

## 2.12 MUSIC

### 2.12.1 Conceptual Framework

*“The art of combining the sounds of the human voice and/or instruments, so as to produce sensations of happiness or melancholy.”<sup>1</sup>*

#### Activities

Primary	Secondary
<p>Soundtracks            Background music            Live mixes (DJs)            Arrangements            Direction:            Orchestras            Bands            Choruses            Interpretations:            Instruments, Vocal, Mixed, DJ            Sound editing            Sound engineering            Sound recording and mixing            Formal and informal musical education            Rights management            Composition, Interpretation,            Production            Music labels            Copyright services            Experimental research and            development in the field of social            sciences            Sale of the recorded media            Live presentations:            Concerts, Serenades, Back-up            Festivals, Tours            Dissemination:            Radio, Television, Internet, Public            Places</p>	<p>Instrument manufacturing            Repair and maintenance of            instruments and equipment            Musical critiquing            Production / Producer            Recording studios            Managers / promotion            Production and staging of shows            Administration of salons, theaters and            public places            Software and digital media            Cover photography            Music publications            Management of tours and events            Scenario management            Lighting and sound</p> <p>Music files            Exhibition of recordings            Sale of instruments</p>

<sup>1</sup> As defined by the Royal Academy of the Spanish Language

## 2.12.2 Economic Information

The information shown in Tables 26, 27 and 28 is from the results of the survey done by the CEDE for the Creative Industries Project, since for this subsector the information furnished by the DANE (Statistics Administration Department of the Republic of Colombia) and the Chamber of Commerce did not provide results useful to project objectives.

The Music Industry has strong industrial organization, while a large amount of singers and songwriters do their work separately. The study entitled "Impact of the Phonographic Sector on the Colombian economy" reported sales worth 240,306 million Colombian pesos in the year 2000, generating 150,000 jobs. Likewise, the Bogota cultural GDP study reports 110,112 million pesos in 1999, with jobs for 6,000 to 6,500 Bogotans.

Table 26

### MÚSICA

<b>Tipo de Emplazamiento</b>	<i>Local</i>	62.26%
	<i>Puesto Fijo</i>	15.09%
	<i>Vivienda con Act. Econ.</i>	15.09%
	<i>Otro</i>	7.55%
<b>Organización Jurídica</b>	<i>Sociedad Comercial</i>	50.94%
	<i>Cooperativa</i>	0.00%
	<i>Sociedad de Hecho</i>	1.89%
	<i>Persona Natural</i>	47.17%
<b>Afiliación a Gremio</b>	<i>Si</i>	20.75%
	<i>No</i>	79.25%
<b>Tiempo de Funcionamiento</b>	<i>Menos de un año</i>	3.77%
	<i>Entre 1 y menos de 3 años</i>	7.55%
	<i>Entre 3 y menos de 5 años</i>	16.98%
	<i>Entre 5 y menos de 10 años</i>	33.96%
	<i>10 años y más</i>	37.74%
<b>Contabilidad</b>	<i>P o G o Balance General</i>	58.49%
	<i>Otro tipo de Cuentas</i>	16.98%
	<i>No lleva Contabilidad</i>	24.53%
<b>Tipo de Locación</b>	<i>Único</i>	66.04%
	<i>Principal</i>	5.66%
	<i>Sucursal</i>	28.30%
	<i>Unidad Auxiliar</i>	0.00%
<b>Conocimiento de Leyes y Regulación</b>	<i>Completamente</i>	47.17%
	<i>Parcialmente</i>	32.08%
	<i>No las Conoce</i>	20.75%
<b>Computadores</b>	<i>Que se usan en el negocio</i>	1.19
	<i>Conexiones a internet</i>	0.57
	<i>Conexiones a red</i>	0.42
<b>Empleados</b>	<i>Promedio total</i>	7.51
	<i>Promedio empleadas mujeres</i>	3.00
	<i>Promedio empleados hombres</i>	4.51

## MUSIC

<b>Type of Base for Operations</b>	<i>Locale</i> <i>Fixed spot</i> <i>House with Economic Activity</i> <i>Other</i>	
<b>Legal Organization</b>	<i>Commercial Partnership</i> <i>Co-op</i> <i>De facto company</i> <i>Natural person</i>	
<b>Association Membership</b>	<i>Yes</i> <i>No</i>	
<b>Time in operation</b>	<i>Less than a year</i> <i>1-3 years</i> <i>3-5 years</i> <i>5-10 years</i> <i>More than 10 years</i>	
<b>Bookkeeping</b>	<i>P or L or General Balance Sheet</i> <i>Other types of accounts</i> <i>No bookkeeping</i>	
<b>Location Type</b>	<i>Unique</i> <i>Main</i> <i>Branch</i> <i>Auxiliary Unit</i>	
<b>Knowledge of Laws and Regulations</b>	<i>Full</i> <i>Partial</i> <i>Ignored</i>	
<b>Computers</b>	<i>Used in the business</i> <i>Internet connections</i> <i>Network connections</i>	
<b>Employees</b>	<i>Total average</i> <i>Average women employees</i> <i>Average men employees</i>	

Source: Industrias Creativas (Creative Industries) Project  
Calculations: Creative Industries Project – CEDE

According to Table 26, the establishments from the Music Subsector surveyed are operating mainly in unique, independent commercial fronts. However over 15% of the businesses are operating in houses used for economic activities, another 15% do business from fixed places and 7.5% in “other” (when this option was marked mobility was indicated as a characteristic). Likewise, it is important to mention that 28.3% registered as a branch. The main legal organization is in commercial partnerships (51%, including some foundations), but there is also a large percentage (47%) of natural persons. Only 20.8% belong to associations or guilds, which indicates a reduced level of organization.

The time in operation is more than five years in over 72% of the cases, and the remaining 27% have operated for less than five years.

The bookkeeping of the subsector’s companies is inadequate in 41% of the establishments. Over 52% do not have enough knowledge about the standards and laws that regulate their activity.

The average number of employees (7.5) is less than what was registered in the Industrias Creativas Project Survey (10.2) and there are more men than women working in the industry (50% more men than women). Computer equipping is poor (one computer for every six employees). The number of connections to the Internet and to networks is also low.

As can be observed in Table 27, most of the employees from the Music Industry have some high school education (35.4%), however, technologists and professionals have a relevant share of 31.9% and 21.1%, respectively. In addition, postgraduates account for 7%.

Approximately 58.5% of the companies provide some type of education to their employees.

Over 81% of the companies ignore or are not taking advantage of the incentives and facilities available from the government for subsector development. Only 18.6% take advantage of these opportunities.

A percentage of 60.4% of the establishments started with own or family money, however, it should be mentioned that 17% obtained financing from private banks in order to go into business and 5% resorted to co-ops for that same purpose.

Table 27

**MÚSICA**

<b>Distribución de los empleados según el nivel de educación</b>	<i>Sin educación</i>	0.27%
	<i>Algún nivel de primaria</i>	4.32%
	<i>Algún nivel de secundaria</i>	35.41%
	<i>Tecnólogos</i>	31.89%
	<i>Profesionales</i>	21.08%
	<i>Con postgrados</i>	7.03%
<b>Capacitación</b>	<i>capacitación actualmente</i>	58.49%
<b>Proporción de empresas con Empleados no tradicionales</b>	<i>Con personal mayor de 65 años <sup>1</sup></i>	16.98%
	<i>Con personal menor de 14 años <sup>1</sup></i>	15.09%
	<i>Con mujeres cabeza de familia <sup>1</sup></i>	35.85%
	<i>Con personal discapacitado <sup>1</sup></i>	1.89%
	<i>Con personal de minorías étnicas <sup>1</sup></i>	13.21%
	<i>Con personal de desplazados <sup>1</sup></i>	9.43%
<b>Incentivos en el Subsector</b>	<i>No sabe de incentivos para actividad</i>	69.81%
	<i>Sabe de incentivos y los aprovecha</i>	18.87%
	<i>Sabe de incentivos y no los aprovecha</i>	11.32%
<b>De donde recibió apoyo al iniciarse el negocio</b>	<i>Bancos Privados</i>	16.98%
	<i>Bancos Estatales</i>	3.77%
	<i>Cooperativas</i>	5.66%
	<i>Fundaciones y ONGs</i>	1.89%
	<i>Programas de Fomento del Gobierno</i>	1.89%
	<i>Programas de Fomento Privadas</i>	1.89%
	<i>Otros <sup>2</sup></i>	60.38%

Fuente: Encuesta Proyecto Industrias Creativas

Cálculos: Proyecto Industrias Creativas - CEDE

<sup>1</sup> El personal con la característica relacionada trabaja en la actualidad, o trabajó regularmente en la empresa durante el último año

<sup>2</sup> La totalidad de los encuestados declaró en esta opción que el apoyo provino de recursos propios o familiares

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<b>Distribution of Employees according to Level of Education</b>	<i>No education Some grade school Some high school Technology Professional Postgraduate</i>	
<b>Training</b>	<i>Currently training</i>	
<b>Proportion of companies with non-traditional employees</b>	<i>With personnel over 65 years old <sup>1</sup> With personnel under 14 years of age <sup>1</sup> With mothers heads of household <sup>1</sup> With disabled persons <sup>1</sup> With ethnic minority personnel <sup>1</sup> With displaced persons <sup>1</sup></i>	
<b>Incentives in the Subsector</b>	<i>Not familiar with incentives for business Knows about incentives and uses them Knows about incentives and does not use them</i>	
<b>Where did you get help to start your business?</b>	<i>Private Banks State Banks Cooperatives Foundations and NGOs Governmental Promotion Programs Private Promotion Programs Other<sup>2</sup></i>	

Source: Industrias Creativas (Creative Industries) Project  
Calculations: Creative Industries Project – CEDE

1. The personnel with the characteristics described currently work or worked on a regular basis at the company during the last year.
2. All of the people surveyed stated that resources came from their own or family money

The results shown in Table 28 are from economic information for the year 2001.

As for markets, there is a high percentage of sales in Bogota, while exports account for only 2%.

The customers mostly highly valued by the sector are individuals, followed by companies.

Table 28

**MÚSICA**

<b>Cifras *</b>	<i>Total Gastos Operacionales Anuales</i>	\$ 25,165,678
	<i>Activos en Terrenos</i>	\$ -
	<i>Activos en Edificaciones</i>	\$ 12,641,509
	<i>Activos en Maquinaria y Equipo</i>	\$ 30,988,679
	<i>Activos en Dotación de Oficina</i>	\$ 3,778,302
	<i>Activos en Transportes</i>	\$ -
	<i>Total Activos</i>	\$ 47,408,491
<b>Mercados</b>	<i>Proporción de Ventas en Bogotá y la Sabana</i>	90.53%
	<i>Proporción de Ventas en Resto de Cundinamarca</i>	1.36%
	<i>Proporción de Ventas en Resto del País</i>	6.79%
	<i>Proporción de Ventas en el Exterior</i>	1.32%
<b>Calificación promedio de los clientes según las empresas</b> (5 máximo)	<i>Importancia de los Individuos</i>	4.49
	<i>Importancia de las Empresas</i>	3.19
	<i>Importancia del Sector Privado Nal</i>	2.68
	<i>Importancia del Sector Privado Ext.</i>	2.32
	<i>Importancia del SPNF</i>	2.13
	<i>Importancia del SPF</i>	2.15
	<i>Importancia de Gobiernos Extranjeros</i>	2.02
	<i>Importancia de Otros</i>	0.47

\* Estos promedios incluyen los resultados de todos los encuestados, tanto los que suministraron información económica completa, como parcial o nula

Fuente: Encuesta Proyecto Industrias Creativas

Cálculos: Proyecto Industrias Creativas - CEDE

## Music

<b>Figures*</b>	<i>Total Annual Operating Expenses</i> <i>Assets in lands</i> <i>Assets in Buildings</i> <i>Assets in Machinery &amp; Equipment</i> <i>Assets in Transportation</i> <i>Total Assets</i>	
<b>Markets</b>	<i>Portion of Sales in Bogota and the savanna</i> <i>Portion of Sales in the Rest of Cundinamarca</i> <i>Portion of Sales in the Rest of the Country</i> <i>Portion of Sales Abroad</i>	
<b>Average scoring of clients from the companies (5 maximum)</b>	<i>Importance of individuals</i> <i>Importance of companies</i> <i>Importance of the Natl. private sector</i> <i>Importance of the Foreign private sector</i> <i>Importance of the SPNF</i> <i>Importance of the SPF</i> <i>Importance of Foreign Governments</i> <i>Importance of Others</i>	

\* These averages include the results from all surveys, both those that furnish full economic information as well as those that furnish some or none

Source: Industrias Creativas (Creative Industries) Project

Calculations: Creative Industries Project – CEDE