form



Dear Sir/ Mam

RE: LETTER OF CONSENT

Title of MA Thesis: *A Qualitative Analysis of Cultural Entrepreneurship in The Music Industry in the Democratic South Africa: The Case of Black Coffee and Gallo Music Group.*

Name of researcher: Denay Willie
Student Number: 2200561

I, (Name of participant), ... hereby agree to participate in the above mentioned research project. The research has been explained to me and I understand what my participation will involve.

I further agree:

I agree that my participation will remain anonymous	YES	NO	(please circle)
I agree that the researcher may use anonymous quotes in his research report	YES	NO	
I agree that the interview may be audio recorded	YES	NO	
I agree that the interview may be video recorded online	YES	NO	

..... (signature of participant)
..... (name of participant)
..... (date)

Denay Willie ..... (signature of researcher)
Denay Willie ..... (name of researcher)
11.01.21 ..... (date)

Yours sincerely,
Ms Denay Willie

Researcher:
Denay Willie

Email: denay.willie@gmail.com/ 2200561@students.wits.ac.za Cell: 0733889570/ 0678725898