Producing a Popular Music: The Emergence and Development of Rap as an Industry

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November 2002

A thesis submitted in partial fulfillment
of the degree of Master of Arts

Your file Votre référence
ISBN: 0-612-88642-5
Our file Notre référence
ISBN: 0-612-88642-5

ABSTRACT

In this thesis, I trace the evolution of the rap market from its emergence in 1979 in New York City to its development into a national industry in 1990. I analyze the motivations of the producers of rap and the mechanisms that led to their current organization. Independent labels were the primary producers of rap records until they made distribution deals with major record companies in the second half of the eighties. I argue that the division of labor between production and distribution, which became the most common context for the production of the music, is both the result of an organizational strategy initiated by the majors and of the negative perception their executives had of rap artists.

Dans ce mémoire, je trace l'évolution du marché du rap depuis sa naissance en 1979 à New York jusqu'à son développement en une industrie nationale en 1990. J'analyse les motivations des producteurs de rap, ainsi que les mécanismes par lesquels ils vinrent à être organisé tel qu'ils le sont aujourd'hui. Des labels indépendants produisirent intégralement les premiers disques de rap avant de signer, dans la seconde moitié des années 80, des contrats de distribution avec les « majors. » J'argumente que l'institutionnalisation de la division du travail entre production, réalisée par les indépendants, et distribution, assumée par les majors, est à la fois le produit d'une stratégie organisationnelle initiée par les majors et de la perception négative que leurs cadres avaient des artistes de rap.

ACKNOWLEDGEMENTS

I am sincerely grateful to my parents, Danièle and Dominique, and to Jeannette, Lou and Mathieu for their support. I want to thank the members of the department of Art History and Communication Studies for the enthusiastic learning environment they provide. I am particularly grateful to Sheryl Hamilton, who has provided me with helpful guidance during moments of confusion about the future of this project. I am equally thankful to Will Straw. His course on popular music has been one of the greatest experiences of my academic journey. Last but not least, I want to thank Jessica Wurster, John Shiga and Julian Awwad, for their essential help (and patience!).

CONTENTS

Introduction

In 2000 hip hop was the second most popular musical trend in the U.S.A.[1] This success contrasts sharply with the small size of the underground movement that initiated it in the Bronx in New York in the 1970s. It is also quite impressive, even ironic, when compared to the assumption shared in the music industry in 1979 that the first rap records were funny, superficial novelties with no artistic or commercial potential, and thus no future.

African American and Puerto Rican teenagers, initially in the economically and socially depressed South Bronx and then in other boroughs in New York City, developed hip hop culture for almost ten years before it was introduced to the mainstream via its first recordings. Today the culture is commonly associated with hip hop music, but it originally comprised acrobatic dances such as break dance and graffiti. Now, hip hop is a lifestyle, a particular culture informing a specific way of living. Rap is the musical expression of the culture, and both terms, hip hop and rap, are used here to refer to the music. It should not be forgotten however that rap is only one expression of the culture alongside dance, graffiti and now cinema, music video and comedy.

"It was a DJ style which helped to create the lifestyle which came to be known as hip hop."[2] DJs emerged as cultural heroes in their neighborhoods. Mixing specific parts of different records on two turntables, they were creating new combinations of sounds, emphasizing percussive segments, the 'breaks,' on which dancers, 'break dancers' were continuously inventing new styles and movements. DJs had taken up the habit of talking in a rhythmic fashion over their 'collages,' and delivering short rhyming sentences borrowed from street and teenage languages. Because of the increasing complexity of their mixing techniques, they asked friends to accompany them during their performances to talk over their records and entertain the crowd. These were soon called MCs, Masters of Ceremony, or rappers, an expression popularized by the successful "Rappers' Delight," released by the Sugar Hill Gang in 1979.[3]

When in 1979 the first rap singles were released many, whether in the record industry or in the underground hip hop community, were skeptical about the music's future. The former thought it had not enough artistic or commercial potential to last, while the latter could not imagine that a label might be interested in the sonic experiments of young DJs coming from neighborhoods until recently characterized by gang violence. Yet, what was perceived as an ephemeral phenomenon appeared to be solid and the local underground culture became, thanks to the growing popularity of its music, a global phenomenon.

This thesis considers the first decade of (recorded) hip hop commercial production and traces its history from its 'discovery' in 1979 by independent labels to its mass commercialization thanks to the participation of major record companies in 1990. More precisely, it examines how and why major and independent record companies entered this market and came to coexist in it. It analyses the nature of their relationships, while still situating this specific market in the broader environment of the American music industry in the 1980s.

Furthermore, it argues that the organizational structures that came to characterize this production were both the result of a general reorganization of the music industry in the 1980s and of an attempt by the major record companies to avoid producing this music directly, while participating in the distribution of its commercial benefits. Following Keith Negus' concept that "a culture produces an industry" (as much as "an industry produces culture"), the thesis shows that economic strategic decisions should not be analyzed without considering the culture of the persons responsible for these decisions.[4] For the producers' cultural knowledge informs their choices; the motivations behind these decisions cannot be found in artistic considerations alone (as could be expected from cultural producers), nor in economically rational ones (as might be suspected since it is after all, or first of all, an industry).

The music industry in the 1980s provides an excellent framework to address these questions as it faced at that time major organizational transformations that ultimately changed the configuration of music producers and established their contemporary organization. In search of flexibility, major record labels would have, according to organizational studies, developed a cooperative model of relationships with independent structures. This cooperation is, however, never questioned at the level of the individual record companies, as it is usually considered in a macro-economic perspective, without regard to the specificities of each musical genre. The thesis will thus assess the extent and nature of this collaboration in the particular context that is the commercial production of rap music. This production is particularly interesting to study because it offers the opportunity to observe the emergence of a cultural market, to analyze the motivations of the actors behind it, as well as the constraining and supportive factors influencing its development. It also allows us to question the different beliefs shared by many in fan cultures, academic circles, and record company offices regarding the innovative capacities of independent and major record companies. Finally, it reveals the practical consequences of the 'cooperative' relationships that came to be established in this period. Although affected by the developments common to all musical productions in the 1980s, certain issues are nonetheless specific to the rap market, most notably the particular cultural knowledges that influenced the organizational decisions around rap in the majors' offices. Therefore, the consequences expected in academic analyses concerned with the music industry as a whole are verified and challenged at the same time. Quite surprisingly, these commercial specificities, and the economic sites of hip hop production in general, have never been considered by hip hop scholars, who have been, until now, mainly interested in the aesthetic, cultural, and political aspects of the music.

Hip hop literature remains, twenty years after its first dedicated publications, a scarce resource in academic libraries. A multitude of articles addressing specificities of hip hop culture or music have been written, but publications of monographs are far less frequent. I have, for the sake of clarity, divided these monographs according to two prominent approaches. The first consists in tracing the socio-cultural origins of the culture and its art forms and in providing their history. The second is concerned with the 'meanings' of the culture in its context of cultural (rather than commercial) production and consumption.

Independent critics David Toop and Steven Hager wrote the most immediate accounts of the developing culture and the everyday lives and interactions of hip hop's early actors. Gathering many insightful interviews, their books Rap Attack: African Jive To Global Hip Hop and Hip Hop: The Illustrated History of Break Dancing, Rap Music and Graffiti, both published in 1984, have informed much of the academic historical approaches that were published later. The urban underground youth culture, created and shared by young Puerto Ricans and Afro Americans in the 1970s in the Bronx, has been developed around three, then equally popular, artistic disciplines: hip hop music performed by DJs and MCs, dance and graffiti. Though both describing the same period and considering the three art forms, Toop and Hager have emphasized different, though equally formative, contextual elements. Hager offers an interesting history of the Bronx, home of many hip hop innovators, and suggests that hip hop helped the transition from gangs to 'crews,' groups of teenagers now 'fighting' with microphones, dance moves and spray cans. Hip hop certainly did not magically erase the violence happening in certain marginalized neighborhoods but it transferred the structure of the gangs and their supportive function to more peaceful groups. Toop for his part, focuses on inscribing hip hop music in

African and African American musical and cultural traditions and importantly for this thesis, considers the first years of its commercial recording.

Other historical studies have provided insightful details about this period. Three essays published in Droppin' Science: Critical Essays on Rap Music and Hip Hop Culture (1996) "recover some of the hidden history that has eluded journalists and the mass-market side of the industry."[5] Nancy Guevara renders justice to the important (if difficult) role of women as artists in the community, while Mandalit Del Barco and Juan Flores give credit to the innovative participation of Puerto Ricans and recall the decisive influence Latin culture had in these formative years. Published in the same collection of essays, Katrina Hazzard-Donald describes the different developmental stages of hip hop dance, analyses its function, or "what hip hop dance says," and relates it to other African American dances. Craig Castleman (1982) also focuses on one specific art form as he reveals the organization, values and codes of the subway graffiti writers. This community formed a subculture of its own, gathering teenagers from different neighborhoods. Still graffiti was central to hip hop culture and to the life of many its members.[6] All of these accounts consider the cultural and artistic origins of the various aspects of hip hop. Each relate the extent to which they inscribe themselves in the continuity of African (and African American) and Caribbean traditions, while assessing their innovative properties.

As hip hop's most successful medium, rap music is the most studied.[7] Tracing the "prehistory and early history" of rap, William E. Perkins (1996), like Tricia Rose and David Toop, cites African elements and of course situates rap in relation to previous African American music.[8] He then considers the emergence of rap's different genres, including political and gangsta rap, and describes their various trends. Interestingly, women and white rappers are considered separately. This particular mapping prefigures the prominence of the themes of gender and race politics amongst the critical issues addressed in the cultural studies of rap. These cultural perspectives, to which I shall now turn, are for the most part based, like Perkins,' on lyrical analysis and interviews.

Tricia Rose in her book Black Noise: Rap Music and Black Culture in Contemporary America (1994), one of the most complete and insightful works on hip hop, successfully navigates between the two approaches as she analyses the birth of hip hop culture in relation to its actors' post-industrial environment; situates rap music, rhythms, and lyrics, both within African and African American traditions and within the possibilities and constraints of postmodern technologies; and then links the performances of rappers and DJs to their social environment. Whether in the context of its collective and individual reception, or of its production, rap offers educative and oppositional properties: "Rap's capacity as a form of testimony, as an articulation of a young black urban critical voice of social protest has profound potential as a basis for a language of liberation."[9] This emancipatory potential is exerted in regards to the dominant American culture, as well as within the hip hop community, as the works of women rappers attest: "Rap is a social form that voices many of the class-, gender-, and race-related forms of cultural and political alienation, and it voices this alienation in the commercial spotlight."[10]

Like Rose, other cultural critics consider how rap helps the hip hop community negotiate its social environment and how the music informs and reflects processes of identity formation in relation to gender, class and race. These issues are addressed at both the individual level, usually from the standpoint of the cultural producer, namely the rap artist, and on the collective level, considering the practices and contexts of the music's reception. Since rappers are alternatively considered politicians and/or artists, rap music is alternatively approached as art, political message, or alternative source of information, and since the hip hop community is so diverse, studies are often limited to a particular genre or to a cultural specificity. Thus, while Tricia Rose deals with the role and use of technology in rap, with the music's politics of resistance, or with the empowering discourses of female rappers, Jeffrey Louis Decker (1994) and James Allen Jr. (1996) focus on explicitly 'political rap,' or 'message rap' and acknowledge its origins, influences and styles, as well as its strengths and weaknesses.

Jeffrey Louis Decker (1994) distinguishes two types of "hip hop nationalists" who, in the continuity of previous African American nationalists, interpret "the past in a manner that develops black consciousness about alternatives to the hegemony of U.S. nationalism."[11] First are the "time-conscious" or "sixties-inspired" nationalists, who like the group Public Enemy, are influenced by the Black Power movements. Second are the "place-conscious" or Afrocentric rappers, who urge African American to consider ancient Egypt as their main cultural heritage. Both are politically efficient and progressive. Avoiding the idealization of the Black Power movements while correcting the mainstream media tendency to disregard them, the "sixties inspired" nationalists "recontextualize and thus make black militancy of the 1960s meaningful for the 1990s."[12] Afrocentric rappers challenge Western presentations of Africa as primitive and "savage" (conceptions that legitimized colonization) and, recalling that ancient Egypt is the mother of all civilizations (including the western imperialist one), "generate racial pride and awareness in the struggle over injustice in America."[13] These nationalisms have their limits though. In the case of the latter for instance, the use of ancient Egypt as a challenging reference is quite paradoxical, considering its own reliance on slavery.

Ernest Allen Jr. (1996) focuses on tracing the direct origins and influences of message rap, summoning up for instance the history of the Nation of Islam and of the Five Percenters, religious movements to which many nationalist rappers belonged or with which they sympathized. Including gangsta rappers in his discussion (and operating with slightly different divisions than Decker's as he distinguishes Islamic nationalists, cultural-political nationalists and the message oriented gangsta rappers) he draws attention to the similarities and differences between the three tendencies and describes the themes they approach. Highlighting, like Decker, the role and relevance of these rappers in an era of weak African American political representation, he also delineates the limits of the rappers' educational and oppositional attempts.

Both authors are prominently concerned with the rappers' highly conservative values, especially in regards to gender politics. In effect, as remarked by Allen, the denigration of women by gangsta rappers, as much as their idealization by Afrocentric and Islamic rappers, "reinforces the subjugation of women."[14] This brings Decker, and in their own works Tricia Rose and Nancy Guevara, to argue that the role of women rappers such as Queen Latifah is "particularly important" as they negotiate and challenge the masculinist values inherent to the hip hop community while still promoting the rise and reinforcement of the "hip hop (and African American) nation."[15]

Another limit to the political efficiency of message rap lies in its reliance on mainstream media industries for its diffusion, and in the consequent participation of these industries in the shaping of the music and its content, as they can act as censors or dilute its impact with the promise of "crossover dollars." As well, the lack of a homogeneous African American social movement has oriented the current generation towards a politics of "individual recognition" where "interpersonal experiences are isolated from any consideration of institutional or societal structure."[16]

Approaches to gangsta rap take a similar perspective: attention is given to the socio-historical context of its emergence, its cultural origins, its dominant themes, political relevance and limits. Hence Robin E. Kelley (1996) "explore(s) the cultural politics of gangsta rap—its lyrics, music, styles, roots, contradictions and consistencies—and the place where it seems to have maintained its deepest roots: Los Angeles and its black environs."[17] He deconstructs the presentation in the media of gangsta rappers as mere promoters of criminality, a cliché that prevails in the public imagination, and also addresses, like the rappers, the declining environment in which they live. Providing a "window into and a critique of, the criminalization of black youth," gangsta rappers denounce American society, its incapacity to sustain employment for everyone in the postindustrial era, to end racism in its institutions and particularly in the police forces, and to counter the rise of drug-related economies and other criminal activities in their neighborhoods.[18] At the same time, they recognize that a criminal lifestyle might be the only way to survive considering the inaccessibility of employment and education and the necessity to protect oneself in hostile environments. Importantly gangsta rappers situate themselves in (as they are relegated to) the margins of American society, but also at a distance from the rest of the hip hop community, and particularly from Afrocentric nationalists, who in their focus on Africa, fail to address the contemporary struggles of part of the hip hop youth. Kelley observes the emergence of a "'ghettocentric' identity" in which "specific class, race, and gendered experiences in late capitalist urban centers coalesce to create a new identity—'Nigga.'"[19] He importantly introduces the notion of class struggle within the hip hop community as a primary factor in the construction of collective identities, differences that are also considered by Todd Boyd (1997).

Kelley perceives two limits in the gangsta rappers' critiques. Their first failure resides in their reproduction (and construction) of sexist, misogynist values (which as Kelley and others remind us is common not only to African American communities but also to American society in general). "Distinguishing 'bad' women from 'good' women [...] ultimately serves to justify violence against women by devaluing them."[20] Like Rose, Guevara and Decker, Kelley praises the works of women rappers, arguing that they alone have initiated a discussion about sexism in rap and positively influenced the behavior of part of the hip hop (male) community. Another of Kelley's criticisms concerns the ways in which mass commercialization has led many gangsta rappers to focus on tales of violence in order to meet commercial success, weakening the broader critique they initially addressed. Here, Kelley joins Allen who sees in the reliance of message rap on the media industries for its diffusion a fundamental weakness in its political efficiency.

Todd Boyd (1997) is interested in the disappearance of explicitly "political rap," or nationalist rap, and the rise of the "politics of gangsterism" characterized by an excessive detachment (rather than a constructive attitude) in regard to the black lower class's ever worsening living conditions and the promotion of nihilist discourses. Explaining this transition through the texts of the Afrocentric group Arrested Development, he shows how if the group can be progressive notably regarding gender politics, the distinction it makes between "Africans," with whom they identify, and "Nigga," a term used by lower class rappers (and men), "involves an unconscious co-optation of regressive class politics."[21] Since Afrocentric progressive themes have been increasingly 'appropriated' by the African American middle class, "concentration on class struggle has been central to defining the cutting edge of rap music" and Afrocentric rappers and other nationalists have seen their music lose its appeal in the rise of the tremendously successful gangsta rap.[22]

Two original though isolated approaches are worth considering here. Greg Dimitriadis (2001) offers one of the rare (perhaps the only) ethnographies of rap listeners and focuses on the reception and everyday use of hip hop texts (lyrics, films, press coverage and other) by a group of young rap fans in a community center. Another original perspective is the one of Adam Krims (2000) who extends the traditional content analyses of rap music to analyze how rap's "sonic organization" participates in the formation of cultural identities.

All of these studies omit examinations of a crucial point however: the sites of hip hop's commercial production. When considered, the music industry is depicted in abstract (and often negative) terms. Rose, for instance offers a glimpse of the industry as she writes that it soon "became apparent that the independent labels had a much greater understanding of the cultural logic of hip hop and rap music."[23] This led the majors to distribute their records rather than compete with these labels, a solution appreciated by the majors, the independents and the rappers. It is precisely this belief that I want to focus on and challenge. That no author has done so previously is quite surprising considering the political role ascribed to this music within the hip hop and African American communities. Allen argues that the reliance of message rap on the cultural industries for its diffusion constitute an important political weakness. Kelley for his part argues that the mass commercialization of gangsta rap has diluted its critical and oppositional potential. Studies of these commercial sites of production and diffusion should have been central to their discussions. Whether perceived as handled by respectful independent labels or as dominated by capitalist and restrictive forces, the commercial production of rap, its actors and environment are never addressed. Who but the entrepreneurs and other industry executives decide which records are released, which rapper signed, (and which lyrics censored)? Aren't hip hop's commercial specificities as determinant as its cultural ones? If 'the industry' constrained rap's development, shouldn't we consider the mechanisms and motivations of this regulation?

One author has recently attempted to correct this omission. Murray Forman (2002), who is concerned as much with the politics of space inherent in hip hop discourses as he is in the construction of collective cultural identities, provides qualitative information about the commercial producers of rap and the geographical expansion of their reach. For the first time, the commercialization of hip hop is not approached in the abstract context of 'market forces,' 'cultural industries,' or at best independent and major labels. For the first time, producers and their labels are considered individually and rappers are situated within their direct commercial environment. Forman is therefore particularly useful in this thesis, especially with regard to the first years of hip hop commercial production. Unfortunately, he uncritically considers the entrance of the major record companies as distributors in the market. Seen as an opportunity for independent producers to expand their commercial operations, this development is presented as free from any negative consequences, except maybe for the rise of hip hop producers' standards and financial needs. We will see that, in addition to economic benefits, the introduction of the major companies had further implications on the working environment and practices of hip hop producers.

To understand such implications I turn to Keith Negus (1999). Though writing about the music industry in general rather than specifically about rap, he is the only scholar who analyses the relationships between independent and major record companies in the production of this music. He rightfully argues that the corporate labels have maintained, thanks to the establishment of distribution deals, a cautious distance from hip hop labels. It is in the context of his work and in this largely unexplored field that is the commercial production of hip hop and the relationships between major and rap independent companies, that this thesis situates itself. It differs from Negus' analysis in three aspects. First, as he devotes only one chapter of his book to hip hop, these actors are more often than not considered in abstract terms, that is, as distributed labels, distributors, entrepreneurs executives, or rappers. I intend to emphasize specific labels and consider the different kinds of relationships that existed. His argument is constructed on the basis of interviews realized in the 1990s and in comparison to the production of other African American musics. Thus, no historical account of the way such a distance came to be established is provided. Another limit that will be addressed in this thesis lies in his assertion that only this voluntary distance explains the organizational structures that came to prevail in hip hop. I detail in this thesis the mechanisms and reasons behind the establishment of this distance, and argue that the nature of the relationships between independent and major record labels is also informed by broader processes that came to characterize the entire music industry in the 1980s. It had been the subject of a complete restructuring, which interestingly Negus describes elsewhere but does not relate to hip hop.

The conceptual framework relevant for my purpose needs thus to be found outside of the cultural analyses of rap, for none considers the commercial sites of the production of this music. Rather, the thesis relies on organizational studies concerned with the production of popular music to analyse the relationships between cultural producers. In the 1980s, the American music industry underwent major organizational transformations conceptualized through the transition from an 'old' to a 'new popular music model.' As I will argue in the first and third chapters, the production of rap needs to be analysed in the context of the new popular music model developed by Robert Burnett and Paul D. Lopes, and to a lesser extent Keith Negus, whose analysis goes beyond the scope of organizational studies. To understand the characteristics of this transitional period, a brief presentation of the old popular music model introduced by Peterson and Berger (1971, 1975) is necessary.

Describing what is now referred to as the 'old popular music model,' Peterson and Berger (1975) have shown how, from 1948 to 1973, cycles of homogeneity in music, equated with market concentration, alternated with periods of diversity and innovation, corresponding to periods of competition and increasing independent activity.[24] Early in the period, they observed that the major record companies, characterized by their belonging to bigger diversified corporations and their integration of all the functions of the production cycle, maintained centralized artistic and managerial networks in which producers were asked to work with musicians already established in the majors' webs. Enjoying a strong oligopoly thanks to their "control of the total production flow from raw materials to wholesales sales," the majors promoted a music made to please the widest audience possible, a music that would "confirm" rather than "disrupt" anyone's taste.[25] The result was a standardized music written according to formulas, displaying "a quite restricted range of sentiments in conventionalized ways" and performed mainly by established artists.[26]

Considering that record sales increased by 261% from 1955 to 1959, when the industry came to be characterized by higher competition from independent producers, Peterson and Berger argue that the homogeneous music delivered by a few corporations in the period of great concentration caused of a "growing unsated demand" among consumers who then stopped purchasing records.[27] It is this demand that the independent labels captured in 1955 with an innovative and controversial music, rock and roll. Seeing the music as a fad, much like they did twenty-five years later with rap music, the major companies let the music be developed by independent labels that gained substantial market shares. Importantly independent labels' success was boosted by an audience highly responsive to diversity and innovation.[28] They became threatening to the major companies, which resolved the resulting tension by signing artists previously on independent labels, or through the purchase of their smaller competitors. Thus to augment its market shares early in the 1970s, after another period of diversity, Warner Communications used the "dual strategies of acquiring the contracts of established artists and buying once-independent companies."[29] These incorporations signaled a new period of concentration and consequent musical homogeneity, again giving independent labels the opportunity to differentiate themselves and initiate new cycles of innovations.[30] The organizational structures of the production of popular music in this model are thus functions of the tension and of the related degree of competition between cultural producers. The presence of independent producers is tolerated during the developmental phase of their innovation but as soon as their innovative production allow them to gain market shares and destabilize the major record companies' oligopoly (generating tensions among competitors), independent labels are excluded from the market, through the acquisition of their artistic resources, for example.

Peterson and Berger's analysis was updated to the 1970s.[31] However, an increase in both diversity and concentration the following decade suggests a transition to a new model, a model that will be further presented and assessed in the first and third chapters.[32] Essentially, as argued by the organizational scholars Robert Burnett (1992) and Paul D. Lopes (1992), the majors started to handle differently the tension arising between them and their innovative competitors by letting them coexist and permanently granting the specific function of the research and development of new trends and artists to independents. Trying to gain the flexibility afforded by the smaller size of the independents, the majors have reorganized their labels into "semi-autonomous divisions," theoretically working as independent individual entities able to function outside the traditional centralized networks of the majors, and thus able to work with independents. At the same time, these major companies have consolidated their distributive capacities and regained control of the national distribution channels. Thus, the divisions usually concentrated on artist development and musical production, while the distribution branch of the transnational major company to which they belonged, promoted and distributed their records, as well as those of associated independent labels.

Previously incorporated into the majors' organizations when purchased, independents are now connected to the majors' networks thanks to different relationships such as distribution or equity deals established with the majors' semi-autonomous entities. Except for distribution operations, independents are allowed to retain their initial structures, identities and cultures, still focusing on niches and testing markets for the majors now in quest of innovation and diversity. They provide the majors a flexible network of artistic resources, sustain the diversity sought by the audience, and contribute to the increasing economies of scale realized by the majors in manufacturing (a function often included in the agreements) and distribution. If initiated by the major record companies, this new organization, based on the organization of labor production-distribution, is also beneficial to independents. They are now provided national distribution and promotion, as opposed to a less homogeneous coverage through independent distributors, as well as financial support. Mainly they have the possibility to survive as competitors, instead of being incorporated or driven out of the market, while retaining their cultures and working practices. This exchange of competitive advantages, with independents providing research and development of new trends and artists in exchange for national promotion and distribution, would have, according to the theoreticians of this new model, particularly Robert Burnett, dissolved the tension previously opposing the two kinds of organizations in the old popular music model, as they now 'cooperate.'

Relationships between majors and independents have become common practice and different configurations now compose the increasingly complex networks of the majors. Once clearly defined by independent ownership and distribution, the appearance of independently owned labels distributed by majors, or of independently distributed labels belonging to majors blurred traditional definitions. Since some of the majors' semi-autonomous divisions tend to work like independent labels in that they have small structures, manage their activity directly and focus on a specific music, and as most of the independents are connected one way or another to one of the corporations, Keith Negus (1992) has argued that the distinction between independents and majors is no longer adequate and that the music industry should now be understood as a "web of majors and minors" connected through different relationships.[33]

The production of rap is directly implicated in and by this reorganization of the industry and will be analyzed in this context. Considering the efficiency with which major companies strategized the concept of independence as a marketing tool, surely it has to be carefully considered.[34] However, the distinction denied by Negus between independent and corporate labels remains crucial in understanding this particular production, the relationships between the different organizations involved, and the diverse functions they assume. It is particularly necessary because, in the early context of rap production, majors completely ignored the music. The independents that supported it were created by dedicated individuals and not by corporate decisions concerned by strategic investment. They had none of the backing support that the majors could offer to one of their labels, functioning as officially 'independent' and self-sufficient. Independence retains the notion of struggle, whether financial or ideological, that disappears in Negus' description. If independents are bound to link their labels to the majors, rap entrepreneurs first supported alone a music considered superficial by many in the industry. They assumed the financial risk of producing a music that was said to be a fad and faced critics who associated rap with superficiality and, later, with violence. The major companies entered the production of rap only when its main management, marketing and promotional practices had already been developed by the independents.

This thesis strongly relies on the theoretical concepts introduced by organizational scholars to analyze the commercial production of rap music. Moreover it situates this production within the framework of the new popular music model developed by Burnett and Lopes. I am particularly interested in their analysis of the factors that motivated the establishment of this division of labor between production and distribution, since this division directly concerns the production of rap. For instance, this organization (and the new model) is informed by the assumption that independent labels are more innovative and creative. This assumption is assessed throughout the thesis, as the historical analysis of rap raises questions about the relationships between structures and innovation, about the reaction of music producers to the emergence of innovative markets, and about the factors influencing their decision to enter (or not) these markets. I am equally interested in their analysis of the consequences that they claim derive from this new organization of the production of popular music and in their definition of the nature of the relationships between major record companies and independent labels, both of which came to participate in the production of rap. Burnett argues that in the new model, the tension arising with the emergence of an innovative market has been now replaced by cooperative relationships between major and independent companies, now sharing common interests (as they share the production process of the same products). The analysis of the production of rap directly questions this (theoretical) transition from tension to cooperation. The thesis therefore examines the extent to which this tension has disappeared and argues that only the major record companies have managed to erase it from their environment (though obviously the new organization of the production of popular music is more favorable to independent producers than the previous one). The cooperation between independent and major record companies, a recurrent theme throughout the thesis, is also assessed here as I examine how this cooperation was experienced by rap's producers. As already noted, these theorists of the production of popular culture are concerned with the macro-developments characterizing the music industry as a whole. These developments have never been verified in the concrete environment of record companies. The thesis thus challenges these scholars' conclusions as it confronts their arguments to the development of the market of rap from 1979 to 1990, a decade during which this market emerged and consolidated.

The most relevant source of information to reconstruct the growth of this market and the profiles of its actors is the specialized publication Billboard. The magazine is a reference both for the key players of the music industry and for academic observers. It is as much interested in popular music markets' cultural and musical developments than in its industrial ones and thus offers details about market structures. It provided me with information about the level of competition, the ratio of independent and major labels, their degree of integration and externalization. With these issues in mind, I have analyzed the numerous articles published in Billboard about rap from 1979, date of the release of the first rap record, to 2002. I quickly have realized that I could narrow my research to the first decade of hip hop's production for the market's organization and main characteristics were established in this period. My reading also revealed that this period (1979-1990) could be divided in two segments of time as the entrance of major record companies in this market in 1985 completely transformed the configuration of hip hop producers and established the contemporary parameters of this industry and of its key players. Many of the articles used in this thesis are thus from the 1980s, except for a few published in the 1990s that provided useful information about the developments I am concerned with. Concentrating on the 1980s, I have searched for the motivations that brought these players to enter this market, and for the functions they were to handle in it.[35] I have also tried to establish the common patterns between major and independent companies, examining for instance the executives' discourse regarding rap, innovation, and their relationships with artists. Importantly I have searched for all the relationships that came to be established between rap's different producers and soon was able to compare my findings with the conclusions of Burnett, Lopes, and Negus.

Billboard published its first lines about this new music in 1979. One of its authors was Nelson George, soon to be editor of the black music section. He remains one of the most prolific, relevant and supportive hip hop writers, whether in Billboard and the Village Voice's columns (among others), or in his own books. An insightful and dedicated observer for more than twenty years, George is also an actor in this culture thanks to his close connections with, and recognition by, hip hop actors and thanks to his direct contributions.[36] George, and also Jeanine Mac Adams (and later Havelock Nelson), writing weekly about the emergent industry, provide a concerned and continuous source of information.

Rap was relegated in the 1980s first to the disco, and then to the r&b pages of the 'black' section.[37] The music appeared mainly on r&b charts and when crossing over on pop charts. These charts were not really representative of rap records' popularity though, because they took into account radio play-lists from which rap was excluded. Consequently, Billboard started a rap chart in 1989. As the music became a major musical style in the late 1980s, Billboard also started to publish annual dossiers that I will use at great length in this thesis.[38]

Other specialized publications such as Rolling Stone were particularly helpful in relating personal trajectories, and Variety have also offered useful information. More generalist media, for example the New York-based cultural Village Voice, or news publications such as the New York Times and Newsweek, provided contextual information and gave a sense of the duality of opinion about rap in the public eye, which was not always supportive of the music and its actors.

The period is approached chronologically for this perspective best allows me to investigate the years in which hip hop's producers entered this market, the reasons why they did so as well as the ways they approached this production. The explanations I was looking for cannot be separated from their specific contexts and each year corresponds to a different environment as the emerging market was continuously evolving.

Before turning to the presentation of my chapters, I would like to stress that if I have been able to chose certain events to symbolize important developments in the first half of the decade, these epitomizing events became harder to recognize in the second half of the period, for there were that time many more labels and artists. Developmental steps were recognizable with more ease when the industry was just emerging. Individual trajectories became harder to trace as the market became national and increasingly competitive. For this reason, entrepreneurs and individuals are increasingly considered as part of the more abstract categories of their labels. Less emphasis is placed on individuals' roles also because the locus of attention shifts on the major records' companies, now important actors to the production of hip hop.

The first chapter considers the music industry and its main developments in the 1980s. I introduce the producers of popular music, discuss major and independent record companies, and define their patterns ownership and integration. I also examine their politics and capacity in regard to innovation and diversity. I then turn to the main developments that characterized the music industry in the 1980s: its globalization, the increase of its degree of concentration, the reduction of the major companies' offer, and the decentralization of their creative processes, a development that directly affected the relationships between independent and major record companies.

The second chapter considers the six first years of hip hop's production, that is from 1979 to 1985. I look at the independents' motivations, working practices and relationships to innovation as they integrally developed the music and its market during this period. Produced by r&b and disco labels the two first years, rap was soon released by newly created labels that specialized in rap, Tommy Boy and Profile, for example. While supporting rap's aesthetic evolution in the studio, they developed its 'market,' its audiences, as well as its marketing and promotional strategies, both of which are considered in the last chapter.

The third chapter is devoted to the second half of the 1980s, a period characterized by the entry of major record companies in the market of rap. I analyze the consequences this development represented for rap producers who came to share the production of this music according to the division of labor production-distribution. Finally, I compare my findings in the framework of this specific production to the conclusions of organizational scholars, particularly of Robert Burnett's as he argues that majors and independents now cooperate.

Before tracing the history of the production of rap and analyzing the motivations of its key players, I will introduce the record companies' main characteristics as well as the main developments of the music industry in the 1980s as these developments directly shaped the environment and organization of rap producers.

[1] www.riaa.com
[2] Toop, 2000, 13.
[3] George, 1998, 29.
[4] Negus, 1999, 15.
[5] William Eric Perkins, preface of "Droppin' Science: Critical Essays on Rap Music and Hip Hop Culture" (1996, ix).
[6] See also "Subway Art" and its precious pictures about writers and their 'pieces' (Chalfant and Cooper, 1984).
[7] Increasing attention is given to cinema and video. See Rose (1994), Boyd (1997), Dimitriadis (2001), Forman (2002).
[8] Perkins, 1996, 2.
[9] Rose, 1994, 144.
[10] Ibid., 1994, 184. For a study of rap as a postmodern practice of resistance, see Russell A Potter (1995).
[11] Decker, 1994, 117. This trend became very popular at the end of the 1980s, notably with groups such as Public Enemy.
[12] Ibid., 104.
[13] Ibid., 100.
[14] Allen, 1996, 169.
[15] Decker, 1994, 117. See also Guevara, 1996, 61; and Rose, 1994, 182.
[16] Allen, 1996, 184.
[17] Kelley, 1996, 119.
[18] Ibid., 118.
[19] Ibid., 136.
[20] Ibid., 143. Todd Boyd will also address this recurrent critic.
[21] Boyd 1997, 50.
[22] Ibid., 41.
[23] Rose, 1994, 7.
[24] See also Peterson and Berger 1971. This industry is characterized by the dominance of major record companies, between five and eight depending on the concentration activity, that gather since the beginning of the century about 70% of the market. The rest of the market, corresponding mainly to specialized niches, is shared by independents. The major companies, belonging to transnational conglomerates, now control at least 85% of the international market (Negus, 1996, 51).
[25] Peterson and Berger 1975, 161.
[26] Ibid., 162. For the prioritization of "well-crafted songs much like those that were hits at the time or were tailored to satisfy the demands of the person commissioning the song" or the "accent on 'sameness'" see Peterson, 1990, 111-112.
[27] The authors acknowledge though that the subjectivity induced in the appreciation of homogeneity and diversity results in a situation where "uncontestable evidence is difficult to generate" (163). Besides numerous content analyses, they compare the number of established and new performers throughout the period to assess the levels of homogeneity and diversity.
[28] Their introduction on a market controlled by a few corporations had been facilitated by the satisfaction of this audience asking for diversity and innovation, but also by the transformation of factors that directly influenced the production of popular music. Isolating legislation, technology, industry structure, organization structure, occupational careers and market as key influential factors in the emergence of a new music or in the dominance of a homogeneous sound, Peterson explains for example how the appearance of television indirectly participated in the advent of rock and roll, initially supported only by independents (Peterson 1990; for cultural products in general, see Peterson, 1982). The reallocation of radio resources and programs to the new medium and the belief that radio would soon be abandoned for television brought the four dominant radio networks to allow the creation of new radio stations. These new stations privileged records over other programming for they were cheaper and offered independent labels much more exposure than they had previously received. Besides, the loss of control of the four radio networks destabilized the majors, which relied heavily on them to diffuse their music to the public, (Peterson and Berger, 1975, 165).

[29] Ibid., 168.
[30] Though musical changes were influenced by the action of the six factors exposed by Peterson in 1982 and 1990.
[31] Rothenbulher and Dimmick, 1982.
[32] Burnett, 1992; Lopes 1992.
[33] Negus, 1192, 18.
[34] Understanding the value of independency to certain audiences, the majors have developed a few strategies to produce music without taking away its credibility by its very participation in its production. For instance, they have created their own 'independent labels' distributed through independent networks.
[35] Certain labels such as Def Jam, Tommy Boy or Profile dominate the period and appear more often than others in this text. These labels often played key roles in terms of cultural innovation but also in terms of entrepreneurship. Their organization and relationships with the majors have seen much development in twenty years and none of them have retained their initial structure. Def Jam has become the Island Def Jam Music Group, supporting ventures while backed up by Universal. Tommy Boy and Profile have both been absorbed, respectively by Warner Brothers and by Arista (BMG) and have disappeared as labels. Many independents still produce the music though, often using the strategies developed by these pioneering labels one decade earlier.
[36] For instance he shared with Ann Carli, executive at the label Jive, the initiative to gather and record artists from different rap labels for a project called "Stop The Violence." The record was an attempt to balance the violent incidents that happened in a few hip hop concerts in the second half of the decade, and mainly the negative coverage these violent events received in the press.
[37] The r&b news' column being handled by George and at the end of the decade Jeanine McAdams. Early in 1990s Billboard created a rap column, written by Havelock Nelson.
[38]The organization of these dossiers was interesting considering the topic here. After a survey of the music's health and trends, the roles and places of the majors and independents was depicted in two different articles. The dossiers ceased to be constructed according to this organization in the early 1990s as the relationships between independents and majors blurred the traditional definition of independency.

Chapter I: The Music Industry In The 1980s

The history of the commercial production of rap is first the one of individuals who through their independent labels recorded and commercialized the music. After a few years of development, they shared this productive function with major record companies. Before turning to these particular developments, I shall first consider the two categories of actors concerned, the major and independent record companies, as well as their environment, the American music industry. Issues such as their approach to the production of popular music and to innovation, since rap music emerged as an innovative trend, will thus be considered here. This will be followed by a discussion of the main developments characterizing the music industry in the 1980s and the ways they affected the coexistence of, and relationships between, independent and major record companies, since these developments directly influenced the settings of hip hop production.

The presentation of the two types of record labels, major and independent record companies, first introduces their main characteristics regarding their patterns of ownership and their degree of integration of the production and distribution functions. It then considers their position toward innovation and creativity and assesses their corresponding reputation in these domains. Finally, this presentation defines the markets record companies traditionally target. Once the actors' main features are highlighted, their environment can be approached, along with the principal transformations it endured during the 1980s, and their impact on the working environment of record companies. When the first rap records were released in 1979, the American music industry had just been hit by the international recession and many of the transformations that had started to take shape in the 1970s were accelerated by the crisis and by the record sales' slowdown. Among them were the globalization of the popular music market, which became a priority in the major record companies' strategies, and the concentration of their products, that is to say the reduction of the number of artists signed on their labels. The recession also resulted in an increase of the degree of industry concentration, attained through both vertical and horizontal integration. Integrating the channels of distribution was part of the major labels' reorganization of their systems of production toward a decentralization of their creative resources. This strategy implied an internal restructuring of their labels into semi-autonomous divisions free to establish links with independent labels. From then on, the relationships between major and independent record companies would thus theoretically be characterized by cooperation, since both were to work together. This cooperation is discussed in the last paragraph of this section and throughout the thesis.

I. Record companies

Considered here are the two main types of organizations involved in the commercial production of recorded popular music: the major and the independent record companies. I define first the specific characteristics of their patterns of ownership and distribution, inasmuch as these two criteria define each kind of organization and differentiate them. I then discuss some assumptions associated with them regarding their approach to the production of popular music, notably their tendency toward innovative trends since this directly concerns the topic here, that is the emergence of a new musical trend and its trajectory in the music industry. Finally, I examine the markets these organizations targeted. Hence, major record companies are defined by their belonging to broader corporations and by their integration of all the functions in the production-distribution chain of popular music. The major record companies are assumed to be bureaucratic organizations, which prevents them from supporting new artists and musical trends and, in more general terms, stifles creativity. They, however, excel in the management of 'pop' successes and national stardom. At the opposite end stand the independent record labels, which mainly take care of the musical production and sometimes handle the manufacturing and distribution of their records. Independent labels are considered in the industry as much as amongst audiences to be more sincere in their approach of musical production and development of the artists with whom they work. Though this assumption does not consider the diversity of labels (and the diversity of goals in these labels), some features explain why they might sometimes be better creative sponsors. Regarding the markets they work on, their smaller size and the domination of the major record companies on the 'pop' front bring them to service mainly specialty markets.

A. Major record companies

Major record companies are owned by complex corporations. They are, themselves, heavy integrated structures linked to a variety of affiliated and contracted independent labels. Factors linked to their size— such as the size of their rosters, their emphasis on established performers, the great number of persons involved in the commercialization of records who often have different perspectives on what constitutes the success or potential of a record, the hierarchies these persons must work within, the necessity of servicing mass scale markets in order to recover their structural costs, and their relationships with their international parent companies —hinders their ability to support adequately innovative trends and artists while being particularly efficient when it comes to national successes and mass audiences.

In 1978, one year before the release of the first hip hop record and before the international economic crisis, five transnational major record companies, the American RCA, CBS, WEA, and the European EMI and Polygram, "controlled through ownership, licensing, and/or distribution more than 70%" of the international music market,"[1] while independent labels shared the rest of its production. They all belonged then to American and European communication and electronics conglomerates. WEA, composed of Warner/Reprise, Elektra/Asylum and Atlantic, belonged to Warner Communications. CBS, RCA, and EMI-Capitol were respectively the music divisions of Columbia Broadcasting Systems Inc, Radio Corporation of America, EMI, and Philips.[2] These music divisions themselves owned fully or partly other record labels and/or distributed others through their distribution branches. For instance, CBS owned Columbia, Epic and later half of the prominent rap label Def Jam. RCA owned Decca, Kapp, and UNI.[3]

Besides corporate ownership, major record companies were characterized by the direct distribution of their records. They were vertically integrated companies, which means that they handled every aspects of the production and distribution chain from the creative work to the manufacturing and storage of records. They took care of the artistic production, contracted artists and recorded their works. They marketed, promoted, distributed, and sometimes retailed their music. They also assumed some of these functions for some of their affiliated labels and increasingly for independent ones, as the majors regained control of the national distribution networks in the 1970s.[4] All of their labels' records were distributed through their centralized divisions, WEA for Warner Communications for example.

Owning studios, labels, manufacturing plants and distribution channels for many labels, the major record companies were, and are still, perceived as industrial organizations, inflexible and austere. Not that the independent record labels are not commercial organizations and do not need to sell records to stay in business, but commercial success is said to be privileged above all other concerns. Moreover, the major record companies are thought to be incapable of providing adequate creative environments to artists and incapable of sustaining innovation. Contrasting with the 'dedicated' independent, they are perceived as industrial "machines" closer to the production of automobiles than of arts.[5] Now, is this assumption implicit in much of artists, fans but also academics' discourses relevant?[6] Undoubtedly, the majors' organizational structures can directly influence their labels' working practices and cultures. Yet, the majors have developed effective strategies for overcoming their handicaps. These strategies, mainly, the decentralization of their creative resources and the reliance on independent producers for innovation and diversity, will be considered briefly.

Many factors, linked to their corporate size, structural costs and bureaucratic management, seem to prevent the majors from discovering and supporting musical trends or new artists. First, the size of their rosters, that is to say their pool of signed artists, is important because it determines the number of priorities the staff has and the extent to which artists, particularly newcomers, will receive appropriate attention. In the mid-1970s, Warner, Columbia and Capitol had about 250 artists while the (then) independent label A&M, though considered a 'large' independent because competing on the majors' markets, produced about 65 acts.[7] In specialty markets like rap, where labels can be smaller than A&M, the difference is even more stunning and speaks for itself in terms of priorities and artist development.[8] For instance Tommy Boy, no longer independently owned but working autonomously with independent distributors, had in 1992 a roster of fifteen artists. Concentrating on only five albums, the label was proud not to work in the "factory mentality" that characterized the majors.[9] The bigger the roster, the harder the competition among artists on a same label for the staff's consideration. Before the recession and the consequent budget cuts occurred early in the1980s, the major record companies were often over-producing in order to increase the probability of finding a successful record.[10] Less attention could be given to each artist and their records could 'lose' themselves amid the numerous releases. John Paul Hammond, for instance, signed on Columbia, recalled in an interview given to <u>Rolling Stone</u> in 1972 that none of his label's executives came to his concert, nor advertised it.[11] Even when the major record companies renounced this strategy of overproduction because of the recession and of the increase of promotional budgets, the risk for artists of not benefiting from adequate artist development was still present: "as the firm's size increases [...] records are increasingly viewed as products" and the emphasis is placed on records rather than on artists, until they regularly meet success and become 'established artists.'[12]

Established artists were favored because they guaranteed a minimum amount of sales thanks to faithful fan bases. "The rule of thumb in the industry is that established artists enjoy an advantageous position in the major companies," wrote Denisoff in the mid 1970s, adding further that for the newcomer or less popular artist, "a smaller company may be the best avenue to success."[13] The reduction of rosters implied by the recession did not necessarily improve new artists' situation in the major labels. First, it became harder to access these companies for, as we will see, they increasingly concentrated on established performers. Secondly, the majors' executives, themselves accountable to a hierarchy, put pressure on new artists as they expected immediate returns on the first records and thus appeared much less patient than their independent counterparts.[14]

The major companies were characterized by heavy organizational structures and by their numerous levels of decision. Though this concerned all of the majors, Sony, which purchased CBS at the end of the 1980s, was particularly perceived as a "bureaucracy" considering "the number of signatures required" in order to make a decision, where "even press releases have to be signed by about seven people."[15] These different levels, besides slowing every decision, could influence the choices of the staff seeking to be well perceived by superiors rather than satisfy the audience.[16] Furthermore, they could directly influence the culture of the company. CBS, for example, was perceived by industry insiders as a firm which "maintain[ed] a 'culture of control' and 'order' and [as] a highly bureaucratic corporation" in which staff worked under "'fear' and 'paranoia.'"[17] These levels of decisions involved personnel from different departments, having different perspectives and objectives. A traditional conflict could be and is still observed in the major record companies between A&R (artists and repertoires) staff, searching for new talent and developing already signed acts and the marketing staff searching for the appropriate audiences of these artists and for responsive markets in general.[18] The situation was worsened by the increasing importance of sales and market intelligence in these companies, which increasingly considered market data in every operation: "indeed in a typical recording company, the most influential departments have marketing, promotion or sales responsibilities."[19] Artistic choices were thus sometimes turned toward the satisfaction of these departments and if not, they remained bound to their judgments and decisions in terms of promotional investments, targeted markets and other fundamental choices for the future of a record.

Another factor that contributed to the majors' failure to support innovative trends is also linked the importance of those organizations' structural costs. The communities that developed these trends were relatively small and the audiences that supported such music were, from the perspective of the majors, too small for their national distribution networks. The independent labels, flexible enough to reorient their production toward a new popular music, thus usually assumed this function. In the case of rap music for instance, the music in its first years of commercialization appealed mainly to a relatively limited community of teenagers in New York. The expansion of the music's popularity to New York's region, to the East Coast and finally to middle America and the West Coast were necessary to attract the attention of the major record companies.

The major record companies as corporations were characterized by their connections and accountability to their parent companies, sometimes ignorant of the music market. For example, in 1990, Matsushita, a Japanese electronics company, acquired the record company MCA, willing to realize synergies between hardware and software. The Japanese firm "maintained tight control of finances and gave no money for investment or acquisition."[20] Eventually MCA's directors "threatened to resign if they were not allowed the independence to spend money as they saw fit." One of the conflicts opposing the two companies was that Matsushita was privileging immediate financial return at the expense of a long-term strategy.[21] Five years later the record company was sold to the Canadian Seagram, which, being the "world's largest drinks company," was far from being a music specialist. Again, the staff's working environment shook when Seagram planned to "cut costs, increase profits and 'redesign MCA from top to bottom.'"[22]

The cases of rock and roll, and thirty years later of rap, both discovered and promoted by independent labels, seem to support the assumption that major record companies are not the best creative sponsors. If unresponsive to innovative trends, the presence of 'authentic' artists, as opposed to commercial ones, on their labels reveal however that they might be less rigid with their established artists. CBS, perceived as inflexible, nevertheless produced artists such as Janis Joplin and Santana. Interestingly, they were both signed by Clive Davis, whose remarkable (though troubled) career epitomizes the growing importance of lawyers in the music industry. The label also produced the Byrds, Bob Dylan, Bessie Smith, and Simon and Garfunkel.[23] The creative environments afforded by the major record companies are not static nor identical within and amongst labels: George Michael, for example, sued Sony (CBS) for it "treated him as 'little more than software,'" chose what was to be released or not, and prevented him from recording for someone else.[24] A common path remains however, the one of artists moving on to bigger labels when attaining a greater level of popularity.

The major companies' working practices and organizations, if denounced for reducing creative possibilities and for not supporting sufficiently new artists, remained however highly appreciated regarding established artists and pop audiences.[25] The major labels represented for an artist the most efficient route to national and international stardom, thanks to their massive manufacturing and distribution networks, cross media ownership, privileged strategies of exposure, and huge marketing and promotional means. Increasingly they focused on artists with national or international potential, artists who had already proved themselves on other labels and smaller markets.[26] If focusing on artists with 'pop' potential, the majors also came to be present on an increasingly diverse range of markets. They began to participate, thanks to the distribution of many independent labels, in the production of virtually all of them, from the local rock scene, hoping to find the next national trend, to the nationwide specialty market, for example, gospel or jazz.[27]

As we will see, this musical diversification was part of a broader strategy aimed to overcome their reputation of rigid administrations and the factors that tended to justify it. While their national networks leveraged their mass scale productions, they prevented the large corporations from exploiting the markets serviced by independent labels, which were often smaller and less formalized, and benefited from a totally different reputation. Independent producers were believed to be particularly supportive of new artists and to provide the most sincere creative environment.

B. Independent labels

Independent record companies were very diverse but they had in common the characteristic of being either independently owned, independently distributed, or both. Historically linked to the emergence of many musical styles they were assumed to be the cultural champions of the music industry providing the means and environments favorable to artistic creativity and to the rejuvenation of popular music.[28] Since they were so diverse, no generalizations should be made but some organizational and cultural characteristics, in particular the flexibility allowed by smaller structures and lack of hierarchies, actually rendered these labels more inclined to offer the best working environment for innovative musicians and artists in general.

Independent record companies were characterized by their independent ownership and by the externalization of their distribution.[29] When the major record companies started to regain control of the distribution channels in the mid-1970s, many independent labels turned to their competitive offer.[30] Independent distribution remained however competitive in niche and specialty markets. In hip hop and jazz for example, much diffused through small local specialist retailers, the independent sector remained a serious alternative to corporate distribution as it had developed close relationships with these stores and as these were too small to be serviced by the majors' branches.

The independent labels handled different parts of the production chain according to their financial possibilities, their strategies or their markets. Most of them, as was the case in hip hop, generally concentrated on the artistic production, on the signing and development of artists, as well as on the marketing and promotion of their records. Distribution, a function that also includes the task of promotion to retailers, could be licensed to a web of local or regional distributors, or to the distribution branch of one of the major companies. These divisions increasingly handled distribution but also the marketing and sales functions for smaller labels. Some independents handled their own manufacturing and distribution and assumed these functions for other independent labels. The rap label Profile for example had a sister company Landmark, which distributed Profile's records as well as records from other labels, whether in hip hop (Tommy Boy, for example), or not.

While the majors were often trying to appear more artist-friendly and to challenge their image of austere firms, the independents were naturally associated with the discovery of many styles, rock and roll and r&b for example, with authenticity, creativity, and sincere support of the artist and its music: "in contrast to the sterile, totally out of touch atmosphere at a place like Warner Bros., the environment around Def Jam and Rush was creative, supportive and mad open" remembers Def Jam's CEO Russell Simmons.[31] This assumption of a genuine alternative to the majors' corporate mentality and commercial goals, if still relevant for certain labels, does not however account for the diversity of independents.[32]

Many independent labels had the same commercial ambitions of their corporate counterparts. Some handled markets neglected by the majors because of their small size, but they were not necessarily musically specialized or innovative, like the labels exploiting old catalogues through mail order for example.[33] Other labels were created by artists or entrepreneurs who initially intended their records to major companies.[34] Russell Simmons, for example, who started his career by managing rap artists, wanted to place his acts on majors. Their refusal, rather than the ambition to create an alternative company, brought him to work with the independent producer Rick Rubin on his newly created label Def Jam.[35]

Sometimes, the existence of this sector relied on specific ideological foundations. The British dance culture and its community around which took place a network of independents in the late 1980s was particularly proud to provide, in the image of their Punk predecessors, a democratic alternative, with methods and values opposed to the corporate ones.[36] The ideological alternative could be less articulated and simply result from an individual's desire to work outside the corporation and the different pressures associated with this kind of organization. Thus, it is not rare to see an executive or an artist from a major record company create a new label.

Whatever the "politics of production," some cultural and organizational features could explain why independent record companies were more inclined to innovate and respond to changing trends.[37] Unlike in the major record companies, fewer persons were involved in taking the risk of launching a music that could be rejected by the market, and less levels of hierarchy were required. The smaller size of the labels permitted more intimacy and interaction between staff and artists and thus more consideration for the latter. Besides, the conflict between marketing and a&r staff was felt a lesser extent, first because they were often loosely organized and functions were not as clearly defined and delimited as in the big organizations; second because small labels could not always afford permanent marketers, accountants, lawyers, or any functions not initially tied to musical production. Another influencing factor lay in the originators of the labels, who when artists or entrepreneurs dedicated to the music, directly influenced the culture of their label and enhanced creative atmospheres.

Their size, though it greatly varied from one to another, allowed them much flexibility. They could quickly adapt to changing trends as they had smaller volumes of production, less staff and projects. They could produce music for small audiences and still make profits. Independent labels had thus much interest in initiating or adapting to innovative trends since these markets were left aside by the major companies until a certain level of popularity.

"The question is not who can afford to innovate [...] but who can afford not to."[38] Innovation remained the best way for independents to differentiate themselves from the majors' offer and be visible next to them. It was therefore also the result of economic necessity. The independent labels were as a result particularly present in two kinds of markets: niches and innovative styles. They produced all the music destined for limited audiences, local folklore for example. Otherwise, as I will show, the independent labels increasingly specialized in the research and development of new artists and new styles of music that they 'tested' on small markets, and were to be incorporated by the major record companies if successful, whether through the purchase or distribution of the labels, or the signing of their artists.

Independent labels, independently owned and/or distributed were thus present in a variety of specialized markets. Because of cultural openness as much as economic necessity, they were more inclined to cherish their artists and for some of them to propel innovation. This was not the case of major record companies, which, due to their steadily growing size and the related structural and cultural constraints, had the reputation of being rigid and mainly profit-oriented organizations. Many of their characteristics actually could only diminish their ability to be sincere cultural producers. If the presence of certain 'authentic' artists on their labels challenged this reputation, in the case of rap, the major companies and their staffs appeared as narrow-minded, unable to support innovative trends and their artists. We will see that in the case of rap, independent labels 'discovered' and developed the music, assuming the role of innovators. Before writing this story though, I shall first consider the American music industry in the 1980s and its main developments.

II. The music industry in the 1980s

The first decade of hip hop music production needs to be understood in the particular environment that was the American music industry in the 1980s. This industry underwent important developments as the major record companies achieved their transition from what the theorists of this industry refer to as the 'old popular music model,' characterized by a 'closed system of production,' to a new model characterized by an open one. At the very end of the 1970s, record companies experienced a severe recession that accelerated the globalization of their industry as they searched for new consumers and the concentration of their products whether on the international or domestic markets. Looking for ways to increase their market shares in the context of this national decline in record sales, the major companies deployed the strategies of vertical and horizontal integration, both leading to an increased level of concentration of the industry (and to the consolidation of the power of those responsible for this increase, namely the major record companies). While the major companies horizontally integrated the national distribution networks and concentrated their products, the establishment of their open system of production also required the decentralization of creative resources. As it was extended to independent labels, this decentralization transformed the nature of the relationships between major and independent record companies, as the latter were attributed with the permanent role of 'tester' of new markets. The consequent institutionalization of a new, stable configuration of producers brought some academic observers to define these new relationships as cooperative though such a definition is easily challenged when approached from a perspective other than of the macro standpoint adopted by scholars.

A. The recession 1979-1983

The early 1980s was a unique period for the music industry. It faced its first significant recession in thirty prosperous years.[39] The international economic recession of 1973 had made its impact, but the sector had remained confident, considering the excellent results realized in the second half of the decade.[40] Quite suddenly the retail revenues dropped by 20.1% in 1979 and sales continued to fall until 1983, after which, with the exceptions of 1985 and 1986, they continually increased.[41]

The major companies drastically reduced their budgets and staff to rationalize their costs and organizations.

> Within the first five months of decline, 700 record company employees lost their jobs. Between 1980 and 1986, CBS alone eliminated over 7000 positions worldwide. Production became more restrictive, making it harder for new acts to break into the business. One estimate suggests that record companies signed about 50% fewer artists during the recession than they had previously.[42]

Artists were thus immediately concerned as the majors reduced their rosters. In 1984, for example, Warner Records separated from thirty of its artists.[43] Instead of signing new talent, the majors concentrated on their established performers, trying to realize more profits with them through a variety of strategies. For example, they increasingly relied on reissues of records from their back catalogs, more profitable because their costs had already been recovered and their artists were already known.[44] Among the selected artists, priority was given to those marketable abroad, as we will see in the next section. The risky task of discovering and developing new artists was increasingly left to independent labels, which kept this function after the end of the recession in 1983.

The first rap records were released exactly at this period and none of the majors took a risk with this new music. Though never expressed this way, sales decline and the precautions taken by the major companies' staff to please the consumers certainly contributed to the reluctance the majors felt regarding the production of hip hop music. To introduce a novelty was to take the risk of scaring consumers away. It might have caught their attention and rejuvenated the industry after the "disco fiasco,"[45] much like rock and roll did in the mid-fifties. The total unpredictability of the music's potential and the financial constraints brought by the recession must have dissuaded the corporations from approaching the music and its musicians, though many other features considered in both chapter two and three concur with this disinclination.

The rationalizing and restructuring processes operated in major record companies went on throughout the 1980s, even when the crisis ended in 1983.[46] Besides the reduction of staffs and rosters, which led to a concentration of products,[47] these developments, paralleled by the globalization of the popular music market,[48] implied an increased level of concentration of the industry, whether through vertical or horizontal integration.[49] It also implied the decentralization of the creative resources, notably thanks to the reorganization of the majors' systems of production into smaller entities and national branches of distribution.[50]

B. Globalization of the popular music market

When the industry recovered in 1983, it appeared that this growth could not be attributed to a general amelioration of sales' levels, but to the incredible international results of a few artists, Michael Jackson being certainly the best example:

> The success of *Thriller* signaled an era of blockbuster LPs featuring a limited number of superstar artists as the solution to the industry economic woes. *Thriller* thus underscored the two most salient aspects of the industry's recovery: concentration of product and expansion into new markets.[51]

With the possibility of international exposure offered by satellite transmissions and the globalization of the entertainment industry, the American star system gained an international dimension. The corporate record companies were music divisions of transnational conglomerates, which in 1979 already controlled directly or through arrangements with other labels, more than 70% of the international market.[52] Globalization, or the "organization of production and the exploitation of markets on a world scale" became a dominant goal in the major companies' strategies.[53] The 40 million copies sold worldwide by Jackson comforted them in the road to follow: focus on the expansion of a few stars' international audience. They had previously successfully targeted these markets but "the systematic exploitation of the world market as a condition of further growth" really characterized the industry in the 1980s.[54] Instead of having two rosters for the domestic and for the international markets, the majors focused on the internationalization of artists initially directed at the US audience, such as Michael Jackson, Prince, and Madonna, who generated enough revenue to support the entire industry.[55]

"By the mid 1980s, the music industry had bounced back from the doldrums of worldwide recession and had resumed its pattern of more or less steady growth now tied to international sales."[56] Thanks to these superstars and to the reduction of global distances with new technologies,[57] the music industry had by the mid-1980s become a global one, international sales accounting for more revenues than US sales for most of the transnational major companies.[58]

C. Concentration of products

The concentration, or reduction of products appeared to be also the solution in the US, where the major record companies reduced their rosters destined for this market and gathered all their promotional resources behind fewer selected artists. Here again, the idea was to expand the audience of an artist and generate more profits from her/him. To this day, the retreat behind a few artists signed on long-term contracts still prevails in the major record companies.[59]

One way to expand the superstars' audience was to construct albums with many singles released one after another.[60] First, it extended the record's longevity and consequent financial rewards, and second, since diverse, they reached many different audiences. In this perspective, many "cross-racial duets" were associated, Michael Jackson and Paul McCartney for instance, to appeal to the widest audience and marketing categories possible.[61] Tours were longer and promotional campaigns became more expensive but sales were optimized in the long term and continued to grow during the performances and as singles and videos were carefully released one after another.[62]

The institutionalization of the star system as the terrain of predilection of the major record companies ended the "'throw it up against the wall and see if it sticks' or 'buckshot' philosophy" whereby, until the 1970s, certain majors were releasing many products in order to keep their division active and to increase their chance of having a few releases successful enough to compensate for fruitless records.[63] Overproduction was now far too expensive in light of the restrictions brought by the recession and the increase of promotional costs induced by the star system and significantly the necessity of making videos. "Differential promotion," another strategy linked to overproduction, also became impossible to handle, at least the way it used to be, because of this increase.[64] The strategy consisted of allocating different advertising budgets in order to render a record more visible than the others to the media and raise its probability to be covered by them, exposure, whether through good or bad critics, being fundamental to reach the consumer.

Rather than spread the probability of success amongst many potentially successful artists, all the resources were directed now to the artists more likely to meet national and international success. For example CBS, while completely restructuring, even closing some of its divisions, saw the mass potential of "Thriller" and "pushed a button on the record."[65] The diminution of rosters while increasing the promotional budgets allocated to superstars was also experienced at Warner Brothers.[66] Thus differential promotion was still at work but overproduction was no longer manageable, or at least not on the shoulders of the major companies. The majors continued to search for the record that would cover the others' investments but they focused on established performers with high potential while letting, as we will see, independent labels and smaller firms search for, and produce the variety of artists amongst which a big seller may appear. This way, the majors let the independents support the risks of these failures while retaining the ability to rapidly incorporate new successful artists and genres. This was realized thanks to distribution and ownership agreements, which in both cases increased the concentration of the industry.

D. Concentration of the industry

The degree of concentration of an industry or of a market represents the extent to which it is dominated by a few firms. This domination, or control, is usually measured in terms of market shares. It can also be evaluated by means of the patterns of ownership, that is, how much of an industry belongs to a few companies.[67] The music industry has always been dominated by five to eight corporations, which have always controlled more than 70% of the market.[68]

The entire decade is characterized by increasing concentration.[69] The 4-firm ratio used by Lopes to evaluate the level of concentration among firms in the 1980s represents the number of top ten singles or albums on Billboard charts produced by the four dominant record companies; concentration being equated with a high ratio, and competition with a low one as it means that they are not the only ones climbing the charts. This ratio was equal to 54.5% in 1970, 76.5% in 1980, 83% in 1985 and 82% in 1990.[70] All except one of the "middle range" independents,[71] that is independent labels large enough to compete with the major record companies such as Island, A&M and Motown, were purchased by their corporate competitors during our period.[72] This activity took on incredible dimensions in the end of the 1980s when the transactions were made "at prices that started at astronomical and increased galactically."[73] It also signaled "a decline in US dominance" in terms of ownership, as in 1988 the Japanese Sony purchased CBS for $2 billion and again two years later when Matsushita bought MCA and its labels for $6.6 billion.[74] Only one of the transnationals, WEA, was American-owned in 1990, compared with three in 1980, WEA, CBS, RCA.[75]

The majors pursued concentration for many reasons:

> Power and prestige for owners and managers; influence over public opinion; synergies between various media of each company; dominance of markets; sharing of skills between companies merged or acquired; economies of scale; diversification of risks; major possibilities for innovation; and career opportunities for employees.[76]

Concentration and consequent augmentation of, or "obsession"[77] with, market shares was not reducible to the revenues they generated. Market shares influenced the judgment of potential investors, artists and staff,[78] and shaped the negotiation and pressure power in an industry were barriers to entry were low since production and manufacturing costs were not expensive. Competition occurred rather at the level of promotion and the power allowed by dominant market shares helped for example to put pressure on retailers to provide better exposure. It also helped get the favor of radio programmers, or obtain high rotation on video networks.

Concentration can be attained mainly through four, often connected, processes: vertical and horizontal integration, diversification and internationalization, which as we saw transformed the configuration of the industry at the end of the decade with the arrival of two Japanese companies.[79] Vertical integration consists in expanding its activity to another function in the production, distribution and retail operations. For instance, the major record companies regained control of the distribution channels over independent firms in the 1970s and completely dominated the sector in the 1980s.[80] The last "middle range" independent record labels such as Arista and A&M turned to corporate distribution and this significantly weakened the independent distribution networks. Commenting on the decision of Berry Gordy, then president of Motown, to shift to corporate distribution, George wrote:

> What may have finally pushed him over the edge was the growing instability of the independent distributors. Between the ongoing losses of major accounts to the corporate labels and the recession of the early 1980s, many distributors had filed for bankruptcy or shifted operations to other areas.[81]

The oligopolization of distribution by the major companies offered them immense power and privileges. They took a profit on every record distributed, records which had their production costs covered by other companies.[82] They could pressure retailers by threatening to delay their shipments if they favored other companies or if they did not display their products more advantageously.[83] They also could pressure the labels they distributed, charging fees, for example, when stocks in the distributors' facilities were excessive.[84] In the case of rap, they could act as censors and refuse to carry records they considered politically incorrect.

"Horizontal integration occurs when one company takes over or buys into the operations of other in the same sector. So, for our music example, this refers to the buying up of small and medium-size record companies by the larger firms."[85] As mentioned above, almost all the big independents such as Motown or Chrysalis were incorporated but it also concerned smaller firms. The combination of both types of integration was very effective. A major typically owned interests in labels (horizontal integration), or distributed their records (vertical integration). They all used the same pressing plants, contributing to the realization of economies of scale and consolidating the majors' market shares.

Diversification consists in investing in fields other than the one in which the firm originally specialized in. Even if they were not diversified themselves, most of the majors already belonged to conglomerates having interests ranging from "TV networks, music publishing houses, music instrument companies, direct sales organizations, talent booking agencies and movie studios."[86] Amongst opportunities such as cross media marketing or synergies when realized in the entertainment industries, this strategy assures other businesses in case of music sales' slow down.

All these developments—the focusing of major record companies' resources behind established performers, a strategy inspired by the recession's restrictions, the internationalization of these artists' markets, and the oligopolization of the channels of distribution— all facilitated the decentralization of the creative resources, a process that directly influenced the nature of the relationships between major and independent record companies.

E. Reorganization of the industry and decentralization of the creative process

1) Reorganization into "semi-autonomous division labels"[87]

The increase in volume of sales by 261% between 1955 and 1959, corresponding to the introduction to the market of a greatly varied and innovative product offering from independent labels, helped the industry realize how much innovation and diversity were necessary to meet the entire demand.[88] Trying to reverse the assumption that they could not provide the best creative environment and overcome their different structural constraints, the major record companies have initiated a complete internal reorganization of their labels. Now understanding the value of innovation and diversity for maintaining the consumer interest, they established new relationships with independent labels, allowing them to undertake permanently the function of innovators and providers of diverse styles of music.

The internal reorganization of the major record companies started in the 1970s when they established their centralized national distribution branches and purchased competitive independents, maintaining them as separate and self-regulating entities. For instance Warner acquired Atlantic, Elektra and Asylum. BMG bought Arista and A&M through RCA, and CBS purchased Epic. These divisions continued to operate as they did when they were independently owned, handling management themselves as well as artistic decisions. Although working autonomously these divisions were owned and distributed by the corporations and were therefore considered to be major labels. During the 1980s, they in turn began to establish different relationships with independent labels, whether acquiring part or all of them and/or distributing their records through the majors' centralized distribution branches. The major labels' executives could work outside the traditional centralized networks of their companies:

> Instead of the "closed" system of in-house development and production characteristic of the 1940s and 1950s, major record companies have established an "open" system that incorporates or establishes a number of semiautonomous label divisions within each company, which then establish links with smaller independent labels and independent record producers.[89]

Warner, expanding its flexible web of producers, made a partial ownership and distribution deal with a hip hop independent, Tommy Boy, through which it acquired 50% of the label and part of its distribution. When a few years later it acquired the remaining half, Tommy Boy continued to work autonomously, keeping its identity, culture, creative and administrative freedom, like Warner's other semiautonomous divisions. Tommy Boy could thus maintain its relationship with the independent sector, being partly distributed through its own network and itself supervising the manufacturing and distribution of smaller labels.

The organization into "semi-independent production units" corresponded to the majors' attempt to gain the flexibility and 'creative atmosphere' independents were more inclined to benefit from, considering their structures, lack of hierarchical pressure, and other features supporting the assumption that they easily promoted innovation. This resulted in the "proliferation of project groups and team based working practices and contributed to the blurring of previous hierarchical distinction," much like what was happening in the independent labels.[90] There was in this new organization a clear "attempt to be more artist- and consumer- friendly."[91] In this perspective, the semi-autonomous divisions were focusing on artist management and creative work, while distribution and administrative functions were performed by the majors' centralized distribution branches.

These divisions handled different markets. What could be generally observed was that the main semi-autonomous divisions such as the sister labels Warner/Reprise, Atlantic and Elektra were producing experienced artists 'deserving' important promotional budgets, while smaller divisions, on the other hand, were developing artists or specializing in particular markets. Tommy Boy, for example, which started as a rap independent and quickly became interested in dance continued to focus on both trends and had on its rosters both established artists and new comers.[92]

The freedom attributed to these labels remained however limited by their parent companies' expectations and investments. Their control was less direct than the hierarchical supervision prevailing in the previous system, but it remained present.

> Splitting company operations into semi-autonomous divisions and labels makes it easier for corporate management to assess the creative activity, commercial success, management competence and ultimately the financial effectiveness of each component part. Control is exerted through monitoring and surveillance, rather than direct intervention into daily decision making, enabling the corporation to identify and deal with any part of the company which might not be achieving the desired goals and objectives.[93]

Besides changing the working environment of artists and staff, the new organization also permitted the major record companies to isolate the malfunctioning label and either inject resources or close it down. In this way, they assembled, with the different independent labels they were connected with, flexible networks of producers, in which units could be added or removed quickly without disturbing the entire system. Previously composed of monolithic and centralized structures, such flexibility was unthinkable in the old popular music model.

2) Distribution of independent labels and division of labor

The second important characteristic of this new system of production was that the decentralization of the creative process was not only realized through the semi-autonomous divisions but was also extended to independent producers who gained a permanent role in the production of popular music as research and development departments of the major record companies.[94] As the corporations concentrated on established performers, the independent labels, besides servicing niche markets, increasingly 'tested' markets and developed new acts. Independents worked one-step ahead the majors as they tried to discover talents that had "not clearly demonstrated their commercial potential and when they [would] settle for a modest advance and lower royalty rates."[95] The successful independent label could then be approached by a major company and integrated into its network through various distribution and ownership deals. Whether their labels were approached or not, newly popular artists could be 'lifted' to the majors' semi-autonomous divisions, which had the means to 'develop' and possibly bring them to the next level of stardom. At the end of the 1980s, some majors that had been recently participating in the production of rap thus attracted artists signed on independent labels rather than signing beginners. Capitol, for example, "developed a reputation for snatching up artists developed by other labels, signing such acts as Mantronix (from Sleeping Bag), Young MC (from Delicious Vinyl), Schoolly D (from Jive) and Beastie Boys (from Def Jam)."[96]

This division of labor between major and independent record companies was organized around the exchanges of their competitive advantages: flexibility and creativity against national distribution and promotion. It was therefore based on the complete creative freedom of the independent producers and the majors' "exclusive control over large scale manufacturing, distribution and access to the principle avenues of exposure."[97] The major record companies now had access to a large, flexible and diverse network of producers and artists who provided them with innovation and diversity and "fed" their enormous distribution networks.[98] For their part, the distributed independent labels, first of all were allowed to coexist instead of being absorbed into the major companies' structures when successful, and second could benefit from the homogenized distribution, promotion and financial support of the major companies they associated themselves with or partly belonged to.

3) <u>Cooperation?</u>

This new organization has been praised for it granted autonomy to artists[99] and staff[100] and because it was also beneficial to the audience, which saw the range of music offered expand.[101] Because they were no longer threatened to be driven out of the market when becoming competitors to the majors, the independents now had a permanent and, at least in theory, a secure role in the production of popular music. For this is reason, the new organization of the industry has been characterized as cooperative.[102] The tension previously observed between independent and major record companies when they were competitors was replaced by a "symbiotic relationship," beneficial to both types of record companies as much as to artists and consumers.[103]

It should not be forgotten however that it was the majors that established the parameters of these associations and that they allowed this coexistence and cooperation only because it represented the best strategy for them to satisfy (and sell to) the broadest audience possible. Mainly this strategy helped them to maintain their control of the market: "the innovation and diversity sustained by this open system helps maintain a healthy, profitable and secure market, and is therefore an effective strategy for controlling the popular music market."[104]

More flexible, the major companies through their semi-autonomous divisions and webs of independent contractors, can adapt to changing trends and incorporate new artists and styles at a speed unthinkable with their previous system of production. This way they can immediately satisfy the "unsated demand," whereas unsatisfied demand previously turned to independent records that differentiated themselves from the homogenized corporate offerings.[105] They can now provide the consumers with a variety of styles and satisfy the widest audience possible.[106] The great number of producers to which the majors were connected were constantly searching for the next success. Importantly, they helped the majors reduce the risk associated with the unpredictability of the popular music market, as they assumed the risks and investments associated to this research.[107] Moreover, the new system "guarantees major record companies the large financial benefits of monopolizing the end process of popular music production and distribution", as production costs are assumed by independent producers.[108]

Independent labels benefited from this new organization of the production of popular music for they could receive financial support and benefit from promotion and distribution services, depending on the contracts, far more complete than what an individual label, often poorly financed, could sustain alone. Indeed a cooperative relationship could take place with major companies and be successful. The multi-platinum (multi-million) sales realized by the label Def Jam in partnership with Columbia (CBS) at the end of the 1980s epitomized the benefits drawn out of these collaborations.

Produced by independent labels and in the second half of the decade distributed by major record companies, rap directly inscribed itself in this framework. A closer look at the different relationships existing between the two types of record companies reveals, as we will see in the last chapter, that they entailed many constraints for the independent labels. Distribution branches had the means to pressure the different labels they were servicing, pressure that dramatically undermined the notion of cooperation.[109] Also challenging this notion is the fact that these labels often had now no other choice than to work through these arrangements because of the decline of independent distributors' efficiency in the 1970s, the increase of promotional budgets due in large part to videos in the following decade, and finally the necessity to be supported financially by a stronger organization in markets where such a support had become the norm amongst competitors.

The recession that affected the industry in 1979, also the date of the first rap records, had immediate consequences on record companies whether independent or corporate. The label Sugar Hill for instance, then operating under the name of All Platinum almost closed its doors, before being saved by the formidable hit that would be the Sugar Hill Gang's "Rappers' Delight" (1979). Major record companies were equally concerned by the brutal sales slowdown. They reduced their staffs and rosters, and avoided signing new artists. In 1983, when the major record companies saw their results increase again thanks to international markets more responsive than the domestic one, they focused all their energy and resources behind a few selected stars that had international potential and kept this strategy throughout the 1980s rather than returning to the practices of overproduction previously observed in some of the corporate labels. This globalization of the major record companies' market was not an entirely new phenomenon but it would be accelerated in the 1980s with the institutionalization of the star system and the advent of new transmission technologies. For it saw developments initiated in the previous decades being further anchored by the recession, the 1980s was thus a particular period for the industry. These developments—globalization, concentration of products, concentration of the industry, decentralization of the creative resources—directly reshaped the relationships between independent and major record companies and the configuration of the contemporary industry. Thus, the major record companies monopolized the distribution channels and, at the same time, spread out the processes of musical production— the most vulnerable function to the unpredictability of the demand —among different entities rather than having a centralized system of production. They were now organized in national distribution branches and semi-autonomous entities and were at the center of networks of affiliated and independent labels that specialized in niches and increasingly assumed the role (and the risks) of discoverers of new talents and trends.

The music industry in the 1980s thus constituted an environment where major record companies had the reputation of being unresponsive to innovative trends, most notably because of the organizational and cultural factors resulting from their corporate structures. It was an environment in which the corporations did not welcome new artists and instead focused on fewer stars with international or at least national potential. The independent labels for their part, due to their reputation for (and for some willingness for) being the best supporters of artists, particularly new ones, were thought to be the best sponsors of innovation.

Interestingly, the history of rap's commercial production will provide the opportunity to verify these assumptions. It will also permit an assessment of the conditions and consequences of the major record companies' reorganization of their systems of production. Through an analysis of the emergence of this innovative music, I will investigate the ways in which independent labels develop innovations and test markets before being co-opted through different arrangements by the corporations when these markets appear to be successful. Finally, it will enable an examination of how these theoretically cooperative relationships, taking place between major and independent record companies, are experienced by these actors.

[1] Garofalo, 1997, 365.
[2] See Negus, 1999, 37; Burnett, 1996, p 51.
[3] Denisoff, 1975, 94. CBS purchased half of Def Jam in 1988 (Simmons and George, 2001, 110).
[4] Lopes, 1992, 60.
[5] This image, often used either in journalistic and academic accounts, is used by the majors' executives themselves: "It's my job and Mo Ostin' s job to put things into the machine" told Joey Smith, Warner-Reprise's President in the 1970s, to Steve Chapple (Chapple and Garofalo, 1977, 175).
[6] In the study of Peterson and Berger (1975), for example, the majors, securing their market shares, offer a standardized music in order to satisfy the widest audience possible while the independents, trying to differentiate themselves, take more risks and support innovators.
[7] A&M had between 250 and 300 songs on its catalogue, against about 2000 for the majors CBS, Capitol, and RCA (Denisoff, 1975, 95).
[8] Artist development consists in figuring long-term images and projects for an artist.
[9] Tom Silverman, creator and chairman of Tommy Boy (See on the Billboard list the article 40 (=B-40).
[10] Record companies evolve in a highly "turbulent environment", "changing in ways that are unpredictable of analysis and predication" as it is impossible to anticipate the demand's future taste and the next popular artist, record, or trend, (Peterson and Berger, 1971, 97). Strategies of over-production were used to counter this unpredictability and the fact that approximately only two out of ten records recovered their costs, (Denisoff, 1975, 97). In 1992, Negus observed a ratio slightly superior of one record out of eight (40).
[11] Denisoff, 1975, 98. George (1988) considering the fate of African American artists in major record companies in the 1970s wrote: "But there is no question that CBS' s crossover consciousness and growing roster buried a great many veterans" (151). Bobby Womack, for instance, coming from the independent United Artists went on CBS but found himself relegated in terms of priorities behind the label's new generation of successful artists and his records stopped being promoted to radio programmers for already to many records from the major were presented to radio stations (150).
[12] Burnett, 1996, 75.
[13] Denisoff, 1975, 109-110.
[14] "We're in the position now to take more chances, to sign artists who take longer to develop. A (major record label like RCA) isn't going to work three or four singles before an artist breaks. We will because we are an independent, aggressive label, able to handle acts with kid gloves, giving them the tender, loving care they need to grow. Our focus is different" told one of Jive's executive to Billboard, explaining why the label stopped its marketing and distribution relationship with the major RCA to handle these functions itself (B 36, R 18).
[15] Negus, 1999, 66.
[16] Burnett, 1996, 74.
[17] Negus, 1999, 66.
[18] Ibid., 55.
[19] Burnett, 1996, 74. See also Negus, 1999, 55 and 62: "The work of record companies is now based far more on strategic calculation, data management, monitoring and measuring techniques and the explicit application of forms of management theory. It is based less on gut feelings, hunches, intuition, and inspired guesswork. There is more knowledge of a very instrumental and rational type available, and as a consequence, less will to act on more speculative type of knowledge" (62).
[20] Negus, 1999, 44.
[21] In this precise situation MCA was planning to acquire music and television catalogues, stable sources of revenues if composed of popular artists, but Matsushita refused these acquisitions (Ibid.).
[22] Ibid.
[23] Chapple and Garofalo, 1977, 193.
[24] Burnett, 1996, 28.
[25] Pop audiences designate general, 'popular,' audiences not buying exclusively a particular or specialized type of music.
[26] Negus, 1992, 40.
[27] For the research among local rock scene, see Garofalo, 1997, 453.
[28] For the birth of rhythm and blues on independent labels, see George, 1988, 26, and Chapple and Garofalo, 1977, 29.
[29] Denisoff in 1975 remarked that the independent label United Artists handled its own distribution, "a feature generally attributed solely to majors" (95).

[30]Traditionally independent labels externalized their distribution to independent networks but already in 1977 Chapple and Garofalo observed that that they were now generally distributed, see promoted and advertised by one of the major companies (1977, 198). Besides weakening the independent distribution sector, this departure of independent labels on corporate networks had for result to blur the traditional criteria of distinction between independent and major record companies. Adding to the confusion would be the strategy adopted by the majors the following decade to buy a part, if not all, of an independent label and let it work exactly as it did before the purchase.
[31] Simmons and George, 2001, 84.
[32] Negus, 1992, 19.
[33] Ibid.
[34] Ibid., 18.
[35] B-7. See also "Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 43.
[36] Hesmondhalgh, 1998, 235
[37] Ibid., 237. There is a great variety of independent labels in terms of markets, cultures and sizes. The features observed here may vary from one label to another or even for the same label across time as it experiences different sizes.
[38] DiMaggio, 1977, 441.
[39] Garofalo, 1997, 354; Burnett, 1996, 44; Lopes, 1992, 60.
[40] George, 1988, 167.
[41] Lopes, 1992, 59.
[42] Garofalo, 1997, 354.
[43] Ibid., 366.
[44] Burnett, 1992, 762. This would become common practice with the introduction of the compact disc (1983). Major companies, and later independent ones, systematically reissued their catalogues when they realized that consumers were purchasing records they already had on vinyl. Many industry's insiders then thought CDs were for much in the recovery of the sector. This must hold some truth, at least for the simple fact that it allowed the majors to sell their record at higher prices (Burnett, 1996, 45).
[45] "Music Execs See Flaws, Strengths in Marketing System; Charts, Top 40 Radio Are Rapped", Fred Murphy, Variety, March 19 1980, 133.
[46] Negus, 1992, 14.
[47] Garofalo, 1997, 366; Burnett, 1996, 23.
[48] Negus 1992, 4; Garofalo, 1997, 366; Burnett, 1996, 48.
[49] Negus, 1992, 3; Burnett, 1996, 107; Lopes, 1992.
[50] Negus, 1992, 15; Burnett 1992, Lopes, 1992.
[51] Garofalo, 1997, 366.
[52] Ibid., 364.
[53] Robbins quoted in Negus, 1992, 6.
[54] Garofalo, 1997, 366.
[55] Ibid., 1997, 371.
[56] Ibid., 1997, 390.
[57] Ibid., 1997, 375.
[58] Burnett, 1996, 48.
[59] Garofalo, 1997, 455; Burnett, 1996, 24.
[60] Traditionally, all the songs of an album were not presented to the public. Only a few 'singles' were selected and promoted to sell the entire LP.
[61] Garofalo, 1997, 375.
[62] Technological developments realized in satellite and cable transmissions, as well as the institutionalization of video as popular music's privileged medium, were crucial to national and global stardom. The industry did not react immediately to the introduction of music video and television, for it could not see how to exploit this expensive medium (Garofalo, 1997, 356). Both quickly appeared, considering the enormous success of MTV created in 1981, to be as much, if not more, efficient than radio in terms of promotion. The movie industry was also much used to employ "cross media marketing" as star system was about the maximization of an album's potential and as movies and videos allowed the introduction of a record to diverse audiences.
[63] Denisoff, 1975, 98.
[64] Negus, 1992, 40. For the strategy of "differential promotion," see Hirsch 1972, 639.
[65] George, 1988, 168.

[66] Garofalo, 1997, 368.
[67] Burnett, 1996, 12.
[68] Negus, 1996, 51.
[69] Lopes, 1992; Burnett, 1996, 107.
[70] Lopes, 1992, 61.
[71] Burnett, 1992, 750. See also Lopes, 1992, 60.
[72] Virgin, the last "middle range" independent was acquired by a major in 1992.
[73] Garofalo, 1997, 456.
[74] MCA had recently acquired Motown for $60 million (Garofalo, 1997, 391). In the cases of the acquisitions realized by the Japanese electronics companies, the goal was to realize synergies between hardware and software, here musical production.
[75] Burnett, 1990, 26. Today, five transnational record companies, Universal (France/USA), Warner Music Group (USA), Sony Music Entertainment (Japan), EMI (GB), and BMG (Germany) produce and/or distribute more than 80% of recorded popular music in the world, directly or through their owned and licensed labels (Negus, 1999, 35). "Still it is important to remember that much of the information and entertainment material owned by non American companies is still created by Americans, for the simple reason that Los Angeles remains the film, music and television production capital of the global entertainment industry" (Burnett, 1996, 10). The globalization of the entertainment industry, as it started to be increasingly called considering cross media ownership apparently don't resolve the fear often related to an 'American cultural imperialism' and the defense of local cultural specificity.
[76] Burnett, 1996, 21.
[77] Negus, 1999, 45.
[78] Ibid., 46.
[79] Burnett, 1996, 14.
[80] Burnett, 1996, 61; Lopes, 1992, 60. "One of the definitions of a major record company is that you are in the distribution business," executive quoted in Burnett (1996, 2). This situation was the result of the establishment of national branches by the major record companies and of the incapacity by independent networks to efficiently distribute and mainly to promote records (see Denisoff, 1975, 107).
[81] George, 1988, 179. This evolution was paralleled by transformations at the retail level, as record stores were loosing ground in front of either enormous record stores serviced by the majors' branches of distribution or small, unspecialized outlets (Burnett, 1996, 75).
[82] Lopes, 1992, 57.
[83] Peterson and Berger, 1975, 162.
[84] Negus, 1999, 55.
[85] Burnett, 1996, 15.
[86] Peterson and Berger, 1971, 98. In the 1980s, the conglomerates, which had until then operated their diversification in sectors not always connected to the music industry, refocused their investments in the communication and entertainment fields. The music divisions were often already related to film. For example, Warner Records, first created by the movie company in 1958, already had in the 1970s, interests in film, TV, press, and edition industries (Garofalo, 1997, 242). Many attempts were made to link music and films, a famous example of this period being "Flashdance" (1983). One can also remember the earlier successes of "Saturday Night Fever" and of its soundtrack performed by the Bee Gees, or of "The Graduate" which music had been composed and interpreted by Simon and Garfunkel. With the advent of new technologies, diversification in communication became in the early nineties a primary strategy as the conglomerates realized all the opportunities afforded by media synergies (Burnett, 1996, 22; Negus, 1992, 4). "Synergy means the coordination of parts of a company so that the whole actually turns out to be worth more than the sum of its parts acting alone, without helping another" (Burnett, 1996, 22). This strategy allows the companies to exploit the music, and cultural production in general, at its fullest. With the advent of cable and satellite transmissions, as well as with the diversification of record companies and of their parents' conglomerates into these technologies, the connection between media became more than an opportunity to promote music but an end in itself.
[87] Negus, 1992, 15; Lopes, 1992, 56; Burnett, 1992, 763.
[88] Peterson and Berger, 1975, 164. This varied and innovative offer contrasted with the standardized and homogenized music provided by the major record companies when benefiting from exclusive oligopoly of the market.
[89] Lopes, 1992, 57.
[90] Negus, 1992, 15.

[91] Burnett, 1996, 114.
[92] This equilibrium between established and 'new' artists is vital for a label. Established stars allow taking a risk on a new talent who is equally necessary as he/she constitutes the future source of revenue of the label.
[93] Negus, 1992, 15.
[94] Burnett, 1996, 62; Garofalo, 1997, 445; Negus, 1992, 17. Similarly, Hesmondhalgh describes the independent labels as "developers of talent" assuming the function of Artist and Repertoire divisions, that is find and develop new talents (1996, 480).
[95] Negus, 1992, 44.
[96] B-36, R18.
[97] Lopes, 1992, 70; see also Burnett, 1996, 115. The second condition of success of this system of production, the artistic autonomy of the independent labels was also necessary for the affiliated semi-autonomous divisions (Lopes, 1992, 62).
[98] Burnett, 1996, 61.
[99] Garofalo, 1997, 446.
[100] Negus, 1992, 19.
[101] Lopes, 1992, 70; Burnett, 1996, 115.
[102] Burnett, 1996, 110.
[103] Burnett, 1996, 80. For the tension characterizing the old popular music model, see Peterson and Berger 1975.
[104] Lopes, 1992, 70.
[105] Lopes, 1992, 70. See also Peterson and Berger, 1975.
[106] Warner Bros for example has, through its labels, "established a strong presence across most genres", (Negus, 1992, 40).
[107] See Person and Berger, 1971.
[108] Lopes, 1992, 57.
[109] Negus explains how the branches also doing a task of promotion and marketing directly intervene in the every day operations of their distributed labels as they emit judgments about the potential commercial and critical success of their records and take part of the decisions concerning the number of records to manufacture and distribute. Interventions such as the charge of fees in case of overproduction bring the distributed labels to integrate increasingly the final judgment of these branches in their every day operations and take them away from their focus on musical considerations, (Negus, 1999, 55).

Chapter II: Independent hip hop (1979-1985)

'Discovered' by an independent entrepreneur, hip hop music has been integrally supported by independent labels until 1985. For six years they brought the innovations of hip hop into maturity and, from the perspective of the major record companies, tested the market, transforming what started as a local underground local scene into a national market. This period of independent activity offers the opportunity to discuss the different assumptions displayed in the first chapter regarding independent labels: are they truly more inclined to innovate? What role does innovation play in their structures and in their competitive capacities? Do they provide a more adequate creative environment to their artists? What is the extent of their flexibility, the characteristic for which they were highly valued by major record companies during their reorganization of their systems of production?

These questions are raised mainly in the framework of the first years of hip hop independent production for the domination and decline of the first hip hop producers were directly related to these issues. This first generation came to be replaced by newly created labels, that contrary to their predecessors, had long-term ambitions for the music and did not simply try to capitalize on the opportunity the innovation represented. These new specialized labels developed the aesthetic and commercial practices that would prevail in hip hop during the decade and gradually expanded the music's audience. Certain records, such as "Planet Rock" and "The Message," played a significant role in the growth of hip hop's audience. Importantly these records proved that the music could generate sub-genres and reinvent itself. This development would be epitomized by Run-D.M.C. and the advent of the new school they represented. With their rock-influenced rap they rallied young white rock fans who helped the group demonstrate that the music, now providing albums of quality, had great commercial potential. Successful national tours would enable audiences to be reached nationwide and would provide further indications of such commercial possibilities. Hence by 1985, the market had been successfully tested and the major record companies could now approach it. Why did the major record companies only arrive at this conclusion half way through the decade? They waited six years first because the initial size of the hip hop audience was too small in relation to the scale of those companies' operations. Less objective reasons also informed their decision though. Among them was a disdain for the music considered to be superficial, and importantly, the unwillingness expressed by black departments to support this music deemed impossible to crossover.

I. Hip hop on wax (1979)

In 1979, after almost a decade of underground development, hip hop music was introduced in the American musical landscape thanks to two records: "King Tim III" performed by The Fatback Band on the New York independent label Spring Records, and "Rappers' Delight" released by the Sugar Hill Gang on the independent label Sugar Hill Records, situated in New Jersey. Because it has more links than "King Tim III" to the music developed by hip hop DJs and MCs in the Bronx "Rappers' Delight" is considered to be the first hip hop record. Sylvia Robinson, head of Sugar Hill Records, had released the record at a time when, except for two Billboard journalists, nobody was paying attention to the music. Only one major company, Mercury, released a rap record performed by the rapper Kurtis Blow and produced by the journalists just mentioned. This involvement, which Mercury limited to this artist, was a small exception to the general disinterest major record companies felt toward rap, despite the good sales results obtained at Sugar Hill and the evident signs of support displayed by the professional press.

The subculture had been developed completely in isolation by African American and Caribbean teenagers from the Bronx and Harlem. Other small entrepreneurs had seen hip hop rappers and DJs practice their art in their neighborhoods. Bobby Robinson or Paul Winley for instance, both working in Harlem, had witnessed their young children and relatives rap and write lyrics. But they saw in rap something created by and for teenagers and never conceived that what they had heard could be recorded and commercialized.[1] Sylvia Robinson's decision to do otherwise was thus fundamental for she first exposed the music, revealed the existence of a niche to other small entrepreneurs and initiated the next developmental stage of the music which consisted in its recording in studios, transposition on wax, and commercialization.

Previously the music was diffused in New York through performances in parks or street parties and, since the late 1970s in clubs. The music and DJs' techniques had spread from the Bronx to Harlem; still the two main locations for hip hop DJs in 1979, before gaining popularity in other boroughs of the city.[2] An article published in Billboard in November 1979, one month after the release of "Rappers' Delight," indicates that rapping DJs were also popular in cities such as Detroit, Philadelphia, Baltimore, Chicago, Atlanta and Washington.[3] Performances and the trade of DJs' tapes were fundamental in hip hop's geographical expansion but with "Rappers' Delight" this development took on a national dimension.[4] It caught the attention of the industry, getting favorable coverage in publications such as Billboard and Rolling Stone, and revealed to a national audience the existence of a new, exciting music.

What brought Sylvia Robinson to take such initiative? Toop proposes that her "liberal attitude towards vocal styles" demonstrated in her previous works as head of the label All Platinum might explain why she was inclined to record the music prior to other labels.[5] She had already released what were then "vocal eccentrics" and monologues. She had also performed a few records herself, among them "Pillow Talk" on which she "half-rapped." Toop also identifies other artistic practices that placed All Platinum, Sugar Hill in 1979, immediately in a favorable position to produce rap: "low budget commercialism" or capacity to make cheap (financially and artistically) but strong records; "the habit of using backing tracks and tacky instrumentals for B sides," the B sides being hip hop DJs' favorite creative material; "cover version of disco hits," echoing the use of existing records by hip hop DJs and the future rap cover versions of pop and rock records, or of rap records themselves when rappers responded one to another.[6]

The fact that her label All Platinum was in the midst of bankruptcy and closing its doors might also have influenced her decision.[7] The risk she took in producing a musical style completely unknown to the mainstream saved her label and moreover, allowed it to gain financial rewards as well as visibility. Released in October, "Rappers' Delight," stayed 12 weeks, peaking at place 36, on the American pop charts and reached top five positions in charts abroad.[8] As is the case for many independent labels relatively to their size, one hit had been sufficient to revitalize All Platinum's activity. Sylvia Robinson successfully maximized her position as innovator and her label, renamed Sugar Hill records, became the first "hip hop empire" and dominated the market until 1983.[9]

Whatever the reasons behind it, her decision to release a novelty unknown to the industry (and ignored by some of its key players although other entrepreneurs were aware of it) illustrates the assumption presented in the first chapter that the independent label is 'closer to the street,' rather than bounded to established networks of writers and musicians as was often the case in the majors; more inclined to discover trends and artists; and flexible enough to rapidly orient its production and organization toward the release of a new music.[10] In this case, this assumption appears to hold some truth and can be related, as always, to cultural openness as much as to economic necessity. That is to say that the music's artistic qualities as much as the ways in which this music enabled her to differentiate her label via the freshness of the sound contributed to Sylvia Robinson's decision to produce the record.

One major, Mercury, belonging to and distributed by Polygram, also released a rap single at the end of the year. The record "Christmas Rappin,'" an exception to the general disregard for the music by major record companies, was performed by Kurtis Blow who remained the only rapper on a corporate label until 1983, when part of Sugar Hill's roster went on Elektra.

Significantly, the rapper had not been 'discovered' by Mercury's staff, as was usually the case. When the rapper signed on the label, he had already recorded his single. This one had been produced by two Billboard journalists whom he had met while one of them, Robert Ford, was doing one of the first national articles on the increasingly popular New York "B Beats" DJs.[11] The support of these journalists was crucial for many reasons. First, Robert Ford persuaded the rapper to be managed by his concert promoter and friend Russell Simmons.[12] Simmons then created his management agency Rush Management, whose artists, who were featured on different independent labels in New York since the majors ignored hip hop, "dominated the genre between 1983 and 1987."[13] Ford also introduced Simmons to Nelson George, future black music editor at Billboard and one of the most dedicated hip hop writers. This community of journalists, which was also composed of writers from the musical magazine Rolling Stone, and the Village Voice, offered hip hop actors through their supportive coverage the credibility the industry was denying it, whether by ignoring the music in the case of the majors or by the establishment of unfair practices in the case of some independents, practices considered in the next section.[14]

"Rappers' Delight" thus initiated the transition from hip hop music's initial medium, live performances, to its transposition in the studio and on vinyl. It also initiated the music's next developmental step that is, its commercialization. Sylvia Robinson's surprising decision to release this music to which the broader record industry was not giving much attention resonates perfectly with the notion discussed in the first chapter that independent producers are more apt to discover artists and trends. However, considering that All Platinum desperately needed a hit, economic imperatives might explain this decision as much as Robinson's cultural openness. The record was a commercial success, at least on the scale of independent production. Thus while the major labels continued to ignore rap, many small independent producers in New York tried to have their local "Rappers' Delight."

II. "Little carry-your-records-in-a-trunk producers"[15] (1980)

Soon many independent labels in New York were producing rap records. The small market was particularly interesting for them because the records were cheap to produce and promote, because they were actively researched by a dedicated audience, and finally because their production was still completely ignored by major record companies. For some, the production of this music was the occasion to experiment with something new. For others it was an opportunity to quickly generate returns. Thus, many producers in these formative years might have lacked sincere consideration for rap music and its artists and merely tried to capitalize on the novelty, not investing much in the music. The label Sugar Hill Records, which had released the first hip hop record, could also be charged with having such disrespectful practices. It nevertheless focused all its resources behind the new music and became the most important hip hop label. It soon attracted the best rappers, due in large part to Sylvia Robinson's pioneering attitude, the risk she took in releasing hip hop music, and to the experience she had accumulated as an artist and as an executive in the music industry for more than a decade. Regrettably, the flexibility her label epitomized through its capacity to reorient its production toward a new music was counterbalanced, as always in independent labels, by its vulnerability to its relationships with its artists, business partners and to new competitors.

1) An opportunity for small local independent labels

Billboard in 1980, the Village Voice and the Rolling Stone, early in 1981, were all covering the important wave of rap records released since "Rappers' Delight."[16] With the exceptions of Blow's record and of a 7-inch record released by DJ Hollywood on Epic, all of them were produced by small local African American entrepreneurs in New York on their independent r&b or disco labels. These entrepreneurs worked mainly with small urban record stores, principally in New York and its region. Among them were Enjoy, Winley, Sounds of New York USA, Holiday, Rojac Records, Reflection Records, Golden Flamingo, Tec Records, Star Records and many others, which, due to their size, have not gained much notoriety.[17]

Sugar Hill had shown these independent labels that an audience, even if small, already existed and that a niche was developing. They jumped on the opportunity rap was providing to produce records which could turn into local hits. The impact of the success of "Rappers' Delight" on Sylvia Robinson's business, as the 75 000 copies of the record sold every day after its release allowed her to open a new label, reveals the necessity for independents to have hits. [18] It also reveals what an opportunity rap was for these small labels, especially since most had little means of promotion and distribution.[19]

> Luckily for a lot of small companies who had trouble with airplay and credibility, the rap thing was like wildfire without the radio. You see you cover all the discos and disco pools and mobile jocks – everybody that's got a mike in their hand, give' em records. And stores - in-store-play - put' em on the speakers outside in the street and the kids would line up.[20]

Distribution of records to DJs and stores was sufficient to promote them since the audience was making the effort to find rap 12-inches. The production of the records was relatively cheap and easy too. Except for the first Sugar Hill's records, they were not played by bands of musicians that the label had to remunerate but by DJs mixing existing records, the copyrights of which were not then respected. Rappers and DJs were not very demanding in terms of remuneration, first of all because they were ignorant of industry practices, and second because many were happy enough to transpose their music on vinyl and gain local fame. One of the first records released by the independent label Profile, founded by Steve Plotnicki and Cory Robbins in 1981, illustrates perfectly the commercial opportunity rap music represented. This record, "Genius Rap" by Dr. Jeckyll and Mr. Hyde, was "an object lesson in independent record production."[21] Eleven days had been sufficient to compose, record, manufacture and distribute the record,[22] which had cost Profile $750 and sold 150 000 copies.[23]

The total absence of major record companies also crucially contributed to the development of rap music as a lucrative opportunity for small local independents. Their competition would have implied the rise of promotional costs and artist remuneration and would have rendered this market inaccessible for these independents. But "Rappers' Delight" was considered by the industry, whether in corporate or independent ranks, as a novelty, the success of which could not be replicated on a national and international level, at least not on a scale worth the major companies' investments.[24] Despite the 375 000 copies of the single "Christmas Rappin'" the rapper Kurtis Blow sold on the major Mercury that year and the 600 000 he sold in 1980 with "The Breaks," he was the only rapper signed on a major and actually remained with a few unfruitful and short-lived exceptions, the only one until the second half of the decade.[25]

Many factors prevented the major record companies from producing hip hop music during these formative years. An immediate reason certainly lay in the recession and consequent retreat behind established performers. In periods of low sales' levels, major companies' executives were unwilling to take risks that could disturb both their hierarchies and the consumers. Besides, the size of the initial market was considered (and certainly was) too small for them. The 75 000 copies of "Rappers' Delight" sold every day in the first months following its release were quite exceptional and the other rap records were mainly addressed to a limited audience in New York. Actually, many cultural and economic factors, considered further, were at work and explain why even when the recession ended in 1983 and when hip hop audiences expanded, major record companies still refused to produce the music and its artists. One of these reasons was that the music was not seriously considered and rather perceived as a comic novelty.[26] But this belief was not exclusive to the major labels since it was also shared by some independent producers who, through many unfair practices, expressed their lack of consideration for the music.

2) "Lack of consideration"[27]

The independent labels that released the first rap records in New York were producing other music than hip hop. As they started to release singles from different groups, some tried to realize local hits rather than commit to long-term projects for rap artists. This opportunist attitude suggests that the first entrepreneurs who produced the music might not have been truly respectful of young hip hop artists. Considering the fate of the members of the 'old school,' that is of the community of artists that contributed to the development of the subculture in the 1970s and released the first rap records until the advent of the 'new school' represented by Run-D.M.C. in 1983, Russell Simmons remembers:

> It was sad what happened to most of the old school. As early as 1984, when Kurtis had made a couple of albums, most other original rappers had only cut some 12-inches; it was clear those guys were making no money and were going to make no money. None of these guys had professional managers. Their businesses were being handled by relatives, friends or small-time gangsters with big-time talk but small knowledge. Unlike Kurtis, who was on a major label, all of them were on small labels that, at best gave modest advance and paid little or no royalties.[28]

The absence of genuine interest for the music did not necessarily mean that these labels were always trying to exploit rap commercially. Rather it signaled that hip hop DJs and rappers were not perceived as 'serious' artists.[29] This certainly was to relate to the young age of the protagonists, their inexperience in the industry, and their ignorance of more traditional ways of composing and performing music, since none of them played instruments but were 'turntablists.' Some labels were thrilled by the DJs and rappers' innovations but others could not understand them. Paul Winley, for instance, decided to add instruments to the record of the young DJ Afrika Bambaataa without his permission.[30] If, as Toop suggests, Winley's support should not be underestimated because he was one of the rare people ready to record Bambaataa's music,[31] then his subsequent transformation of the initial record reveals that, for him, Bambaataa's creation was either artistically incomplete, immature or too experimental to attract listeners, a belief that the DJ's future records would prove to be wrong. The hesitance towards innovation, often associated with major record companies, would thus seem to underlie the actions of independent producers as much as those of the majors' executives.

Winley and the DJ also fought over his remuneration. If not always purposively since small labels have limited budgets, hip hop artists, lacking the knowledge and experience to be fairly treated, were often underpaid, if paid at all: "A lot of groups at the time wasn't business-wise and didn't know about contracts or royalties. We just wanted to get records out," remembered Bambaataa.[32] He stopped recording for Winley and waited to collaborate with Tom Silverman, a collaboration in which the DJ had more control over the production of his records. Three years had been necessary for one of the most innovative and popular hip hop DJs to find a label, three years during which he had unsuccessfully contacted many independent producers. Why such a "precarious situation"?[33] Either his music was too experimental or these entrepreneurs were not sincerely concerned with diffusing the music and exposing its best musicians.

Manipulative practices could also be observed in the operations of the only label that, since 1979, focused most if not all of its resources behind rap, that is Sugar Hill records. The production of the first rap record on the label, "Rappers' Delight", immediately revealed how ambiguous the attitude of hip hop's first producers was toward rap. The Sugar Hill Gang, performers of the song, had been randomly assembled by Sylvia Robinson and the lyrics 'borrowed' from another crew.[34] It was a common practice among rappers who knew each other, but it was here badly perceived by hip hop's core fans because the lyrics were 'stolen' by a group that had not proved itself as DJs or rappers and was unknown to the community. The original writer was the well-known Grandmaster Caz who had performed his lyrics publicly. Thus the Sugar Hill record appeared to many as a fraud. The glaring disregard for the work of existing crews, along with other aesthetic features that diverged from the characteristics of 'real' rap, suggested "a pronounced lack of consideration for the integrity of the emergent form and for the pioneers [...] unaware that their cultural practices were being coopted for commercial presentation on a wider stage."[35]

This "lack of consideration" resulted in troubled relationships with hip hop young artists never taught what they were entitled to, whether in terms of remuneration or in terms of artistic credits. The rapid turnover of artists between the different r&b and discos labels in these first years demonstrates how uncomfortable rappers and DJs were with their labels. It also suggests that the troubled relationships between new artists and labels' executives described in the first chapter do not apply only to corporate staffs.

3) Sugar Hill Records, or "the first institution in hip hop"[36]

The proliferation of records produced by labels trying to have local hits resulted in a situation were the first records were "confusing, partly because they transferred a sound-system-based music onto disc and partly because some of the artists were recorded not so much because of their talent but because they happened to hang out down the block from the record company."[37] Sugar Hill would emerge out of this confusion producing a distinct r&b-

influenced sound developed and performed by original b.boys, which stands for break-boys or Bronx-boys and designates the initial community that developed hip hop culture in the 1970s in the Bronx (along with b.girls). The label remained from 1979 to 1983 the "biggest, most visible, record industry institution supporting hip hop"[38] and dominated what soon would be called old school rap: "Sugar Hill Gang, Grandmaster Flash and the Furious Five, Spoonie Gee and Sequence defined the music's cutting edge. The Grooves were varied and except for a streak of unabashed sexism, the raps were always clever."[39]

Most of the hip hop scene's members first rejected "Rappers' Delight." Yet, as they had never thought their music could interest record labels,[40] they realized the opportunities it created and the visibility it offered to their music: "Everybody hated it. Now I see that they opened the doors for us and I'm grateful now. But at that time I was so furious" recalls Blow when interviewed by Nelson George.[41] As it had successfully exposed "Rappers' Delight" and as it was the only label ready to specialize in rap, Sugar Hill soon attracted many DJs and rappers. It even produced some of the artists that were at first outraged by "Rappers' Delight," and released many of the most important records of that period.

Sylvia Robinson's success was also due to the fact that she played the role of composer, producer, singer and executive, and thus she knew industry practices very well.[42] Besides her cultural and musical openness, she had a long executive experience in the business. With her husband, she had been running All Platinum and other small labels since 1968. The label had its own musicians and studios, which contrasted with other labels' resources and practices. Bobby Robinson, for instance asked the Funky Four Plus One More, signed on his label Enjoy, to practice in a garage.[43]

Importantly, the entrepreneurs had developed good national connections throughout the 1970s. They had about 30 distributors across the country. They also maintained close contacts with retailers, especially with African American stores, which were the first carriers of rap records, and this was a wonderful advantage on their smaller competitors.[44] Due to the dominance of disco over traditional r&b and soul in the 1970s, Bobby Robinson, director of the label Enjoy, had retreated a little from business and had lost the national contacts necessary for efficient distribution and promotion.[45] Unable to provide sufficient exposure, Enjoy lost all of its rap artists to the benefit of other labels, mainly to Sugar Hill, whose capacity to channel records in and outside New York was very efficient, especially since it had the necessary connections to make its acts tour.

Finally Sugar Hill's strong position was also the result of Sylvia Robinson's determination to dominate. Her desire to maximize her position of innovator and remain the leader in this niche brought her to concentrate all of her resources behind the new music but might also have led her to some questionable practices from the standpoint of musicians. It is sometimes suggested that the label signed as many rappers as possible to clear the competition and allow 'her' artists to be the most visible.[46] Whether guided by this objective or not, Sugar Hill gradually acquired in 1980 and 1981 the rosters of labels such as Winley and Enjoy and most of New York's local heroes.[47] Hence, Enjoy, the other label identified by the Village Voice, Rolling Stone and Billboard as a primary producer of hip hop besides Sugar Hill in 1980 and 1981, lost most of its artists and consequently its place in the market.[48] In a record review issued in September 1981 in Rolling Stone, four of the six records presented (and well rated) were released on Sugar Hill, against one on Enjoy.[49] Among these four records, two were performed by the groups Grandmaster Flash and the Furious Five, and the Funky Four Plus One, a few months earlier still on Enjoy. In this case however, the departure of Enjoy's artists on other labels was as much the result of Sylvia Robinson's strong willingness to dominate than of Bobby Robinson's incapacity to expose rap records. Small organizations, if flexible enough to 'jump' on a new trend were thus also extremely vulnerable.

4) Vulnerability of small independent record labels.

Unfortunately many factors prevented Sugar Hill from maintaining its leading position. Like Enjoy and Winley, it eventually saw its artists move to its competitors' labels. Sylvia Robinson started to fight with 'her' artists over royalties issues and over their role in the records' artistic creation, as she often attributed much of it to herself.[50] In this perspective "The Message" (1982), the mythical record of Grandmaster Flash and the Furious Five, despite its critical and commercial success, signaled the end of the label's dominance.[51] Flash contesting the insufficient money rewards and artistic credits given to him sued Sugar Hill and signed with the major record company Elektra.[52] Many musicians and rappers did the same and soon, the label's control over the best artistic resources ended. This was accelerated by the creation of many rap labels toward which rappers could now turn. These labels, presented in the next section, took hip hop and its performers much more seriously than their predecessors. Def Jam's Russell Simmons, for instance, importantly was an avid hip hop fan and listener.

Vulnerability to relationships with artists concerns all labels, whether corporate or independent, small or large. The departure of an artist to a bigger label when achieving a certain level of success is a common trajectory. Tommy Boy, for instance, saw Afrika Bambaataa move on to the major Capitol while Def Jam lost The Beastie Boys to the benefit of the same major company.[53] Contracts are always in renegotiation and standards change with the popularity of the artist: the group Run-D.M.C. for instance, went to court to revise their attachment to their label Profile but eventually stayed on it.[54]

Sugar Hill continued to produce rap records, notably those by Melle Mel (formerly in the Furious Five) but soon it lost its prominent place. In 1987 the label sued MCA, its recently contracted distributor, for "forcing the label into bankruptcy through racketeering activities."[55] The slow decline of the first "hip hop empire" epitomized the vulnerability of independent labels to competition, to their relationships with artists and to the production of hits able to sustain the label's activities for a few months until the production of a new one. The final trial also exemplified what would come next for most of the hip hop producers: the necessity of working with a major record company for distribution and financing, the difficult relationships between the two kinds of organization, and the fatal consequences such souring relationships could have on the previously independent label.

Rap thus quickly appeared to be an excellent opportunity for small local independent producers. The lack of enthusiasm and consideration certain labels felt toward rap music and its artists further shows that the inclination independent labels have towards emerging trends can be the result of commercial opportunity, rather than of a genuine desire to innovate. It also reveals how crucial good relationships with artists are in independent structures. Even if Sylvia Robinson capitalized on this opportunity more than the directors of other labels, her organization was as vulnerable as any independent one and soon disagreements with her artists weakened the label. Still, the music, which had been discovered by an independent producer, was to be developed by independent labels too.

III. New hip hop labels (1981)

The market of rap, if limited to New York, must have shown strong evidence of success because many independent labels, created in 1981, specialized in hip hop music. Tuff City, Tommy Boy, Profile, Select and Sleeping Bag all started their operations this year in New York to produce hip hop and to a lesser extent dance 12-inch records. These records were addressed mainly to New York and its region but also increasingly to other cities on the East Coast. This sudden proliferation indicates how popular rap music was in the city, how strongly the niche and its audience were growing and how for some, the issue concerning the credibility and durability of the music was now out of date. Their creation also illustrates how easy it could be to open a small label based on a niche ignored by stronger competitors. While rap had represented an opportunity for existing r&b and disco labels, it also facilitated the creation of new labels. These new producers quickly replaced the r&b and disco labels that were until then releasing rap music. This development was quite surprising since they were smaller than Sugar Hill and often headed by young entrepreneurs having no executive experience in the music industry. But as their specialization in hip hop reveals, these newcomers, whom I shall now introduce, took the music very seriously and thus easily attracted rappers and DJs.

Having a background in rock music production in the 1970s, Fred Munao was irritated by the lack of commitment shown by the majors to his acts and created his own label called Select, while Will Socolov, also producing dance music, started his label Sleeping Bag.[56] Profile, founded by Steve Plotnicki and Cory Robbins, started as a very small label. In 1982, the entrepreneurs signed Run-D.M.C., future hip hop stars whose records would always attain at least gold status and help them transform their small organization into one of the strongest hip hop independent labels in the 1980s.[57]

While acting as publisher of Disco News, Tom Silverman became intrigued by the new music and began searching for these young innovative DJs. He met Afrika Bambaataa, a charismatic actor of the hip-hop scene, dubbed by his peers "Master of Records" since he mixed breaks from discs completely unknown to his audience.[58] The following year they recorded "Planet Rock," a hip hop 'classic' that immediately situated Tommy Boy as a major hip hop producer.

Aaron Fuchs, former editor of the musical publication Cash Box, started his label Tuff City. Despite his recording of recognized rappers and DJs, such as Davey Dmx and Spoonie Gee, who had previously recorded on Sounds of New York USA and Enjoy, his debuts were said in 1984 in Billboard to be quite modest compared to other rap labels.[59] This might explain why he paired with Epic for distribution, being the first, and then only, hip hop label to benefit from such an association. The deal would not be renewed however, perhaps because it was premature. Business and artistic practices were just then being developed and the audience, even if expanding, was still mainly located in New York and was thus too small for the distribution network of the major.

How did these labels, smaller than Sugar Hill and often directed by young persons having no or little experience in the music industry come to replace the r&b and disco labels initially producing hip hop? How did they end Sugar Hill records' supremacy? The first reason was that Sugar Hill could not retain its artists who were now in the position to choose among different rap labels.[60] Most importantly, it is because they specialized in rap and had a real interest in the music (for most of them) that they completely replaced the previous generation of producers. They intended to support artists through different projects and to go beyond the opportunity rap provided to have random successes. Tom Silverman, for instance, was the first to sincerely give a chance to Afrika Bambaataa, who, even though he was well known in the hip hop community due to his central position in the development of the underground culture in the 1970s as well as his success as a DJ, had not been able to release his music despite many attempts on the labels Winley and Enjoy.

In addition, these entrepreneurs were younger than the previous generation of hip hop producers. Many of them were in their twenties: in 1979, Steve Plotnicki was 24 years old, Corry Robbins 21, and Tom Silverman 25.[61] Russell Simmons, manager of many rap acts, and Rick Rubin dropped out of college in the early 1980s to focus on rap and run Def Jam.[62] Closer in terms of age to the young hip hop DJs and rappers, they did not have the paternalistic attitude Sylvia Robinson (Sugar Hill) or Bobby Robinson (Enjoy) could have toward DJs and rappers, who were their children's age if not younger.[63]

Finally, these labels had no trouble displacing the older producers out of the niche because hip hop was still in a developmental phase and the practices, whether commercial or artistic were not yet fully established. It is they who refined the promotional and, later, the marketing techniques relevant to hip hop, developed its audience beyond the New York area and established the parameters of the distribution deals realized with the major record companies when they decided to enter the rap market in the second half of the decade.

Their introduction into the industry and the negotiations of the distribution deals they came to contract might have been facilitated, as Forman has suggested, by the fact that many of these new entrepreneurs were white.[64] This evolution is important to consider not so much for its impact on the musical outcome, but rather, considering the latent racism characterizing the American music industry, for the socio-economic backgrounds of the new producers might have helped them carry hip hop to its next level of development and transform the niche into a regional and later national market. Moreover, the interest of young white entrepreneurs was a sign that the music was not produced by, and directed exclusively to African American teenagers constituting a small "insufficiently [...] economically empowered" audience, as much of major record companies' executives tended to believe.[65]

Hence, the first generation of labels that produced rap music lost their artists to new entrepreneurs, who concentrated all their resources behind the development of the music and had visions beyond the possibility of having a local hit. Hip hop was now taken seriously enough by a few individuals to be produced in a specialized and dedicated context. The newcomers continued what Sylvia Robinson had initiated and developed hip hop's commercial and aesthetics practices. Throughout the decade they pushed boundaries limiting hip hop's expansion, whether musical, social, or geographical, and transformed what was a local phenomenon into a national market, proving to the major record companies that hip hop was successful and lucrative enough to warrant their attention. For the four following years, these entrepreneurs assumed the role of "tester" increasingly assigned by the major record companies to independent labels in the context of the reorganization of their production and decentralization of the creative resources. For four years they developed the market and showed the corporate labels the potential the music had. One way they did this was by always expanding hip hop's audience to new groups of listeners, a process that Grandmaster Flash and the Furious Five with "The Message," Afrika Bambaataa with "Planet Rock," and Run-D.M.C. with their hardcore, rock-influenced rap would greatly enhance.

IV. "Planet Rock" and "The message" or the artistic expansion of hip hop reach (1982)

Two records "Planet Rock" and "The Message" released in 1982 on the independent labels Tommy Boy and Sugar Hill respectively, besides epitomizing the transition from the first generation of r&b labels to the new one specialized in rap, showed the industry that the music was not an ephemeral comic novelty but a maturing art form and that its audience encompassed more listeners than teenagers from the Bronx and Harlem, core fans of the music. The first record, "Planet Rock" by Afrika Bambaataa and the Soul Sonic Force, instituted electro sounds as rap's new musical direction and revealed how appealing the music was to new wave circles. It also showed that the music could rejuvenate itself and was not destined to vanish like the novelty it was taken for by some of the key actors in the major companies. The second one was the "The Message", performed by Grandmaster Flash and the Furious Five on the label Sugar Hill records. Here rap moved away from tales of sex, money, and egocentrism and integrated social commentary into its lyrical composition which appealed to older, adult audiences that were until then not concerned with the emergent music. Moreover it commenced the creation and co-existence of sub-genres, signs that the music was maturing and getting more complex.

Produced by Tom Silverman, head of Tommy Boy, and Arthur Baker, producer of many other influential records and founder of the label Streetwise, "Planet Rock," the record through which "technocracy meets rapology" was in May 1982 hailed as the "current smash in the streets, clubs and airwaves of NYC."[66] Still considered today to be a classic, it then set electronic rhythms and motifs as the new musical orientation. An article published in The

New York Times in August 1983 noted the "steady stream of rap singles, many of which now use electronic rhythms tracks."[67] This 'electro period' continued until approximately 1983, when Run-D.M.C., themselves influenced by the record, instituted hardcore rap as the new trend. Bambaataa's music, using different musical sources, Kraftwerk's electro-sounds for example, were already played in parties gathering new wave crowds. The success of "Planet Rock," however, brought his music into every club of the city, demonstrating how varied hip hop's audiences could be.

"For a time it looked as if Afrika Bambaataa's space-rap sound through his liaison with Tom Silverman's aggressive Tommy Boy label would succeed Sugar Hill" but Bambaataa's experiments, if recognized critically, did not always appeal to hip hop's core audience.[68] Opening a label was easy, but maintaining it in a financially healthy situation necessitated the regular production of hits: "That's the thing about being independent, you have to come up with another [hit] to stay independent."[69] Tommy Boy lost its privileged positioning gained thanks to "Planet Rock" and because of financial difficulties made, as we will see, a partial distribution and ownership agreement with Warner Bros.

"The Message", released by Grandmaster Flash and the Furious Five on Sugar Hill, was a "major move [...] opening rap up to cinematic social commentary and jump-cutting through a terrifying, fascinating urban landscape that has been fertile ground for MCs ever since."[70] Interestingly it was musically inspired by "Planet Rock," in the sense that it also had an electro feeling.[71] The lyrics of the records released prior to this one were mainly concerned with "money, sex and narcissism."[72] With "The Message," addressing urban decay, rap no longer appeared to be a trivial ephemeral style but rather as a music that had much more diverse and credible potential than what was appearing on the first records.

The seriousness of the lyrics and the relevance of the social theme of "The Message" appealed to adult audiences, which, according to Sylvia Robinson, constituted much of the record's demand.[73] The introduction of this adult audience was very important since it went against the common assumption that rap was appealing mainly to a community of listeners lacking the purchase power necessary to buy records because of their age and socioeconomic background. Adult audiences remained difficult to reach however, as the refusal of radio targeting them to play the music attested. Signs of endless possibilities and openings had been nevertheless presented to the industry.

Gradually, evidence of hip hop's commercial and cultural potential came to the attention of the industry and the different hypotheses preventing the major companies from involving themselves were one after another undermined. One of these was that the music had a limited audience. Another one was that rap would remain trivial and fail to renew itself. "Planet Rock" and "The Message" proved these assumptions to be wrong. They exemplified the appearance and establishment of multiple sub-genres and showed that rap was a musical trend in its own rights, rather than a derivative of r&b or dance music. Undeniably rap, far from fading as prophesized since 1979, was, as a music and as a market, developing and strengthening. Here lyrics and musical themes were barometers of the music's maturation. Soon numbers of records' sales and of concert seats would underline these improvements and this, notably thanks to the first hip hop stars: Run-D.M.C.

V. Run-D.M.C. (1983)[74]

In 1983, the group Run-D.M.C. released on the independent label Profile their debut self-titled album. Since their sound was more 'hardcore' than what had been produced until then, and since they were influenced by rock music, they symbolized the advent of the new school, showing once again that rap could reinvent itself and, importantly that the music could appeal to young white rock audiences, representing an important purchase power. The group not only proved how vast hip hop audiences could be, it revealed how diverse, socio-economically speaking, the rappers and DJs were, since they came from a middle class background. Run-D.M.C.'s impact on the industry's perception had of rap even went further. For the first time, they provided an album full of successful hits. A premiere in rap's history, this evolution was fundamental in establishing rap as a long-term serious genre.

Considering "Sucker MCs", Run-D.M.C.' s first release on Profile and "one of the biggest rap records of 1983,"[75] two journalists from Billboard wrote: "This blast of rhythmic minimalism establishes rap's new school."[76] Run-D.M.C. moved hip hop's artistic orientation away from the Sugar Hill's sound and the electronic influences crystallized in Afrika Bambaataa's records. Moreover they instituted hardcore rap, more aggressive musically and in the delivery of lyrics, as the new rap style. Their "harsh synth strokes and clipped, hard-edged rap style" was a conscious response to, and critique of, the deliberate attempts of some African American artists (and of course of their record companies) to crossover, that is to sell beyond the artists' traditional r&b market and in this case to reach white pop audiences.[77] These artists, Lionel Richie for example, "with their soft, unaggressive music (and nonthreatening images), constituted the black music mainstream" then.[78] Run-D.M.C.' s "Sucker MCs" was positioned at the opposite end. It was "the absolute worst record on the radio in years [...] No melody. No harmony. No keyboards. Just a beat, some fake-sounding hand claps and these niggers from Queens yelling over the track" remembers one of the record's producers, Russell Simmons.[79]

Their influence was radical on the music but also on the public performances of rappers and DJs. For instance, they replaced the funk and rock stars' outfits worn by their 'old school' predecessors when on stage with a strict "ghetto uniform" as they favored "leather suits with velour hats and shell-toe Adidas shoes—that's a ghetto uniform, not a costume."[80] "This consciously hardcore stance moved rap to a higher level of profitability and public acceptance."[81] Thus, while the "black music mainstream" was trying to crossover to pop audiences, Run-D.M.C. released a music purposively making no concessions, concessions that could help the record gain radio airplay, and nevertheless gain greater visibility and popularity. The group actually did crossover since they appealed to young rock fans, demonstrating, like Afrika Bambaataa and Grandmaster Flash had done, the possibilities of the music in terms of audience reach. Along with their producer and manager Russell Simmons they quickly understood the similarities between rock and rap young audiences, their "rebellious aspects" for example, and clearly capitalized on them.[82] The record "Rock Box", with its "rock credibility," was illustrated by a video realized "at the hottest punk rock club at the time" and had "a little white kid in it for people to identify with."[83] According to Russell Simmons the record convinced MTV to play the group's videos, and this "even though Run-D.M.C. is a black band on an independent label," remarked then John Pareles, in Rolling Stone.[84] This was a great achievement considering the accusations of racism (and gender discrimination) the TV station was facing at the time, as it exclusively targeted a white young audience listening mainly to rock-influenced music.[85] Their decision to play Run-D.M.C.' s videos pleased and nurtured the interest of young white listeners who followed the group's career. Needless to say, this audience contributed to their commercial success and to the gold, platinum and multi-platinum records they would soon obtain. Later this newly acquired audience would support groups such as the Beastie Boys or Public Enemy (both managed by Russell Simmons and signed on his label Def Jam).

This "hardcore stance" was paradoxically opposed to the old school, coming from the ghettoes that had become the Bronx and certain neighborhoods in Harlem, by a group who had started college and was coming from the suburban middle-class neighborhood that was Hollis in Queens.[86] Rappers and producers (and as we saw executives) came thus from very diverse circles, in terms of socioeconomic backgrounds but also in terms of musical tastes. Future Run-D.M.C.' records would be co-produced by Rick Rubin, a hard-rock fan who quickly embraced hip hop and created Def Jam records to produce rap from his university bedroom.[87] Along with the co-existence of sub-genres, the diversity of listeners and producers signaled that the local underground niche was developing a broader market, with its variety of producers, artists, listeners and styles.

"Run-D.M.C.," the group's self-titled first album, was the first gold rap album, that is the first rap album to sell 500 000 copies. This success was quite exceptional inasmuch as the privileged medium in hip hop was the 12-inch record, for first of all, it was the DJs' favorite material and for, on a more practical level, 12-inches were cheaper, easier and faster to produce. Besides, as remarked by Forman, early rappers might not have had enough interesting works to gather on the same disc.[88] The first albums were released in 1980 by the Sugar Hill Gang and Kurtis Blow but looked like veiled attempts to sell their hits "Rappers' Delight" and "The Breaks" at higher prices.[89] "Run-D.M.C." was rather "a collection of singles," the release of which had been preceded by the hits "Sucker MCs", "It's Like That," "Hard Times," " Rock Box" and "Jam Master Jay," all on the album.[90] The success of this album was crucial in the recognition of rap as a durable musical trend and in the reconsideration of the major companies' position toward the production of this music. Until then, "the LP's lack of success was a further indicator that rap's commercial viability was not yet established," regarding the major record companies' standards. [91]

Tracks on this first album were co-produced by Russell Simmons and Larry Smith who also produced records for Kurtis Blow on Mercury and Whodini on Jive.[92] Smith was a member of the band Orange Krush with DJ Davey DMX, also working with Blow and signed to the label Tuff City.[93] Russell Simmons, Run or Joey Simmons' brother, managed them all. An interesting characteristic of the period is that movements of artists, producers and executives were clearly identifiable and suggest how relatively small the community producing hip hop in New York was. Run had been DJing for Kurtis Blow, who came to produce records for other groups, notably the Fat Boys on Sutra Records.[94] Arthur Baker, creator of Streetwise records, co-produced records on the label Tommy Boy, notably Afrika Bambaataa' s records "Planet Rock" and "Looking for the Perfect Beat" but also distributed the first record of the label Def Jam, newly created by Rick Rubin and soon to be run by Russell Simmons.[95] Andre Harrell, or Dr Jeckyll in the duo Dr Jeckyll and Mr. Hyde who were performing like Run-D.M.C. on Profile, became vice president of Rush Management, Russell Simmons' management agency, before directing his own label Uptown (where the successful rap entrepreneur Sean Combs started his career as a intern before opening his venture Bad Boy Entertainment).[96] Rappers, DJs, producers and entrepreneurs thus constituted a unified, albeit small and not necessarily homogeneous, community supporting a coherent movement and promoting the same approach and vision of the music. This could only strengthen the image of the new genre and favorably influence the major companies' vision of rap, although the community was still then quite isolated: "It's an incestuous little world that Russell works in, one he feels has values and attitudes that aren't understood by outsiders" wrote Nelson George in 1985.[97]

Russell Simmons, having been active in the hip hop scene since the late 1970s when he organized and promoted hip hop parties, was central to this community. Through his company, Rush Management, he supervised the careers of many popular rap artists of the period, notably Kurtis Blow (Mercury), Run-D.M.C. (Profile), Whodini (Jive), Davey DMX (Tuff City), amongst others.[98] "The most significant rap hits of the past two years have been in some way connected to Rush Productions" observed Nelson George in 1985.[99] The situation remained unchanged until 1987, after which Simmons was still at the forefront notably with Public Enemy on his label Def Jam.[100]

Having once again proven how diverse hip hop audiences and producers could be and how the music could rejuvenate itself, Run-D.M.C. with their gold album announced hip hop's next step: commercial success. Just like they had shown that hip hop was not exclusive to a particular group of listeners, the group would, along with other rappers, show that hip hop's geographical reach (and commercial results) was limitless. They did so notably thanks to the New York Fresh Fest Tour, with which they made the entire country dance.

VI. "Breaking out: America goes dancing"[101] (1984)

1984 saw, like the previous years, hip hop culture and music gain more public awareness and expand its reach. The New York Fresh Fest tour, "the first organized effort to bring the music to the country via major performing venues," played a strong role in this process.[102] A commercial success, it confirmed that Run-D.M.C.'s successful album was not accidental but rather an indicator of further developments. Hip hop also gained much publicity thanks to a sudden national craze for break dancing. Overexposed in the media and mass commercialized, it soon lost its appeal and disappeared from public attention. Hip hop had nonetheless entered American homes all around the U.S.A.

The national Swatch New York Fresh Fest tour, the title of which interestingly, as Forman remarked, attests of the centrality of New York City, featured rappers and DJs, many of them being managed by Rush Management, and break dancers.[103] Kurtis Blow, Run-D.M.C., Whodini, the Fat Boys, Nucleus, the Dynamic Breakers and Uptown Express were among them. It successfully expanded hip hop audience geographically:

> The Fresh Fest tour of 1984 and the Run-D.M.C. headlining tours that followed pushed the music's borders farther west. These stadium-size gigs allowed performers to proselytize like hip hop evangelists. Kids in D.C. where go-go was the local music, in Oakland with its rich and varied culture, and Los Angeles where a mobile post-disco party scene was thriving all came to see kids from Queens. Not only were they converted as listeners—many customers came away convinced they could perform too.[104]

The tour, bringing the music into areas hardly, or perhaps even never, reached before, revealed how dispersed hip hop's audience was to become. Prior to this period, New York independent rap records were not easily purchased on the West Coast because of the weaknesses of independent distribution, weaknesses that certainly influenced the decisions many independent labels took to turn to corporate distribution in the second half of the decade.[105]

Raising $3.5 million, the Fresh Fest tour "amazed the industry."[106] During and following the tour, Run-D.M.C., the Fat Boys and Whodini all saw their albums go gold while Blow was attaining 300 000 copies.[107] Along with the ones that followed,[108] this tour had a tremendous promotional impact, especially considering the lack of support from radio and the narrow possibilities of promotion in the music video format.[109] Most of the acts featured on this national tour became hip hop 'stars.' They soon gathered enough fans to perform in the stadiums of many cities other than New York.[110] This was another sign that hip hop was developing from a "relatively contained micromarket to a macromarket."[111]

The Fat Boys, one of the groups on the tour, had found a comic credo that appeared to be very lucrative. Their lyrics and lifestyle revolved entirely around what they ate and soon:

> Fat Boys cookbooks, comics, jeans, T shirts, and movie spots [were] in the works. Seen from one perspective, the Fat Boys [were] a case study in commodification. They transmute[d] potent underground music into unthreatening product: they turn[ed] disturbing images of menace into demeaning figures of fun.[112]

The "trivialization" of the Fat Boys described above resembles the processes of rejection and recuperation often observed in the public emergence of underground subcultures, processes that reached a peak in the mid 1980s when break dance became 'the' national trend.[113] "Dozens of entrepreneurs are making a fast break to cash into its widespread popularity among teenagers by spinning offs such accessories as clothing, how to books and video games."[114] By 1984, break dancing was on TV commercials, movies, Broadway spectacles and of course in many press articles. Already in April the same year, a journalist was wandering: "Will success on a commercial scale spell the beginning of the end? [...] Will the kids for whom it is a prime expressive outlet give up on it as it is embraced by the commercial sector and produces a few stars?"[115] Certainly beneficial to the national promotion of hip hop and to the advertising of the Fresh tour, this overexposure nevertheless destroyed the dance's appeal. Break dancing lost the public attention it was subject to, though of course it did not disappear in hip hop's underground circles. From now on, rap became hip hop's main medium, indicated by how both of these terms are now used to refer to the music.

Steven Hager wrote in 1984 that "for a while it was difficult to pick up a national publication without reading about rap, breaking, or Graffiti," revealing the extent of the once underground culture's expansion.[116] Rap could have disappeared with break dance since the two were so closely connected. We can be sure that this did not happen due to the prominence of independent labels. The economic necessity of making hits, of being a 'trend setter' certainly promoted the constant research into stylistic innovation. Struggling for financial and critical reward, especially as competition increased, independent labels had to differentiate themselves to be visible. In fact, the commercialization of hip hop's art forms did not threaten the future and nature of hip hop music. Furthermore, it inspired a new generation of rappers to be, by opposition 'hardcore.' "By February 1985 the pendulum had swung into the opposite direction, towards a harsh, upfront, seemingly uncommercial music" promoted by Run-D.M.C, but also by other artists linked to Rush management and the label Def Jam, the Beastie Boys or LL Cool J for example.[117]

Hip hop had thus successfully undergone its transition from a local phenomenon to a popular national market. By 1985, the entire music industry could witness how the commercial standards characterizing hip hop had changed. The success of the second Fresh Fest tour, for instance, which in 1985 stopped in 50 cities in the U.S.A against 27 the previous year and traveled through Europe, Russia and Japan was another indicator for those who had not understood yet that rap was 'here to stay.' Sprite and Honda, contributing to "Madison Avenue's ongoing use of hip hop culture to reach youth culture," sponsored the tour, which earned $7 million this year.[118] Run-D.M.C.' s second album, "King of Rock" went, like Whodini' s, gold, while Kurtis Blow "regularly [sold] in the hundreds of thousands."[119] Other signs of national 'conquest' could be identified in the creation of labels outside of New York. Luther Campbell, leader of the group the 2 Live Crew, created Luke Skywalker in Florida, one of the first rap artists to open his own label, while Ed Locke opened Nastymix in Seattle, producing the successful Sir Mix A Lot.[120]

All these developments— from the commercialization and over-exposition of break dance in the media, Run-D.M.C.'s appeal to young white rock fans, the success of national tours and consequent excellent album sales, to the opening of labels around the country —

pointed towards the national expansion of hip hop audiences, artists and entrepreneurs, and urged major record companies to reconsider their reluctance to produce rap.

VII. Major record companies

Different cultural and economic reasons contributed to the unwillingness of the major record companies to produce rap. Surprisingly, part of it was attributed to the hesitance towards rap in the black departments of major companies. These departments, which were not highly regarded within these companies, saw the occupational insecurity their staffs experienced worsen with the recession and therefore they focused on established artists with crossover potential. Black departments were further disinclined to produce rap because a generational gap and a class schism happening within the African American community directly informed their perception of the young rap artists. In addition to the concerns of black departments, other factors determined the major record companies' refusal to approach rap: the limited size of the initial market; the socio-economic background of hip hop's core fans; and the unpredictability of the music and its market. The prominence of hip hop's main medium, the 12-inch record, was an additional sign to them that the music was superficial. Finally another factor arose as the independent labels developed the music's commercial and promotional practices for five years on their own: excluded from radio the independents developed alternative promotional techniques of which the major companies were ignorant.

The very few exceptions that characterized the early attitude of the major record companies toward rap illustrated the overall lack of enthusiasm in the corporate record industry. Mercury signed one rapper, Kurtis Blow in 1979; Epic released a 7-inch single from DJ Hollywood in 1980 but neither promoted it nor repeated the experiment despite the legendary status of the DJ in New York. Elektra made a twelve inch deal with the Fearless Four in 1982; Capitol had a hit with the Boogie Boys in 1985. [121] For some observers, such as Nelson George, this very restricted level of investment was perplexing:

> When Blow signed on Mercury in 1979, I assumed every label would have at least one rap act within two years. Instead rap acts have come and gone from rosters of the corporate music machine because these organizations, very often advised by their black executives, have shown no interest in or outright contempt for the music.[122]

This remark underlines the way in which the major record companies' disinterest in hip hop was derived from the unwillingness of their 'black departments' to support the music. To understand this lack of enthusiasm, one must first situate it within the context in which these departments were working. African American music and the staff allocated to its development are often neglected in contrast to pop and rock music in major record companies.[123] This perception, informed by a latent racism, results in a situation where black departments, more than other divisions, "can easily be cut back, closed down or restructured by the corporation (whether this is due to an assessment that the genre has changed or simply because cuts have to be made)."[124] Racism in the music industry, to the detriment of artists and executives, is still a pertinent issue today, as the recent (though controversial) statement issued by Michael Jackson about racism in this industry at the National Action Network in July 2002 suggests.[125] Black executives, whose possibilities of career advancement beyond the black departments are very limited, work in an environment highly characterized by "occupational insecurity."[126] In the beginning of the period discussed here, this fragile condition was aggravated by the recession. CBS for example closed its black department in 1980, surprising industry insiders: "it's amazing that when people start to cut things, they start to cut areas that are generating a very substantial amount of profit. I don't know but it's very ironic that black music marketing would be dismantled now when it's of most importance."[127] Actually in 1979, when the recession slowed the industry's activity, African American artists were responsible for eight of the twelve platinum records and about half of the gold singles.[128]

Despite this success, black executives were still at risk and they privileged established performers in pop and soul music or supported new comers in these trends rather than taking the risk of supporting rappers whose music was considered to disappear shortly.[129] While it was observed in all departments in this period of low budgets, and while it was increasingly used as a primary strategy in the major companies in the 1980s, this retreat behind renowned artists was, according to an executive that spent ten years at the major Capitol, due in large part to the fact that "there [were] still the initial reluctance for companies to commit a great amount of money to unknown black artists."[130]

"Because it was perceived as juvenile, unmusical, and with a limited audience, it didn't fit the prevailing crossover orthodoxy then epitomized by Michael Jackson and Lionel Richie."[131] Successful black artists often respected the "crossover orthodoxy" that secured their place in the industry, as much as those of executives, thanks to lucrative returns. Hip hop soon came to be associated with the 'street' and was perceived, by both black and white executives, to be too raw to crossover on pop charts.

According to Nelson George the lack of support characterizing the black departments was also the result of tensions arising in the African American community, or a real "class schism working against hip hop at the time."[132] Adding to this separation was a generational gap, already perceptible in the behaviors of the first generation of entrepreneurs who produced hip hop. These tensions positioned the young rappers, DJs and their fans in opposition to major labels' executives and radio programmers who "armed with the expense accounts and suburban homes had fallen out of touch with—or deliberately rejected—black urban youth culture and were skeptical of any talent not recommended by attorneys or managers."[133] Thus when trying to find 'the new trend' that would replace the "disco fiasco,"[134] executives, black and white alike, were bounded to their corporate networks and mentality, searching amongst "established pool of writers and managers" rather than giving a chance to rappers.[135]

Thus, as pointed out by Forman, rap in major record companies "suffered a dual displacement based on its marginality within the labels' already marginal black music divisions."[136] The major labels' lack of enthusiasm was epitomized in the nature of the contracts they granted: a "seven-inch (seven-inch!)" record deal for DJ Hollywood on Epic,[137] and a 12-inch deal for the Fearless Four on Elektra. Since they were falling far behind the companies' priorities, rap records were allocated low promotional support. Blow, for instance, was on Mercury "struggling for attention despite his hits."[138] He realized his first video with his fifth album, though each of them sold an average minimum of 100 000 copies, while the group Whodini, on the independent label Jive, had filmed four videos for two albums.[139] The seven-inch single released on Epic in 1980 by the locally famous DJ Hollywood was never promoted and thus never reached satisfying sales results. Actually none of the episodic records released by the major labels during this period attained the sales of independent discs, which for their part, were aggressively promoted with the "zeal of a major label."[140]

Besides these factors specific to the black music departments, other economic and cultural factors contributed to the unwillingness of the major record companies to produce rap. Since it started as a local underground phenomenon and remained until 1984 limited to the region of New York and to a lesser extent the East Coast, the initial size of the market was too limited considering the vast national distribution networks of the corporate labels.[141] The majors thus let the independents test the market and its possibilities. Furthermore hip hop audiences were thought to be (and at the beginning were) minority youths coming from economically fragile urban areas (since the music originated in the Bronx) and therefore the audience was suspected to have limited purchase power. Forman rightfully remarked that even from a strict business standpoint, this assumption should not have stopped the majors from considering "their influential role as trend-setter among the teen population."[142] Moreover, this assumption would soon become untenable as the interest for the music developed amongst white and/or college-educated entrepreneurs, by middle class teenagers coming from the suburbs, whether black (Run-D.M.C) or white (the Beastie Boys), and by white new wave, punk and rock audiences, would demonstrate.

The future of rap music, whether aesthetic or commercial, was completely unpredictable and the major companies' executives commonly believed the novelty, lacking substantial artistic qualities, would soon disappear.[143] The music was therefore not "an attractive option for development and the investment of time and resource."[144] This assumption questioned throughout the decade in the executives' offices but also in Billboard articles, is still hard to dissociate from the music. When doing research about the music industry in 1996, Keith Negus was told "rap was 'dead,' 'going nowhere,' 'repeating itself.'"[145] Four years later the music was nevertheless found to be the second most popular style in the USA by the Recording Industry Association of America (RIAA).[146] This unpredictability was due to the newness of the music, which coupled with its specificity prevented any comparisons with other music.[147] It was also due to a general misunderstanding of, even disdain for, the music and the cultural and commercial practices attached to it: "I felt like rap was just fun when I first heard it. Somehow, it didn't seem like a skillful and legitimate art form," remembers Benny Medina, VP of A&R Warner Brothers Record.[148]

One can safely assume that it took major record companies' executives a decade, and maybe more to take rap music seriously. "Executives at the major companies have refused to believe in rap or the long-term creativity of its makers" Nelson George complained in 1985.[149] The music, played by teenagers (and not artists) did not require instruments, which at the time was perceived as a sign of superficiality. Furthermore, MCs did not sing but rap. They did not create melodies but borrowed pieces from other records, and this, majors' executives could not understand. It was perceived as "noisy, rowdy and a causer of violence" (though in 1984, the date of the quote, no signs of associated violence had been reported in the media).[150]

Finally the commercial practices associated with the music were another factor of discomfort for the majors' executives, who were accustomed to promoting their records on radio and working closely with the stations' programmers. With varying degrees of intensity rap has been excluded from radio play-lists throughout the 1980s, whether on urban or pop stations. The independent labels producing the music thereby developed alternative means of promotion, mainly word of mouth, in store play, and rap shows (aired on alternative radio or on mainstream shows at night). The networks that the labels consequently developed were completely unknown to the major record labels' staff working through more traditional media. They became, as we will see in the next chapter, one of the independents' most effective competitive advantages, with their knowledge of the music and its culture, an advantage that turned out to be crucial when the majors decided to enter the rap market.

The aversions presented here continued to nourish the major companies' executives' resentment toward the music throughout the 1980s. We will see that at the end of the decade, Billboard suggested that black executives were still separated from rap artists by the generational gap and class schism here observed. The same disdain and incomprehension of the music continued to characterize many black and white executives. However, economic factors such as the size of the market, the prominence of the 12-inch record, the limited purchase power of the audience, factors that contributed to the majors' unwillingness to get involved, had all by 1985 been undermined by the independent labels. The major record companies, unwilling to ignore the successful commercial results that their independent competitors were realizing, thus soon changed their stance towards the production of hip hop music.

Regarding the questions raised in introduction about the extent of the independent labels' flexibility, the role of innovation in their structures, and the nature of their relationships with artists, the attitude of the first hip hop producers (1979-1981) reveals that these questions generate answers that are as diverse as the array of independent producers. Certainly, their smaller size and less formalized structures allow much more flexibility than in the corporations as for instance, they can rapidly reorient their production. The production of small quantities of records sufficiently sustains their organizations, which favors experimentation and the service of limited markets, which is often the case with innovative genres. This flexibility undeniably provides them with more innovative capacities than major record companies could ever wish for. And innovation always works to their advantage. Moreover it is crucial for the independent sector. In rap it allowed a bankrupted label, All Platinum, to restart its activity and dominate the market for a few years. It also allowed the creation of many new labels. Minor innovations are fundamental too: innovative hits, such as "Planet Rock," or innovative styles, Run-D.M.C. 's hardcore rap for example, help the labels differentiate themselves from the start and to install themselves as major producers. Thus innovation is as much the result of cultural openness than of strategic priority and economic necessity. For the first generation of labels that released the music, the innovative trend that was rap represented a commercial opportunity that they exploited until their neglect of rappers and DJs worked to displace them from the market. The fact that it took about five years to discover the underground music and that some of these early producers were reluctant to respect the DJs' innovations further confirms this point.

The quality of the relationships with artists also varied from one company to another. The decline of the first "hip hop empire," Sugar Hill records, reveals how carefully these relationships need to be maintained. As soon as its main artists left, the once dominant label slowly disappeared from the market. In the same way, the disinterest of other producers was fatal to them. Thus, providing the artists with a supportive working environment was fundamental for independent labels. If not for altruist considerations, the promotion of creative environments (for their artists) offered independent labels powerful competitive advantages that they should have prioritized. The second generation of labels understood that better. Equally vulnerable to competition and to the risk of seeing their artists move on to bigger labels, for the most part, they nevertheless remained viable ventures until today.

These newcomers offered artists a dedicated context of production in which the music could develop itself and become an authentic genre, generating sub-styles and reinventing itself. They also supported the growth of the music's audience to new groups of listeners and promoted the geographical expansion of the music's reach. By 1985, the independent labels had demonstrated the national potential of the music but they certainly, at least for ambitious entrepreneurs like Russell Simmons, president of the label Def Jam, needed the means to fully exploit it. For the major record companies, the market had successfully been tested and despite their obvious aversion for this music and its artists it was time to enter this increasingly lucrative market.

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[1] Toop, 2000, 83. After the success of "Rappers' Delight" Paul Winley and Bobby Robinson, who is not related to Sylvia Robinson, eventually recorded their young relatives (98).

[2] B-3. For the descriptions of the subculture in the 1970s, see Toop (1984) and Hager (1984). For the diffusion of the music in New York City, see also Forman (2002).

[3] B-2.

[4] Released on the B-side of a record, which means released not as the primary material of the record but as something accessory, "King Tim III" was rather a New York phenomenon. For this reason, and because it borrowed aesthetic features from radio DJs besides hip hop components, it is less considered than "Rappers' Delight" as the first hip hop record. Besides the group did not pursue its experience in rap music.

[5] Toop, 2000, 79.
[6] Ibid., 80.
[7] Especially since the record had been produced cheaply and quickly as it relied on pre-existing elements. It borrowed musical elements from tracks such as Chic's "Good Times," but copyrights were not strictly respected and paid at the time. For the fact that All Platinum was bankrupted, see George, 1998, 30.
[8] George, 1998, 60.
[9] Ibid., 30-31.
[10] Sylvia Robinson first heard the new music in a club in Harlem where she was meeting her niece, "Sylvia Robinson: Rap Music Queen," Marcia Gillepsie, Ms, October 1983, 32.
[11] B-1.
[12] Simmons and George, 2001, 48.
[13] Forman, 2002, 125. After five years of concert promotion, artist management and musical production, Simmons joined Rick Rubin at Def Jam, one of the most successful hip hop label until this day.
[14] This community included at the Rolling Stone magazine Jon Pareles also writing for The New York Times, and at the Village Voice, Vince Aletti, Barry Michael Cooper and Nelson George, himself a writer at Billboard.
[15] Grandmaster Flash quoted in Toop, 2000, 90.
[16] B-3; B-4; "Buckaroos of the Bugaloo," Barry. M. Cooper, Village Voice, January 21-27 1981, 61;
"Kurtis Blow Raps His Way to the Top," John Morthland, Rolling Stone, March 5 1981, 50.
[17] Toop, 2000. For Enjoy, Winley, Sounds of New York USA and Holiday, see p 16; for Rojac, see p 100; for Reflection, Golden Flamingo and Tec Records, see p 95; and for Star Records, see p 107.
[18] This information is given by Joey Robinson Jr., vice president of promotion at Sugar Hill in "Kurtis Blow Raps His Way to the Top," John Morthland, Rolling Stone, March 5 1981, 50.
[19] Ibid..
[20] Bobby Robinson, owner of the independent label Enjoy, quoted in Toop, 2000, 91.
[21] Ibid.,110.
[22] Ibid., 111.
[23] Forman, 2002, 133. In 1988, Tom Silverman, creator of the independent label Tommy Boy, explained in the publication Crain's New York Business that a label earned between $2 and $2.50 on each album (Linda Moss, 1988). The amount might have been different since concerning a single here, but the information he gives still reveals how lucrative the production of rap records could be: if getting $2 on each copies, Profile earned for "Genius Rap" $300 000 for a record that cost $750! Considering that they signed the following year Run-D.M.C. for $2500, this shows how hits could allow much freedom of action.
[24] Simmons and George, 53.
[25] "Kurtis Blow Raps His Way to the Top," J. Morthland, Rolling Stone, March 5 1981, 50.
[26] "They should tell a funny story" was telling an executive from the major label Epic to Billboard in 1980, before adding that his label would not consider working with another DJ than DJ Hollywood, whom they signed for a unique 7-inch record (B-4). Another executive told the musical publication that rap records needed to "have a sense of humor to maintain an audience interest." One can wonder how these executives would have received "The Message" (Sugar Hill, 1982) and the other records that propelled the socially concerned 'message rap' style as one of the most important trends of the music!
[27] Forman, 2002, 109.
[28] Simmons and George, 2001, 50-51.
[29] We saw that Bobby Robinson and Paul Winley, founders of the Harlem labels Enjoy and Winley, understood the music as a teenage local fad and waited for the success of "Rappers' Delight" to record the new music though they were already aware of the emergent practice.
[30] "Afrika Bambaataa's Hip Hop," Steven Hager, Village Voice, September 21 1982, 73.
[31] Toop, 2000, 99.
[32] "Afrika Bambaataa's Hip Hop," Steven Hager, Village Voice, September 21 1982, 73.
[33] Ibid.
[34] Hager, 1984, 51; see Toop, 2000, 81.
[35] Forman, 2002, 109.
[36] Simmons and George, 2001, 55.
[37] Toop, 2000, 100.
[38] George, 1998, 31.
[39] "Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 43.
[40] George, 1998, 29.
[41] "Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 43.
[42] Toop, 2000, 79.
[43] Ibid., 87.

[44] Forman, 2002, 115. See also "Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 43.
[45] Toop, 2000, 91.
[46] Forman, 2002, 117; George 1988, 191.
[47] George, 1998, 31.
[48] Headed by Bobby Robinson, the label Enjoy had recorded its first rap record late in 1979 with the Funky Four Plus One. It released records by old school performers and pioneers such as the Treacherous 3, the Disco 4, and mainly Grandmaster Flash credited for the invention of scratches by which DJs, accelerating or slowing the pace of a vinyl under the needles of their turntables, were creating 'weird' sounds (scratches) used as principal motives or as rhythmical backgrounds. If today these sounds are familiar and broadly used outside of hip hop, they were, at the time, completely new and unusual and accounted for much of the discomfort the music was sometimes inspiring. Early in 1980 Flash and his crew the Furious Five recorded for Enjoy the critically remarked "Superrappin," but, willing to be better remunerated and to benefit from the same kind of exposure the Sugar Hill Gang was receiving, the DJ and his group went on Sugar Hill. In 1983 Robinson "sold" the Treacherous Three to Sugar Hill (Hager, 1984, 55), and soon saw his son, member of the Disco 4, move on the rap label Profile, (Toop, 2000, 113), while the Fearless Four signed on Elektra, (B-5).
[49] "Wrapping Up Rap," Ken Tucker, Rolling Stone, September 17 1981, 59.
[50] George 1988, 191.
[51] "Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 43.
[52] Ibid.
[53] Toop, 2000, 173; for Afrika Bambaataa, see B-25.
[54] "Record Producer Hopes to Beat Rap, Boost Profile," Linda Moss, Crain' s New York Business, February 15 1988, 5.
[55] "Rap Label Sues MCA," Bruce Haring, Rolling Stone, January 15 1987, 13.
[56] For Select see B-9; For Sleeping Bag see B-14.
[57] Profile was certainly the strongest 'real' independent in the sense that it remained independently owned and distributed until 1998 when Steve Plotnicki, now only owner of the label, sold it to Arista (BMG) (B-50).
[58] "Afrika Bambaataa's Hip Hop," Steven Hager, Village Voice, September 21 1982, 72. See also Toop, 2000, ix. They first released "Jazzy Sensation" also produced by Shep Pettibone and Arthur Baker, (Toop, 2000, 108).
[59] B-6.
[60] These labels opened while Sugar Hill's reputation started to suffer from Sylvia Robinson's troubled relationships with the artists signed on their label. When, around 1982, Russell Simmons, manager of Run-D.M.C. searched for a label where to place the group, he turned to Profile "best independent at the time" which suggests that Sylvia's label was not 'the' rap label anymore (Simmons and George, 2000, 65). Afrika Bambaataa had also heard about the various struggles over insufficient remuneration while he was searching for a label and chose to work with Paul Winley instead, though he was then less famous and competitive (Toop, 2000, 99). When Grandmaster Flash and part of his crew left the label in 1983, fallowed by many musicians, it became almost impossible to attract new rappers in the midst of the new competition.
[61] For Steve Plotnicki and Cory Robbins see "Record Producer Hopes to Beat Rap, Boost Profile," Linda Moss, Crain' s New York Business, February 15 1988, 5. For Tom Silverman see "Rap Goes the Way of Rock and Roll," Edward R. Silverman, Crain's New York Business, May 29 1989, 3.
[62] Simmons and George, 2001, 33, 78.
[63] Bobby Robinson, Sylvia Robinson and Paul Winley all started to work in the music industry in the 1950s (Toop, 2000, 79; 83; 97). All were brought to hip hop by one of their children or close relatives.
[64] "It should also be stressed, however, that the systematic racism that was—and remains—rampant throughout the industry at large undoubtedly played a part in the white-owned labels' ability to gain a foothold in the industry and to secure distribution deals with the major labels" (Forman, 2002, 119). Tom Silverman (Tommy Boy), Steve Plotnicki, Cory Robins (Profile), Aaron Fuchs (Tuff City), Fred Munao (Select) were all white entrepreneurs and their arrival ended the dominance of the African American labels Sugar Hill, Enjoy and Winley. Two years later however, Rick Rubin would create Def Jam in association with Russell Simmons, who, buying the part of Rubin, would transform the label into one of the strongest African American record company, if not the second after Motown.
[65] Forman, 2002, 128.
[66] "High-Tech Hip Hop," Barry Michael Cooper, Village Voice, May 25 1982, 75.
[67] "Rappers Gather for a Concert At Pier 84," Jon Pareles, The New York Times, August 28 1983, 60.
[68] "Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 43.
[69] Corry Robins, president of the rap independent label Profile, quoted in B-35.
[70] "Beats and Rhymes for Our Times," Vince Aletti, Village Voice, July 10 1984, 61.
[71] Toop, 2000, 121.

[72]"Buckaroos of the Bugaloo," Barry Michael Cooper, Village Voice, January 1 1981, 61. The author praises the work of Grandmaster Flash and his crew on their earlier record, "Superappin'" (Enjoy, 1980), for it relates the "vicious life cycle of a street hood." The emergence of the sub genre dubbed 'message rap' had thus been initiated but it only gained prominence with "The Message."
[73] "Sylvia Robinson: Rap Music Queen," Marcia Gillepsie, Ms, October 1983, 32.
[74] Of course the temporal divisions operated here were not that clearly felt in reality. Sugar Hill's prominence did not stop radically in 1983, as the presentation of Sylvia Robinson as "Rap Music Queen" in a feminine magazine and the success of the Treacherous Three, recently brought from Enjoy suggest. See "Sylvia Robinson: Rap Music Queen," Marcia Gillepsie, Ms, October 1983, 32.
[75] Toop, 2000, 153.
[76] B-43.
[77] "Beats and Rhymes for our Times," Vince Aletti, Village Voice, July 10 1984, 61. For their explicit refusal to crossover to white pop audiences see Simmons and George, 2000, 71.
[78] Simmons and George, 2000, 71.
[79] Ibid., 65.
[80] Ibid., 70. An article published in Time early in 1983, signaling the increasing public attention hip hop was receiving, describes how Grandmaster Flash and his crew performed in "work wear, not street clothing": "Grandmaster favors leathers, tip to toe, and has FLASH spelled out in lightening-bolt letters on the back of his jacket. Mr. Ness, of the Furious Five, favors metal studs, while his compatriot, Melle Mel, currently opts for fur," "Chilling Out on Rap Flash," Jay Cocks, Time, March 21 1983, 58.
[81]Toop, 2000, xi.
[82] Simmons and George, 2001, 66.
[83] Ibid.
[84] Pareles makes this remark about the video of "King of Rock" released with the second album. See "Run-D.M.C.," Jon Pareles, Rolling Stone, August 1 1985, 24.
[85] Garofalo, 1997, 363.
[86] "Run-D.M.C.," Jon Pareles, Rolling Stone, August 1 1985, 24.
[87] "The King of Rap," Barry Walters, Village Voice, November 4 1986, 19.
[88] Forman, 2002, 114
[89] Ibid., 117
[90] Simmons and George, 2001, 66.
[91] Forman, 20002, 114.
[92] "Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 118. 42. Interestingly Russell Simmons and Larry Smith had been influenced by "Planet Rock" (Afrika Bambaataa, Tommy Boy, 1982) although when Simmons showed the result to the DJ, this one "looked at (him) like (he) was crazy" (Simmons and George, 2001, 64).

An affiliated label of the British publishing company Zomba, Jive started it operations in the US in 1982, On the initiative of its US director Barry Weiss, Jive immediately produced rap (B-15, R-14). It was the only label independently owned but distributed by a major, with the brief exception of Tuff City. It was the only label to benefit from national distribution and access to big record stores, first through Arista and later RCA, both BMG's labels (R-21). Needless to say it was the only non-American label operating here. The label was not created specifically for hip hop but it soon gained credibility and a strong position in the US market. It kept the image of a rap label long after its pop re-diversification, exemplified by the success of Samantha Fox in 1990, or of Britney Spears the next decade. It is interesting to notice that Weiss often acquired artists already successful on small markets (George, 1998, 73). This strategy evokes the major record companies' practices, though the label was rather working like an independent in its day-to-day operations. It also reveals the higher level of investment the label disposed of, certainly due to the facts that it belonged to a successful publishing company and that it was distributed by a major record company.
[93] "The Real Jam Maters," Crispin Cioe, High Fidelity, June 1984, 78. See also Simmons and George, 2001, 77.
[94] "Consuming the Fat Boys," Robert Christgau, Village Voice, February 12 1985, 67.
[95] For his collaboration on Tommy Boy see "Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 118; with Def Jam see "The King of Rap," Barry Walters, Village Voice, November 4 1986, 19.
[96] Simmons and George, 2001, 206.
[97] "Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 118.
[98] B-7.
[99] "Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 118.
[100] Forman, 2002, 124.
[101] "Breaking Out: America Goes Dancing," Cathleen McGuigan, Newsweek, July 2 1984, 46.
[102] B-8.

[103] Forman, 2002, 137.
[104] George, 1998, 130.
[105] Forman, 2002, 115.
[106] Simmons and George, 2001, 69.
[107] George, 1988, 193.
[108] Following tours, such as Raising Hell in 1986, Dope Jam in 1987 and Together Forever in 1988, all featuring acts evolving around Rush Management, also played a major role in "open[ing] the eyes of the country to hip hop on a national basis," (Simmons and George, 2001, 85). However, tours would be increasingly hard to organize toward the end of the decade notably when violent events came to characterize some of these concerts and scared promoters and insurers.
[109] Rap entrepreneurs continually complained throughout the decade about the lack of support from radio: in 1984, Aaron Fuchs, president of the label Tuff City, was complaining in Billboard about the difficulty to expose his records through black and pop radio (B-7). "We already have this bad image with black program directors about the country" was telling Russell Simmons to Nelson George one year later, ("Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 118).
[110] During the Fresh Fest tour they gathered crowds of 15 000 to 20 000 fans in cities such as Chicago, (and this despite the lack of radio airplay in this city), Philadelphia and Detroit, ("Street Smart Rapping is Innovative Art Form," Robert Palmer, The New York Times, February 4 1985, 13). In the same article we learn from Rush Productions' Bill Adler that if "the audience is still predominantly black teenagers," the tour had also been successful in "Midwestern cities where there isn't a large black population," helping to build a "strong cross-racial audience."
[111] Forman, 2002, 136.
[112] "Consuming The Fat Boys," Robert Christgau, Village Voice, February 12 1985, 67. The Disco 3 had started in the industry thanks to a contest through which they won a recording contract on Sutra Records. The anticrime rap with which they won did not have a big impact and they met success with a totally different concept. When their single "Fat Boys" worked nationally, they changed their name for their record's title.
[113] First reported in 1980 in the New York Post, when the High Times Crew got arrested by the police for break dancing in the subway ("A Working Hip Hop Chronology," Russell A. Potter, www.seditionists.org/HFh/hiphop), the hip-hop dance became extremely popular outside of New York, thanks to expansion of hip hop listeners and also to the sudden interest it raised in mainstream media. Ironically the fad was ending in New York when the media became interested in it (Hager, 1984, 87). The dual and ambiguous relation observed between mainstream culture and youth subcultures nonetheless began to operate. On one hand break dancing was banned from public spaces, and on the other it became an object of fascination and mainly of profits. Hebdige (1979), describing this paradoxical relationship when dealing with the British "spectacular" Punk subculture, acknowledged how the introduction of youth cultures in the mainstream can be accompanied by "a wave of hysteria in the press" which "fluctuates between the dread and the fascination" (94). This exposure in the media allows the society to understand the subcultures and thus reduce the threat they initially represented.

In 1984, you could read that for some San Bernardino's councils, who banned break dancing in the city malls for it "interfered with business," ("C'Mon Gimme A Break," Newsweek, May 14 1984, 28), it was bringing kids to the consumption of alcohol and marijuana ("Banning Break Dancing: Another Farenheit 451?" Kevin Grubb, Dance Magazine, June 1984, 4). The terms of public nuisance or social malady had also been used twelve years earlier when Subway Graffiti, the third art developed in hip-hop besides music and dance, became "epidemic," as a Metropolitan transit official described it, ("Subway Graffiti Here Called Epidemic," F. J. Prial, The New York Times, February 11 1972, 39). The same article quotes a psychiatrist who believed "graffiti (were) an attempt by insignificant people to impose their identity on others." The battle launched against graffiti by the mayor Koch and the transit authorities lasted for years but the discourse against the practice, reproduced in The New York Times, was particularly vehement this year (1972): "The mayor said it was 'the Lindsay (at the head of the anti Graffiti plan) theory' that the rash of Graffiti madness was 'related to mental health problems'" ("Ronan Backs Lindsay Anti Graffiti Plan, Including Cleaning Up Duty," E. Ranzal, The New York Times, August 29 1972, 66).
[114] "Breaking Through to Big Profits," Stephen Koepp, Time, October 1 1984, 61.
[115] "Breaking Away 80's Style," Peter J. Rosenwald, Dance Magazine, April 1984.
[116] Hager, 1984, 103.
[117] Toop, 2000, 158.
[118] B-10.
[119] "Run-D.M.C.," Jon Pareles, Rolling Stone, August 1 1985, 24.
[120] B-24, R-4.
[121] For Kurtis Blow and DJ Hollywood, see "Rappin with Russell," Nelson George, Village Voice, April 30 1985, 43; for the Fearless Four, see B-5, and for the Boogie Boys, see B-10.

[122] "Rappin with Russell," Nelson George, Village Voice, April 30 1985, 43.
[123] Forman, 2002, 131.
[124] Negus, 1999, 87.
[125] See "Star Attacks 'Racist' Music Industry" at www.bbcnews.com; "Jacko: I'm Hated Because I Outsold Elvis," www.NYPost.com. Many industry insiders defended the chief executive, Tommy Mottola, Jackson had personally attacked. If the accusation was abusive, Jackson's comments nevertheless inspired Rev Sharpton, organizing the civil rights meeting, and others in the music industry to consider the matter more frankly and publicly.
[126] Negus, 1999, 88.
[127] Larry Depte, president of the label Philadelphia International Records, quoted in "Music Execs See Flaws, Strengths in Marketing System; Charts, Top 40 Radio Are Rapped," Fred Murphy, Variety, March 19 1980, 137.
[128] Ibid., 133. A platinum record corresponded to 1000 000 copies.
[129] Forman, 2002, 130.
[130] "Music Execs See Flaws, Strengths in Marketing System; Charts, Top 40 Radio Are Rapped," Fred Murphy, Variety, March 19 1980, 140.
[131] Ibid.
[132] Ibid.
[133] Ibid.
[134] "Music Execs See Flaws, Strengths in Marketing System; Charts, Top 40 Radio Are Rapped," Fred Murphy, Variety, March 19 1980, 133.
[135] George, 1988, 189. The rapper Kurtis Blow, the only rapper on a major, though significantly not signed by the black department but by an English a&r executive, had been, as we saw, produced by two journalists from Billboard who acted as useful intermediaries (George, 1998, 59). The fact that the rapper was coming from a middle class background, and had attended college (where he met Russell Simmons) certainly helped. The Billboard journalists Rocky Ford and J.B. Moore "had decided to work with Kurtis (Blow) because compared to Grandmaster Flash, Starski, and the other original rappers he was the most clean-cut and articulate," ("Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 43).
[136] Forman, 2002, 115.
[137]This exclamation point formulated by George reveals how exceptional the production of a unique 7-inch record, smallest format of all, is for a major record company, ("Rappin' with Russell," Nelson George, Village Voice, April 30 1985, p 43).
[138] Simmons and George, 2001, 65.
[139] "Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 43.
[140] Ibid.
[141] Interestingly as remarked by Forman this difficulty to find rap records helped the creation of sub-genres on the West Coast (2002, 116).
[142] Forman, 2002, 131.
[143] Aaron Fuchs and Russell Simmons, directors of the rap labels Tuff City and Def Jam, were still told in 1984 that the audience would soon be tired of rap music (B-6; B7). Nelson George also remembers that, when doing interviews for Billboard in the first half of the decade, "the closer [the majors' executives] drew to the top the stronger their attitude of 'how long will it last?'" (1998, 59).
[144] Forman, 2002, 129.
[145] Negus, 1999, 26.
[146] Against the fifth in 1988. See www.riaa.com under the rubric market data: US consumer trends, or go directly to the following address: www.riaa.com/PDF/2000_consumer_profile3.pdf
[147] Forman, 2002, 130.
[148] B-36, R-4.
[149] "Rappin with Russell," Nelson George, Village Voice, April 30 1985, 43.
[150] B-6. Besides, Hip hop's main medium was the 12-inch record, and in the 1980s corporate executives had for strategy to carefully construct albums with enough singles to make the album last and recoup initial investments.

Chapter III: The major record companies distribute rap records (1985-1990)

Now that the market had successfully been tested, major record companies could enter it. In 1985, CBS signed a distribution deal with the rap label Def Jam. A few months later, Warner Bros. acquired 50% of the label Tommy Boy as well as part of its distribution rights. These developments were crucial in shaping hip hop's industry profile and prefigured the contemporary organization of rap's production. The positive commercial results and the music's potential to circulate broadly, both geographically and socially, inspired other major companies to do the same -- that is to participate indirectly in the production of the music through the distribution of rap records. The associations between major and independent record companies were thus based on a division of labor between production and distribution, a division that theoretically favored each organization since they could benefit from each other's competitive strength. The majors' aggressive distribution capacities, coupled with the particular street knowledge their independent associates had developed over the previous five years, propelled the transformation of the rap market into a national industry. The major record companies thus prioritized this approach until the end of the decade rather than involving themselves more directly in the rap market by signing artists to their labels. For the (previously) independent labels, the outcome of this division of labor was ambiguous. It allowed them to keep their artistic resources and to attain excellent commercial results. It also meant, however, that they had to work in an increasingly competitive environment in which business standards increased. Moreover, these associations often implied a loss of flexibility and freedom of action. At the very least, they were allowed to stay competitive on this market, as the major record companies did not activate the traditional mechanisms of cooptation that exclude independent producers from the innovative markets they had created. In light of the majors' usual methods, one wonders why they did not enter this market directly once they had learned the strategies specific to hip hop: Why did they not increase their involvement in this successful market? The major record companies' limited involvement in hip hop through distribution is, firstly, the result of their adoption of a different organizational strategy in the 1980s. But this strategy, which was explored in the first chapter, only partially explains why the division of labor between majors and independents has remained central to the production of rap. Another factor is the obvious discomfort of the major record companies' executives dating back to the music's first productions. This discomfort contributed to the establishment of a distance between major labels and hip hop producers, a distance that I consider in the last part of this chapter.

I. Distribution deals (1985-1988)

Two deals established in 1985 between the independent labels Tommy Boy and Def Jam and, respectively, Columbia (CBS) and Warner Bros., oriented the organization of hip hop production toward the following division of labor: independent labels handled the musical production and what came to be called 'street marketing' while the major record companies took care of the distribution and promotion of their records on a national scale. Soon the success of these associations inspired other major record companies to enter the rap market indirectly through distribution. This division of labor became the most common context for the production of the music. By 1988, all of the influential independent labels mentioned in the previous chapter had been contacted by the corporate labels and several had already signed deals with them. These deals tended to take three forms, which I examine here, before turning to the specific characteristics of the pioneering deals. An active campaign of approaches by the major record companies followed and rap records massively entered the chain record stores serviced by the major record companies.

A) Hybrid organizations[1]

Carmen Ashhurst-Watson, President of the label Def Jam in the early 1990s, explains the different relationships established between major record companies and independent labels as falling into three categories: the distribution deal, the production and distribution deal, and the joint venture deal (also referred to as a label deal).[2]

First are the distribution deals, whereby the independent label undertakes the (musical) production costs and submits a 'master tape' realized in the studio to the major company, which then manufactures and distributes the records. The second possible arrangement is the production and distribution deal, exemplified by the one concluded between CBS and Def Jam in 1985. Here, contrary to the previous deal, the independent receives for the artist and the production of his/her record an advance on the revenue the major estimates it will draw from distribution. The corporate label, who takes here a further risk than in the previous arrangement, is more involved in the production, participating in decisions concerning the engineers and the studios, for example.

Finally both organizations can sign joint venture deals, like one between Tommy Boy and Warner Bros., in which both own 50% of the previously independent label and share costs and benefits. In most cases, manufacturing and distribution responsibilities are assumed by the major company, though with Tommy Boy part of the distribution was left to independent distributors who were particularly efficient in certain markets. Here the major company also shares the risks and often assumes extra costs. As Ashhurst-Watson indicates, "a distribution deal is as the most uneven power relationship, and a joint venture is much closer to partnership."[3] Because of the major companies' minimal involvement in production and distribution deals, Def Jam later renegotiated with Columbia to obtain a label deal.[4]

What brought Tommy Boy's Tom Silverman and Def Jam's Russell Simmons and Rick Rubin to team with major record companies? For the first entrepreneur, the arrangement offered the possibility to overcome his financial difficulties. In the case of Def Jam's co-owners, it seems that ambition for their artists motivated their decision. Finally if independent distributors had great advantages over major distribution regarding local marketing and prices, they could not reach each part of the country equally and major label distributors had this greater market reach.

1/ Def Jam

The first deal was realized in 1985 between Def Jam and CBS, part of the American Columbia Broadcasting Systems Inc., the label with the biggest world market share at the time.[5] This contract, Russell Simmons recalls "began the next chapter in Def Jam history," the label's "first golden era" that lasted until 1990.[6] Russell Simmons and Rick Rubin, co-owners of the label, were key hip hop actors thanks to their production of Run-D.M.C.'s records and to the impressive roster of rap artists Simmons' Rush agency was managing. As a manager, Simmons had tried many times to work with the major labels and his decision to join Rick Rubin in Def Jam was partly the result of their refusal.

The CBS-Def Jam association was ruled by a production deal: the label was to release a minimum number of albums per year that were in turn promoted and distributed by CBS.[7] Some acts from Rush were also included in the arrangement. The production skills of Simmons and Rubin and the marketing knowledge Simmons had acquired managing and promoting rap artists, coupled with the promotion and distribution muscle of CBS, transformed the small entity into one of rap's strongest and most influential labels. The results were impressive. After one year of collaboration, the Beastie Boys, three upper middle-class white teenagers, saw their album "License To Ill" become the first rap album to top the pop charts in March 1987. One month later they had sold three million copies, a level unprecedented in rap, and the band sold another one million copies in the six months following. Their success, facilitated by the possible identification of many white teenagers with the performers, was fundamental to the expansion of the music's audience, a process initiated notably by Run-D.M.C. and their rock-influenced rap. The same year, LL Cool J's second album "Bigger And Deffer" stayed eleven weeks at the number one position on the r&b charts in 1987. His single "I Need Love" was also the first rap record of this format to top the r&b charts.[8]

"Without the power of CBS's distribution and marketing clout, LL. Cool J, the Beastie Boys and Public Enemy would never have gotten as big as they did," wrote Russell Simmons.[9] The sale of millions of records propelled by CBS' national distribution, its access to suburban chain stores, and its promotional means made of Def Jam a prominent force in the production of hip hop. Def Jam's acts, also including the famous Slick Rick and Public Enemy, were critically recognized. They had distinctive styles that kept them visible within the increasingly competitive environment of the late 1980s. Their success is thus not attributed solely to the deal, though without it they would had never attained such excellent commercial results.

2/ Tommy Boy

The second deal instituted a different type of relationship. First it was a label deal, or joint venture deal, where Tom Silverman, Tommy Boy's creator, sold 50% of his label to Warner Bros. Second, Tommy Boy's distribution was divided between independent distributors and WEA, Warner Bros.' distribution center.[10] WEA also distributed the records of its sister companies, Atlantic and Elektra, and those of many affiliated and independent labels, which conferred it much power of negotiation with retailers, radio programmers and other key actors. WEA was licensed certain albums, especially those with crossover potential, and 7-inch format singles. Under the deal the other albums and the 12-inch singles were distributed independently, which is quite surprising considering the majors' tendency to increase their volumes of distributed records, (as they are secure sources of revenue). The deal also included the possibility for Warner Brothers to buy the second half of the label for a minimum of $500 000.[11]

Tommy Boy immediately found itself in litigation with some of its independent distributors, which had already started to promote the records to be distributed by WEA. Some were disappointed by this move that echoed the turn to corporate distribution of Motown, one of the last independents (until 1988) competing on the majors' level. Actually the small label was not trying to reduce its relationship with the independent sector. The label even returned completely to it, while tightening its relationship with the major company Warner Bros.[12] Tommy Boy's executives tried to convince their independent distributors that many albums, four in 1985, were still destined to be channeled through their companies. They were expecting WEA's sales to increase the demand for twelve-inch singles and for the label's records in general, especially if brought by the corporate distributor to radio. This did not prevent the legal conflict, which 'froze the deal.' Only the Force Md's and their single "Tender Love" were to benefit from it. Here too the results were remarkable. "The controversial distribution deal has made the Force Md's into one of 1986 biggest black hits and potentially a major crossover item," stated Billboard, four months after its announcement of the deal.[13] According to Monica Lynch, president of Tommy Boy, much of this success was to be attributed to Warner's capacity to get the record into the pop and r&b charts, a result of their privileged relationships with radio, for example.

Tom Silverman considered the deal "critical to the label's long term's health."[14] It provided the label with a "buffer against slow periods." Since Planet Rock, Tommy Boy, although still present in the hip hop scene, was in fact in a difficult economic situation. Without immediate resources, an independent is limited in terms of artists' remuneration, studio and technological access, and promotional campaigns. This also means reduced opportunities to attract new artists, engineers, and executives. An independent is better suited than a major to achieve modest sales since it has fewer costs to recover. But this flexibility has its limits. If hits remain the most lucrative though unpredictable source of income, the best way to have stable and sufficient sales is to have established performers who already have a solid fan base. Here too, the label needs to be attractive enough to keep its artists as bigger labels might try to sign them. For all these reasons Tommy Boy opted for Warner Brothers' financial support, distribution and promotion strength. Since it was now co-owned by Warner Bros., the major was sharing the risks and was thus more concerned with the label's health and operations than it would have been under solely a distribution agreement. However, artistic control remained, as in all the deals established between majors and independents whatever their nature, in the hands of the independent labels which, in theory, remained completely autonomous. The label went through its troubled period and quickly re-gained a strong position, especially at the end of the decade, when it promoted its "new school" with acts such as De La Soul.

These two deals completely transformed the configuration of hip hop producers. The parameters around which they came to be settled greatly influenced other record companies in the establishment of their own associations. Two possibilities had been opened to them. In the case of Def Jam's production-distribution deal, the label was to remain independently owned but was entirely distributed by CBS. This association allowed the major record company to minimize its investment, since it only advanced to the rap label an amount in anticipation of what the record might generate. Tommy Boy and Warner Bros. opted for a joint venture deal, splitting the label's property between them. Here the major shared 50% of the risks and investments. Part of the rap label's records was still distributed through independent distributors, who remained very efficient in rap. Thus many of the associations realized for the production of rap also included the possibility to work with the independent distribution sector.

3/ The "feeding frenzy" [15]

The success of these associations changed the industry's perception of rap music. If the majors were not convinced artistically, they understood its commercial value. Another collaboration between Jive and RCA revealed the efficacy of independent-major 'cooperation.' Jive had been distributed by a major for a few years now, but its situation was different from that of Def Jam and Tommy Boy, first because it was not producing only rap, though having a strong presence and image as a rap label and second because it belonged to a British publishing company from which it benefited not only financially but also in access to technical resources, such as studios, musicians and engineers. The label also reached platinum sales with, among others, its act Whodini and released many different and influent rappers, from the underground KRS- One to the pop oriented DJ Jazzy Jeff and the Fresh Prince.[16]

Between 1986 and 1988 virtually all the independent labels noted in Billboard were approached to establish one of the deals considered above, and every major company tried to gain entrance, whether directly or through one of their labels. For the independent labels Next Plateau and Sleeping Bag, the phone calls started around 1986, but the two remained independent. Will Socolov, founder of the latter, believed the amounts proposed were not sufficient. Not willing to "educate the majors by doing deal with them," his ability to sell 450 000 copies of a record without airplay was sufficient for his organization.[17] Corry Robbins too, as the head of Profile, found the offers not generous enough.[18] The major record companies particularly requested him because he was running the only independent label achieving, without the support of a major company, platinum sales. The two first albums of Profile's main act, Run-D.M.C., "Run-D.M.C." (1984) and "King Of Rock" (1985), went gold the year of their release. Their third one, "Raising Hell" (1986), featuring the legendary "Walk This Way" with Aerosmith was certified gold and platinum simultaneously, the first rap album to attain this status. It was also the first rap album to reach the pop top 10 and the number one position on the r&b charts. Three months after its first certification, the group sold in September an additional million copies.[19] This success would be beaten seven months later by the Beastie Boys, freshly benefiting form the Def Jam-CBS deal. Clearly rap was experiencing explosive developments that nobody in the industry wanted to miss.

Tyrone Williams, President of the label Cold Chillin,' decided to work with a major.[20] He had founded the label with the DJs Marley Marl and Mr Magic who in 1980 presented the first rap show (sponsored by the label Sugar Hill record). They released a few records on Pop Art before pairing in 1986 with Larry Fichteldberg, owner of the label Prism records, and signed a distribution deal with Warner Bros. in 1987. The deal resembled the one established with Tommy Boy in the sense that Cold Chillin' continued to distribute its singles independently through Prism. First Priority, a label created by Nat Robinson because he didn't want to "see his sons get ripped off" (his sons being the group Audio 2), also licensed its distribution to a major, Atlantic, with the option to release singles through independent networks. Delicious Vinyl, founded by two LA DJs late in 1987, licensed its distribution to Island through its independently distributed subsidiary 4th and B Way.[21]

The fact that so many entrepreneurs decided to work with a major reveals that in rap, contrary to what happens in rock, commerce and creativity are not in conflict. Rap has always represented for rappers (and entrepreneurs) an economic opportunity. This does not mean that the commercial success (or its research) dilutes the authenticity and creativity of the music. The millions of records sold by the late rapper 2Pac or by the rapper/producer Dr Dre, for instance, have never been considered as a 'selling out' of the artist. Actually, as remarked by Russell Simmons, it is the opposite. Authentic music, "honesty and integrity" provide the best occasion to meet success (besides some obvious commercial attempts to target pop audiences).[22] Thus it is with no conflict in mind that rap producers associated their operations with the mass capacities of the major companies and agreed to share with them the production process of their music.

B) An efficient division of labor[23]

The associations established between independent labels and major record companies operated under a clear division of labor. The independent took care of the A&R (artist and repertoire) work, that is to find and sign artists; the creative work (recording the music, finding producers); the marketing part (finding the niche in which a rapper belongs and how to target his audience), and artist development (finding what image and credo suits the artist the best, developing long term projects). The division occurred (and still does) at the level of promotion and distribution: the independent first promoted the records to who ever was influential in rap music and close to hip hop's core fans. The major, besides its classic work in getting the appropriate number of records and assuring them good visibility in stores, took the lead when positive debuts announced they had commercial potential, or when they had crossover appeal. Rapidly, the major record companies learned about the direct marketing approaches developed by the independent labels. These strategies were mainly directed to the 'street,' or places in which hip hop young fans were spending time in their cities. In rap, "the idea [was] to reach the consumer much more than the [radio] programmer" rightfully remarked EMI's executive Varnell Johnson.[24] Among theses places were the local individual record store. Since independent distributors were servicing these retailers, they remained highly appreciated in rap.

1/ 'Street' marketing and promotion

Support for rap on pop and black radio was almost non-existent.[25] The 'official' reason was that rap did not fit the demographics imposed by the advertisers. The music was primarily a teenage music, at least in the 1980s, and this population with its limited purchasing power did not interest them. Shows could be programmed at specific (late) hours, but rap records were not played beside other music during the day unless they had crossover potential for pop radio or an r&b flavor for the urban format. Rap entrepreneurs and their artists, excluded from the traditional networks of promotion, thus developed alternative strategies to be visible and known by hip-hop fans.

'Grass-roots' or 'street' oriented strategies for the positioning and promotion of rap music were a continuation of what hip hop party promoters were doing in the 1970s in New York.

When Russell Simmons organized a show featuring Grandmaster Flash and Kurtis Blow in 1977, he distributed 15 000 flyers and put 2000 stickers in the subway (and 2000 "kids" came).[26] The promotional and marketing approaches would, by and large, remain the same, that is, oriented toward 'the street.' The labels had to identify strategic locations where the "kids" hung out: neighborhoods' record stores, schools, colleges, clubs, street corners, community centers, basketball terrains, and clothing stores. In these spheres artists were introduced and their records submitted. Labels had thus to be visible there and interact with the actors in these places. Further investment by a label was often dependent on this first appreciation. Once their records introduced, they let the news spread through word of mouth, the primary promotional device in hip hop, trying to generate a 'street buzz' by, for example, distributing promotional items before a record was out. They had to cultivate relationships with club DJs, specialized record stores' owners and staff, any actor having an influence on hip-hop fans' choices. Once the record's 'street reaction' was tested through the feedbacks from alternative or college radios, frequent supporters of rap, and from clubs and retail stores to which tapes had been sent, the labels could reorient their resources towards less responsive neighborhoods or cities with concerts, appearances in stores and on radio shows, additional posters, stickers and so on. Often the labels kept contact with independent promoters or sent a person to other cities to hang out in these networks and gather information about them.

Before any attempt was made to introduce a record in another market, to 'crossover' a record, it had to gain acceptance on the street, that is in all the locations mentioned above and in the community of 'hardcore' hip hop fans evolving in these dedicated networks. Timing was extremely important in marketing rap music as the different markets or networks were to be approached at very precise moments. "If you miss a beat in building your base with the jocks and the mom and pop stores and video shows, you could lose your project" remarked Sylvia Rhone, head of the rap division of the major Atlantic.[27]

One of the strategic locations to reach hip-hop fans was the individual record store. Specialized or small stores were favorite places in urban neighborhoods to listen to new records, or check out party flyers. In-store play was an excellent promotional tool and the vendor was also an essential actor. Labels needed to make sure he situated them positively amongst their competitors. Here, the role of the intermediary, the distributor was crucial. Majors' distribution was perfectly organized for national pop successes because it had the finances and structures to provide records quickly to stores nationwide. Since they opened accounts only in stores with the capacity to make substantial orders, they worked mainly with chains. The privileged interlocutors of the smaller local retailers were thus naturally the independent distributors. These retailers were as important as chain stores, for if a record had the potential to go national or even regional, it first needed an encouraging response from 'the street.' Hence independent distributors remained competitive and many independent labels continued to work with them either completely or partly. For instance many distributed their 12-inch records through independent networks, for they were the DJs' favorite format (and DJs were key actors in the diffusion and promotion of a new record) and licensed their LPs to a major.

2/ Independent distribution

Independent distribution still represented active competition to the majors' branches because in the geographical areas they covered they provided helpful information on local marketing. Being independently distributed often meant being unequally distributed around the country since a label worked with many companies.[28] However, their privileged relationships with small retailers maintained them as a serious alternative to the majors' offers, since these stores were so important in the release schedule of a rap record. They did not represent the same support or promotional budgets as the majors' but they were more flexible and cheaper. Being distributed by a major implied the payment of a regular fee for distribution and related services. These charges could be heavy, especially if the records were not successful, considering the size of the territory covered and the minimum amount of records shipped to every stores. Independent distributors could deliver a few copies at a time and move the stock according to demand. They knew local entrepreneurs and which kind of records corresponded to their stores. They were also less vulnerable to censorship issues (and took the lead when majors dropped some acts). Since labels were dealing with many distributors each of them carried less weight and the refusal of one to distribute a record was better manageable than the refusal of a major.

All these factors explain why Tuff City and Select remained independently distributed, why Tommy Boy returned to these networks in the early 1990s, and why Robbins and Plotnicki, founders of Profile, created Landmark, their distribution company, in 1985.[29] Landmark became the first independent distributor in the country, working with sixty labels on the west coast.[30] A strong distribution helped the label's ascension and contributed to Run-D.M.C's sales progression. Distributing so many labels, Landmark had real negotiating power with retailers that must have helped Profile gain access to chain stores. Obviously controlling this function was crucial in attaining the same sales' levels as those attained by labels backed by majors. Efficient at that point of the production chain and supported by the systematic sales enhanced by Run-D.M.C., Profile was less in need of the financial support or national distribution that the corporations represented.[31]

The majors would find themselves incapable of developing such relations at the "grass-roots" level when trying to apply the hip hop independents' strategies. Letting their smaller associates and affiliates work with independent distributors was the first remedy. The second would be to buy these networks. An important move was made in 1990 by CBS, which now owned 50% of Def Jam, when it bought a 50% interest in Important Records Distributors, and its Relativity, Combat and In Effect labels.[32] The entrance of the majors in the independent distribution networks was dangerous because the independent record labels had less space for their records in the independent retail outlets that traditionally serviced them.

3/ Major distribution

Major distribution offered rap labels a national coverage far more homogeneous and aggressive than what a web of local distributors could provide. To this function was attached the promotion of all the distributed records to retailers and also to and through the different media that could influence these sales. It was a different approach than the more "direct to the consumers" strategies of the independents. Here a more general audience was reached across traditional radio, press and TV campaigns. Increasingly with hip hop they got closer to the 'street strategies' but their real efficiency lay in their capacity to work through different geographical markets and provide strong promotional support. Beside elaborate marketing research techniques, the distribution branches had contacts not only with big stores but also with radio programmers and concert promoters. The difficulties in breaking an act through radio, and increasingly, as will be seen through touring, established video as rap's primary means of exposure. Promotional budgets consequently increased and corporate support was welcomed financially and also in terms of contacts with directors, engineers, and music televisions' programmers. Talking about the "boost" he had received from WEA's distribution muscle, Fichtelberg, owner of the rap label Cold Chillin', told Billboard that "the real payoff has been the ability to fund videos for each new release."[33]

A crucial advantage of corporate distribution lay in the major companies' ability to crossover a record, to introduce a record on a market not initially targeted. Here the transition was done mainly from r&b charts to pop charts. The major labels, breaking all their new records through the different radio formats, had regular relationships with the stations. They could convince them to play rap records, especially the more 'melodic,' funny or at least not too aggressive singles. The label Jive, for instance, did not "suffer from lack of radio airtime because of its affiliation with BMG/RCA" according its executive Neil Portnow.[34] The act could also, thanks to the major companies' contacts and budgets, be introduced on TV and radio shows, or in record stores targeting a general, mass audience. Identically records could be introduced in clubs not specializing in hip hop and appear on dance charts, for example.

Shut out from the traditional means of exposure, independent hip hop labels thus developed alternative practices to market and promote their records. Organized around the 'street' and the particular locations associated with it, these strategies persist even today, as suggested by the numerous street teams still working with rap labels. Street marketing, or the localization and target of urban youth's favorite places to hang out, constituted an important competitive advantage for rap labels and partly explain why the major companies first indirectly approached rap through distribution. Each network, corporate or independent, had its advantages and drawbacks. Deciding to work with one or the other depended on the label's sales goals. The decision was a matter of balance between moderate sales through specialized networks or greater commercial success, with, as we will see, the risk to lose partial autonomy. When possible, the labels worked with both webs. Independent distributors introduced the records to hip hop's core fans in individual stores. Then, the majors' branches could bring them into chain stores, promote them through more standards channels of exposure, and significantly increase their sales. Soon rap labels had also to consider, when deciding to work with a major or not, the increasing presence of the corporate distributors behind their competitors. This transformed the nature of the competition, as these labels spent more funds to acquire and keep their artists, record their discs, promote and distribute them. Rapidly, the market became extremely competitive.

II. Competition (1988-1990)

With the exception of Capitol, all the international major record companies in 1988 distributed and promoted, either directly or through one of their labels, rap records. A few opened specialty divisions or signed artists directly. Others distributed particular records or artists rather than an entire label roster. Because the division of labor was particularly successful, most of the major record companies' participation consisted of distributing otherwise independent records and they continued to associate themselves with new rap labels rather than increase their direct involvement. One of the reasons they limited themselves to distribution rather than sign rappers was that they first needed to learn the street strategies particular to hip hop. The associations and the division of labor upon which they were based enhanced already excellent commercial results and, although not automatically the case, many rap records achieved multi-platinum status. But these excellent results also had negative corollaries as the labels raised their business standards. The increasing number of new releases and artists presented to rap's audience also resulted in less visibility for each labels' acts as the market became saturated. At the same time rap music and its producers experienced numerous signs of recognition in the media industries, signs that the music was now an integral part of American popular culture.

By 1988, Atlantic, Epic, RCA (BMG) MCA (through UNI) and Polygram, had, like Warner Brothers and CBS (now Sony), established distribution deals. Despite the "still-tentative involvement" of a few major companies, many rapidly increased their presence. "They are heeere! Suddenly the pie is getting smaller for indie rap labels linchpins like Sleeping Bag and Tommy Boy and Profile and Next Plateau and Luke Skywalker and Select and Tuff City" announced Billboard in December 1989.[35]

The major companies did not all involve themselves in rap with equal strength: Atlantic, for example, initially operated in rap through the distribution of the independent label First Priority. In 1989, Atlantic opened a specialty division, Atlantic Street, under the direction of Sylvia Rhone, senior VP and GM at Atlantic (and, significantly, not an executive coming from the hip hop community). The division was aimed at coordinating the marketing and promotion of the (few) artists signed on Atlantic as well as of those signed on Atlantic's distributed labels.[36] Elektra, Atlantic's sister company, also opened a specialty division called Elektra Entertainment in Effect in 1990. These efforts were supplemented by promotional work done by their distribution branch, WEA, which, in 1989, orchestrated a promotional campaign, "Readin', Writin', And Rappin'" including all the artists from Warner Bros, Atlantic, Elektra and their distributed labels.

EMI and A&M were slower to approach rap but eventually signed a few artists. They were soon followed by Mercury, Polygram, and Capitol. These three major labels presented themselves in Billboard as new in this area but had already worked with Kurtis Blow in the case of Mercury and Polygram, and the Boogie Boys in the case of Capitol. The fact that despite these signings, the labels' executives found themselves inexperienced in rap is indicative of how slight their previous involvement was.

The production of rap remained primarily organized around the production/distribution division of labor:

> In surveying the majors it's apparent few companies have actually added any rap acts to their own rosters: the general policy continues to focus on utilizing the creative resources of distributed labels and acquiring that's already enjoy street success.[37]

While still signing new deals with independent labels, much of the major companies' involvement focused on the national distribution and promotion of their associated labels' records. Thus, by 1990, Warner had distribution and/or ownership agreements with Tommy Boy, Cold Chillin', Paisley Park, Grand Jury Record, Sire, and Qwest; CBS with Def Jam and Rhymes Syndicate Syndicate; MCA with Soul, Uptown, JDK and Strong City; and RCA with Jive, LMR, and Bahia.[38]

Distributing a record already selling in a small market and expanding its sales, without signing the artist, was a short-term operation that the major record companies could participate in with their independent competitors. Atco for example, chose to distribute a single from JJ fad, "Supersonic," which had already sold 200 000 copies in nine months on the independent rap label Ruthless. The single sold 300 000 additional copies with distribution by Atco. Some contracts could only include a record or an artist rather than the entire production of a label. This allowed more flexibility to the major companies that could enter and leave the market as they pleased. This strategy also entailed that some independent labels worked with many distributors for different artists. On Ruthless, for instance, the rapper Easy E and the group NWA, to which he belonged, were both distributed by the independent label First Priority; the rapper the DOC, also member of NWA, was distributed by Atlantic; and the groups Above The Law and Devastating

Twins by Epic. The artists signed on Compton, Ruthless' subsidiary label, were for the most part distributed by MCA.

The very few artists that the majors signed directly had already realized successful sales on independent labels. For example, Atlantic "picked up" L'Trimm from the label Timex records.[39] Capitol signed the Beastie Boys, who had achieved multi-platinum sales on the label Def Jam, and the critically less appreciated MC Hammer, who had sold already 70 000 copies of his album on an independent label. Why not sign new artists? An immediate reason was that the majors' staffs lacked the expertise necessary to discover a new act and assess her/his potential.

All the major record companies first went through a learning process during which they observed their independent associates handle the commercial and promotional techniques specific to hip hop. Interviewed in December 1988 and October 1989, one of Atlantic's executives, Merlin Bobb, interestingly gives these positions about the situation of his company in regard to rap music:

> We've been learning a lot from our work with First Priority since rap relies on almost an underground very street oriented approaches to sell product. We've definitely learned the importance of getting records out on the street with speed.[40]
>
> We use to feel a lot of competition from the indies because they had the finger on the street pulse. But now we have a track record with some artists and [...] we understand the system better.[41]

The learning process was rather quick. In December 1988 the executives interviewed in Billboard from Atlantic, CBS, Elektra, and MCA, were talking about "direct-to-the-street marketing approach," "street-word-of-mouth," "street oriented strategies," "street buzz," and "street fighters," though they still worked mainly through their distributed labels.[42] The major labels were not yet able to manage the first steps of the musical production alone, that is find and sign the artists and record their work, but they became very efficient in the national distribution of rap records and expansion of independent sales to other markets. They developed relationships with independent retailers, alternative radios, and DJs, and approached the locations traditionally targeted by the independent hip hop labels. Consequently, they started to master the street marketing strategies, though this domain remained the independent labels' area of specialty.

The results of these associations were impressive, especially considering the initial size of this market and the sales levels attained in the first part of the decade. To sell hundreds of thousands of copies and attain gold and platinum status was no longer exceptional. LL Cool J and the Beastie Boys, on the CBS-distributed label Def Jam, were all attaining multi-platinum sales (we saw that the Beastie Boys sold 4 million copies of their album in a few months). The group Heavy D and the Boys on the MCA-distributed label Uptown were passing the one million sales mark for their album, just like the rapper Kool Moe Dee on the RCA-distributed label Jive. Also on Jive, the Fresh Prince and DJ Jazzy Jeff sold two million copies of their double pop-rap album "Parents Just Don't Understand." Amongst the many successful examples of the period, an impressive one is the case of Delicious Vinyl, which was only producing 12-inch singles before pairing with Polygram's division Island. Within a year of collaboration (1989), the label had a triple platinum album with Tone Loc's "Wild Thing," a double platinum single and another platinum single from the same rapper, while Young MC's gold album was on its way to being certified platinum.[43] Finally the best example epitomizing the major record companies' accomplishments and aggressive entrance into the rap market lay in the six million copies MC Hammer sold of his album "Please Hammer Don't Hurt Em" on the major label Capitol. The album stayed at the number one position on the pop charts for 21 weeks (before being replaced by another rap act, Vanilla Ice, whose entrance, if symbolizing the rise of commercial and critically dismissed rap, nevertheless showed how popular and lucrative the music had become).

Competition dramatically increased. The first reason was that, in light of the successful results just mentioned, many new independent labels opened their doors. For example, the Houston-based Rap A Lot, and the Californian Ruthless, Priority, and Delicious Vinyl labels were created during this period. Competition also increased because the numerous labels connected to the major record companies now had the means and also the obligation to regularly release records. Soon the market became 'glutted,' saturated, though still profitable. Remaining visible became harder and necessitated much more promotional and marketing effort than in the first half of this period where the labels' effort then consisted primarily of expanding the audiences for a few rap artists.

Competition also increased the independent labels' business standards. The acquisition of artists for instance reached higher levels. In 1990, Cory Robbins who had signed Run-D.M.C. for $2500 was complaining:

> We have to pay 6-figures advances on occasion where we never had to before [...] Until 1990 I never paid anywhere near $100 000 for a record and now I've done it a few times. Before that it wasn't uncommon to sign artists which finished albums for $40 000. Now those are the exception [...] we used to throw a lot of records and just to see how they'd

do. Now it's much more involved. Between signing and artist, making a video, doing promotional items, advertising posters, it's hundreds of dollars.[44]

Acquiring an artist was only the initial investment. Labels then had to 'develop' her/him, and for this, Warner Brothers was investing in 1990 a minimum of $65 000 for a new rapper (against $300 000 for an r&b act, which indicates that while rap was increasingly a priority for the major companies it was still considered to be less important than other styles).[45] As already noted, an important factor that contributed to the rise in promotional costs was the establishment of video as one of rap's favored mediums. Here too major record companies' competition could only increase the standards of production. For some independent labels a connection to a major record company with the means to acquire, develop and promote an artist was no longer an option but a necessity.

By the end of the decade hip hop was no longer a small independent local or regional market but a national strength in the music industry. Signs of recognition within the media industries paralleled rap's acceptance by pop audiences. In 1989 MTV launched "Yo! MTV Raps," a weekly video program while another cable speciality channel BET (Black Entertainment Television) started "Rap City." The same year the Grammy Awards included a rap category, won by DJ Jazzy Jeff and the Fresh Prince (Jive). Billboard, long interested in the music, also started a rap sales-only chart, since radio was still reluctant play to the music. In 1990 "Yo! MTV Raps" went from a thirty-minute show once a week to airing every day for an hour. The rapper the Fresh Prince, or Will Smith, started his sitcom "The Fresh Prince Of Bel Air" on television, and the group Kid' N Play starred in the teen movie "House Party." Soon hip hop movies were on their way, notably "New Jack City" featuring the West Coast rapper Ice T, "Boyz' In The Hood," featuring the rapper Ice Cube, and later "Juice" in which the late rapper 2 Pac played. In the 1990s, hip hop supported a cultural industry of its own that comprised music, video, films, and soon TV series, shows, comedians, literature, clothes and so on.

Once a local underground scene, hip hop music at the end of the decade had become a major commercial and artistic strength in the American popular music industry. This development was facilitated by the arrival of major record companies, which preferred to limit themselves to indirect participation in the production of rap music. Therefore major companies mainly continued to sign deals with rap labels and aggressively distributed and promoted their records. For the previously independent rap labels, the presence of major labels meant financial support and possibly, when a record was popular, much greater sales than what could be expected without the majors. It also entailed the obligation to release a minimum amount of records per year. Competition and commercial standards increased and this at the expense of every rap label, whether completely independent or linked to a corporate label. All of the costs attached to the production of a record increased, from the acquisition and development of an artist to the shooting of his/her single's video, now essential in the release of a rap record. It became harder to work without the financial support provided by major record companies. In theory, this situation was fine since the relationships were motivated by the exchange of each organization's competitive advantage. In practice, however, these relationships might not have been that idealistic. It is toward the assumption that these deals were motivated by this exchange and that they were equally beneficial to each of the companies involved that I would like to turn now.

III. Behind the deals

It rapidly appeared that independent labels would keep an important role and place in the production of hip hop and that major record companies would not try to replace them. Why did the majors privilege distribution over direct involvement? The most obvious reason was their ignorance of the music and of its specific marketing and promotional strategies. Immediate explanations are also found in the moral panics that surrounded the music because of the violent environment of some of hip hop artists and fans, and of the rough depiction of this violence in certain rappers' lyrics. Another factor that greatly influenced this particular division of labor was the process of reorganization and restructuring engaged by the major record companies in search of flexibility in the 1980s, processes that included the reliance on smaller entities to research new artists or trends, and the control of distribution channels. Reliance on independent labels also allowed the majors to gain credibility, here 'street credibility.' This knowledge of the street often referred to when considering the competitive advantage of hip hop independents might also be what prevented them from being more wanted in the corporations. Negus argued that by attributing to them working practices and values not suitable in the "executive suite" because of independents' connection to the 'street,' the majors maintained rap producers at a "distance" from their offices, while still benefiting, through distribution deals, from rap's popularity.[46] The maintenance of independent production when rap started to generate substantial sales clearly supports the argument. The majors could have hired more hip hop insiders directly, as executives and artists on their labels. Instead, they asked r&b staff to handle the relationship with independents or to work in the few divisions they created, rather than hiring people who had a genuine appreciation and knowledge of the music. Negus compared this attitude to the majors' opposite behavior in the 1960s and 1970s when they attracted musicians and executives who were young rock fans, and hiring alternative rock's aficionados in the early1990s.[47] Lopes observed similar developments when, in the 1980s, the majors hired new wave musicians, and also compared this approach with the prominence of distribution ties with hip hop' producers.[48] Why did the major companies privilege distribution deals over direct signings? Why, once they had gathered enough knowledge to market and distribute their own artists, did the hip hop independent labels remain so strong? In short, what's behind the distribution deal?

1/ "<u>If they knew how to do it, they wouldn't need us</u>"[49]

The majors could not directly produce rap music at first because they did not know how to do it. Ignorant of the music, of its aesthetic and commercial standards, of its artists, audiences and culture, they could not pretend to efficiently support an artist or gain immediate acceptance and credibility among rap's listeners and performers. The majors were unfamiliar with the "grass-roots" approaches and the alternative networks of promotion that had developed the independent labels. Beyond the obvious attempt to increase the quantity of distributed records (and the profits and economies of scale they permitted), these distribution deals were therefore the occasion to keep an eye on these unknown working practices and discretely enter the rap market.. We saw that the major companies' executives themselves acknowledged in <u>Billboard</u> the learning process they had to go through. "We are learning as we go along that that we can't treat the music like it's typically r&b, that you can't use radio as our gauge to break it," observed Sylvia Rhone, an executive at Atlantic.[50] In December 1989, Arista too was still in a "learning mode" according to its national director of r&b promotion and special projects.[51] The executives rapidly gained confidence in their description and comprehension of the music and its management, though they still worked with independent labels notably for they needed their credibility.

The major record companies thus distributed rap records to be associated with the 'street credibility' independent labels had gained by accumulating a particular expertise over the years and by being dedicated to the music, its artists and fans. "We should always be cautious about over-hyping, especially since major labels still don't have, in effect, the consumer's respect in terms of credibility" observed Barry Medina, VP of A&R at Warner Bros. in November 1991.[52] Another way to gain this credibility, though rarely chosen by the major companies, was to bring executives from hip hop labels in their offices. Mercury, for instance, hired Lisa Cortes, who had previously worked at Rush Artist Management because she offered the major "street credibility," while Elektra hired Dante Ross, previously employed at the label Tommy Boy.[53] Once again, these cases were however exceptions.

This street credibility could also be associated with the status of the independents themselves (besides the connection to 'the street'). To benefit from this value, the major record companies retreated behind the discrete role of distributors, giving the impression that the labels were completely autonomous from the corporate world. The major labels also acquired labels in full or in part and allowed them to work with independent distributors, once again giving the impression that the labels still belonged to independent networks. Island for example owned the label 4th& B Way but let it operate as such.[54] Distributing rather than producing rap records allowed the majors to benefit from the credibility attached to independence, independence being here nothing but the fruit of a corporate strategy and an efficient marketing tool. This tool was not used solely in rap. In the British dance culture considered by Hesmondhalgh, the major companies also maintained the "illusion" that the labels they distributed were still independent. This way these labels could still benefit from, and use, the independents' credibility and, particular to this dance music subculture, attract the artists reluctant to work in a corporate environment.[55] Similarly Negus observed about the music industry in general that many "bogus independent labels" had been created at the end of the 1980s to "establish a market base for artists who required a certain 'street credibility'" and to please an audience that highly prized independent releases.[56]

2/ "Some bad raps for good rap"[57]

Violent events happening during Run D.M.C.'s "Raising Hell" tour in the summer 1986 and widely related in the press certainly contributed to the ambiguous relationship majors were to have with rap.[58] An indelible association with violence only scared the corporations and validated their choice to limit their involvement to distribution.

Insurance costs increased as promoters were more and more reluctant to organize rap concerts. This had a dramatic impact on the independents, which, with no radio support, counted on these performances to expose their artists and reach new markets. They also represented a significant portion of the rappers' revenues. Rap artists had three sources of revenue: publishing rights, radio performances and royalties.[59] The first category was substantial only for longstanding artists since radio support was almost nonexistent and the independent labels could not offer royalty rates and advances as substantial as those provided by the major companies. Therefore, concert revenues were crucial to the artists. Deprived of this revenue stream, they began to seriously consider the majors' offers.

3/ "<u>They want to be on the cutting edge but they're afraid to be cut</u>"[60]

The attacks on rap for its close relationship with violence intensified with the advent and enormous success of 'gangsta' rap, most associated then with Ice Cube, Dr Dre and Easy E., all members of the group N.W.A. The group, and the sub-genre they supported, depicted their violent environment and the criminal lifestyles this environment helped to create. Gangsta rap put the major companies in a difficult situation because, although the sub-genre was very popular and thus profitable, it attracted the criticism of politicians, parental groups and other moral censors. Rap producers opted for stickers warning the consumers they may be offended by "explicit lyrics." Certain retailers refused to sell the stickered records and some record manufacturers refused even to press these albums.[61] Gangsta rap was only one of rap's styles but its flirtation with censorship, along with the exploitation of other taboos, only contributed to the general discomfort the major companies had with the music. Opting for distribution was a way to avoid dealing with these issues and the burden of supporting the artists was left to the independents.

4/ <u>Searching for flexibility</u>

The choice to distribute rather than directly produce rap records must also be understood in the context of a general reorganization of the music industry, brought about on the initiative of the majors in the 1980s.[62] Trying to gain the flexibility allowed by the independents' structures and cultures, the majors reorganized their labels into semi-autonomous divisions that functioned theoretically as self-regulating entities, and were, as such, entitled to work with 'real' independent labels.

Warner Bros., for example had, besides its own entity, two sister companies, Elektra and Atlantic. Working separately, they all approached the production of rap differently. Warner mainly established joint ventures and distribution deals, as with Tommy Boy and Cold Chillin'. Tommy Boy was completely autonomous creatively and administratively. It was working with other independents, licensing some records to Landmark, Profile's sister company, while supervising the distribution of smaller labels. Atlantic and Elektra opened 'street' divisions, which established deals with labels and (musical) producers. Besides the production of their labels' artists, these divisions oversaw the marketing and promotion of the rap labels they distributed. All of the records produced through these networks, whether on one of the three sister companies or any of their related labels, were distributed by WEA. Exceptions were made in rap, as we saw and certainly for all the music that was channeled to their core fans through specialized networks.

The re-organization of the majors into smaller autonomous entities was an attempt to capture the flexibility of the independent structures and to be more artist- and consumer- friendly. In keeping with these efforts, when Arista began to produce rap directly in 1989, the label tried to "adapt an independent-label mentality toward rap music," as its executive Troy Shelton attempted to "decorporatize this company so that [it] can make rap music that's going to make people listen."[63]

Instead of searching for absolute control over the music's production and distribution, the major companies increasingly concentrated on distribution and counted on independents for the riskiest tasks of discovering new artists and styles. Instead of driving out the successful independent labels and trying to produce these labels' innovative music or artists, the majors now distributed their records. The success of rock and roll, as with other trends, revealed how much innovation and diversity attracted audiences. They allowed the independents to undertake the function of discovering and improving new trends and artists, who could eventually be signed to one of their labels. While still disseminating music to niche audiences, the small labels have become the research and development laboratories of the corporations. For the major labels, independents have become flexible webs of artistic resources connected to the majors through different distribution and ownership links. The distribution of independent records also increases the majors' market shares, supplies the distribution channels, and contributes to their manufacturing plants' economies of scale.

The new organizational system also permits the major companies to spread the risk associated with the overall unpredictability of the music market. It lessens the investment necessary to find and develop new artists as it is spread among different producers. These producers may be either the smaller entities into which the majors have restructured themselves, or the independent labels connected to them through distribution. By constantly looking to expand their networks of associated producers, the major companies have also increased their likelihood of producing future successful records. In isolating the musical production, the segment of the chain most vulnerable to changes in tastes, they minimize the risk related to this segment by sharing it with other entities. Thus, BMG was trying at the end of the 1980s to "buil[d] a worldwide network of freestanding profit centers with entrepreneurial management," and for this reason its "philosophy of management tended to preclude a buyout" of Jive, independent label distributed by one of BMG's label, RCA.[64]

This strategy of maintaining financial and distribution links with rap labels, rather than purchasing them prevailed in hip hop. According to Carmen Ashhurst, Def Jam's former president, the major companies have established more distribution deals than joint ventures.[65] The second category of associations links the two organizations and implies more involvement on the part of the major labels. Through the distribution deal, the major companies reduced their investment to the minimum, advancing to the label only the future distribution revenues.

The relationship developed between majors and independents around the division of labor between R&D/production and distribution appeared to benefit each party and compensate for their respective disadvantages. Although these deals were made on the initiative of the majors primarily because they were beneficial to their organization, the deals nevertheless allowed the independents to survive as autonomous labels. This development has led some observers, as seen in chapter one, to believe cooperation has replaced the traditional tension between independents and majors, a tension previously managed by the buy-out of the former by the latter. Actually, this organization of the production of popular music allowed, and continues to allow, the coexistence of independents with major labels. The success of rap independents clearly illustrates this point. The tension might not have disappeared, however. Rather as Negus has suggested, it has evolved with the new relationship. Instead of an open conflict between commerce (majors) and creativity (independents), a conflict commonly observed before the restructuring of the majors, the tension takes place around "distribution struggles."[66] This does not mean that issues of commerce and creativity have disappeared, but rather that they are expressed through these distribution issues. Being distributed by a major means much more than ordering a number of records for the major to press and distribute. Many consequences result from this seemingly straightforward business relationship.

5/ Losing flexibility

Unfortunately the division of labor characterizing the relationships between majors and independents, despite its perceived idealism, did not work so well in reality. Many consequences of these associations were felt in the everyday practices of the independents' staff. The first one was the result of the evolving function of the majors' distribution department as "it began to assume the further task of making sure that the corporation's internal individual labels did not manufacture and ship too many recordings in the first place."[67] When the label manufactured too many records, it was charged by the division. Trying to avoid these extra costs the labels were "increasingly dependent upon sales intelligence and market data produced and held by the research department of the distribution division."[68] The same mechanisms influenced the independents' working practices. They had to negotiate the number of records to press and ship with executives who did not have the same understanding of the music and of its critical and commercial potential. It is in light of these kinds of struggles between independents and distribution branches that Negus has suggested that the conflict between the two different kinds of organization have taken the form of "distribution struggles" that were potentially fatal for the independent.[69]

Another form of control, although it was never presented in those terms, can be seen in the presence of an executive from CBS during a studio rehearsal of the Beastie Boys. The executive was "on hand to inspect the progress of their year-in-the making 'Licensed To Ill.'"[70] The band had another title, "Don't Be A Faggot," in mind but CBS "talked the group out of it." Rappers' lyrics and themes were, as seen earlier, another inducement to limit the majors' role to distribution. The presence of an executive who was often completely ignorant of the music but influential in the major company and in the decisions related to the distribution of records, was a further pressure that not only took the forms of evaluation of delays and other administrative issues but also aesthetic comments and judgments.

Def Jam, the Beastie Boys' label, had many struggles with its distributor, CBS. These conflicts were not expressed publicly, since a label had no interest in exposing its difficulties and damaging its reputation. A reading of Billboard during this period therefore leads one to believe that the independents and majors were working in perfect harmony, both of them greatly benefiting from one another's competitive advantage. We learn in Billboard thus that the deal Def Jam established with CBS "took six months of tough renegotiation in 1988 with no new products released by Def Jam in six months," (and therefore no revenue).[71] No details were offered, however, about the issues discussed or the reasons why the process went on for so long. Russell Simmons, who may have found himself unable to explain his position at the time, came back to this first corporate experience in his book. Although he firmly links Def Jam's success to its association with CBS, he also acknowledges many drawbacks which undermined it, stating that "below the surface there were some fundamental problems that got worse with time."[72]

The first incident of disappointment was related to the deal itself. Def Jam was receiving the limited support implied by a production and distribution deal, which meant that the label received advances on the distribution profit. It had therefore a restrained field of action beyond the development of artists and the recording of their works, since its financial resources were barely covering these tasks. Simmons renegotiated the parameters of his association with his distributor in the light of the successes of LL Cool J and the Beastie Boys. He obtained a label deal, selling 50% of Def Jam to Sony and in exchange received "bigger advances, higher royalty rates and more money to expand and pay staff."[73] Still the situation remained uneasy, for the association seemed always to favor Sony. The corporation was charging Def Jam for distribution, marketing, administration, and manufacturing. "It was 50-50 after they had took 30 percent off the top."[74] Simmons found himself in a situation where, if Def Jam did not have sufficient sales success, the label would suffocate under the fees charged by the major, charges Simmons felt were unfair and justified only by Sony's corporate size and power of negotiation. Besides maintaining financial balance, the entrepreneur also struggled to keep his acts faithful when they started to be personally contacted by Sony's executives. Struggles continued, and Simmons felt that his position at the head of the company he created was at risk. In the early 1990s, "Sony was talking about buying [him] out or throwing [him] out." Eventually Simmons and Sony saw their relationship deteriorate so much that Def Jam turned to Polygram.[75]

The situation of the independent labels was thus far from secure. Paradoxically, in order to expand, entrepreneurs needed the help of an organization that could destabilize their working environment. Hence they remained in a very precarious position. The label deal signed between Tommy Boy and Warner, for example, included a provision for the possible purchase of the remaining 50% of the company, an option that Warner took. The former owner of the label, Tom

Silverman bought back his half a few years later but this was an exceptional situation.[76] With their stronger negotiating power, the major could merely avoid such possibility in the contract by buying the independent outright, as often happened. The major could put indirect pressure on the label by changing the levels of investment or charging more fees. These fees had to be recouped before any payments could be distributed to the artists, staff, labels operations, and finally to the owner. If, as remarked by Hesmondhalgh, asking for a loan from its major label partner was easier than from its bank, the independent could find itself at the mercy of the major's investment decisions.[77] The same investment strategy that allowed the successful independent to bring its artist to the next step of popularity could force a less successful label in need of financial support to orient its musical production towards the aesthetic criteria seen as prominent in the majors (and issues about commerce/creativity arise again). The idea of a distributed label's impartial autonomy is thus easily challenged by the reality of these associations.

6/ Maintain a distance[78]

If the reorganization of the majors concerned the entire industry, why did the hybrid/independent sector become so strong and dominant in the independent charts throughout the 1990s?[79] If the majors' new strategy is to let independent producers work as they please, why haven't other musical independent productions achieved such commercial success? Obviously, the popularity of the music and the particular knowledge developed by hip hop labels are behind this success. But other musical styles must have been as popular: why don't they appear so regularly on independent charts? In analyzing the reorganization of the major record companies and the ways they now strategically use smaller structures to provide innovation and diversity, Lopes has compared the majors' reaction to the emergence of two innovative styles in the 1980s: hip hop and new wave.[80] In both genres, the corporations established links with the music's producers. In the case of new wave, however, they also signed artists directly and hired executives from within the new wave community that they then let work autonomously in their own organizations. As a result, only two independent new wave labels with distribution deals like those in rap, made the pop charts in the eighties, as opposed to the many examples in hip hop. Given the predatory nature of the corporations, one wonders why they allowed the independent rap sector to flourish so successfully. Why have its actors not been brought into the corporations like new wave insiders in the eighties or alternative rock fans in the early 1990s? Why establish more distribution deals than joint venture deals, since although they were more expensive, these deals offered more benefits and did not prevent the labels from working autonomously?

First of all, much of the reluctance examined in the previous chapter indicating why the major companies did not embrace hip hop immediately, had not yet been overcome. Still, in 1988, Billboard acknowledged the same generational gap observed earlier in the decade by Nelson George, a gap that separated "the makers of the music and those who market, play and sell it." In the latter group, George includes radio programmers as well as major label executives.[81] The class schism within the African American community, also acknowledged by George, was still at work too:

> In the '80s, the music that sells the most for independent labels, rap and hip hop, is just as actively disliked by the A&R executives and the promotion people of the majors as rock and roll was in the '50s. The dislike based on class instead of race differences, has resulted in a situation that now makes it rare for an independent to put a single that isn't rap in the top 10 of the black music charts.[82]

What appears from this quote, besides the maintenance of a class division (which, despite the journalist's belief otherwise, was often coupled with racism), is that many major companies' executives were still uncomfortable with the music and did not appreciate it. What also appears is that this music was particularly suited for independent production, that it accounted for much of the independent sector's success and that this was the 'result' of the discomfort of the majors' executives.

Another reason still at work was the majors' inability to predict the music's commercial and aesthetic future. With rap, "we are dealing with a volatile, fickle audience," an industry consultant told Billboard. The consultant added, with regards to rap fans, that "we don't know what they'll respond to next, so positioning rap can be very tricky."[83] This unpredictability led the major companies to consider rap as a "wild cat" or "question mark" when reorganizing their labels in the 1990s according to the principles of portfolio management.[84]

Keith Negus has rightfully argued that through these distribution deals the majors were maintaining a distance from hip hop and its actors. 'Officially,' this distance is justified by the fact that rap necessitates a particular 'street' knowledge and credibility that only an independent can provide. Thus the very competitive advantage of the independent labels prevented them from entering the 'corporate suite.' Why such a distance? Writing ten years after the initial popularity of rap, Negus observed that the major companies were still uncomfortable when dealing with rap's "affiliations, representations and expectations."[85]

The different "affiliations and associations, alliances and rivalries" that characterize hip hop's community and its specific career trajectories were unusual for the major labels, whose discomfort with these groups left the handling of rap acts to the independents. Hesmondhalgh too, when assessing the extent of dance producers' independence in Great Britain, suggested that distribution also "mean[s] not having to deal with difficult artists," although in this case difficult implied dance labels' and artists' shared anti-corporate values and efforts to provide an alternative system of production.[86] As in rap, distribution deals with dance independents allowed the majors to avoid a category of artists while still investing their success and increasing the diversity of genres they provide. Hip hop artists scared the corporations because these alliances were evolving in environments and neighborhoods that could be very violent. Answering Tricia Rose about "exactly what was it that frightened (the mainstream record companies)," Carmen Ashhurst, former president of Def Jam, told her that "they were afraid of the people they had to work with, and that's why they were afraid of the music."[87] They were afraid, and this concerned both black and white executives, because rappers were "dressed like working-class kids—which translated into looking like the black guys you feared would mug you on the street" and because violent events were really occurring in certain communities. What they were rapping was 'representing the real.'

The second "anxiety" suggested by Negus lies in rap's "representation of the real." Rap's depictions of everyday life in certain neighborhoods (and of taboos such as police violence, racism and sex) shocked the 'moral majority' and the genre was constantly under the scrutiny of moral censors. Maintaining a distance through distribution forced (and continues to do so) most of the controversies on the shoulders of the independent, which, if attacked, risked being dropped, rather than supported by its major. Often the majors anticipated these reactions and acted as censors themselves by refusing a title, lyrics, or a record in its entirety.

Finally, the belief that rap should be kept at a distance is based on the assumption that its revenues are less lucrative than with other music and that rap "does not 'travel well.'"[88] The dramatic consequence of such a belief is that rap is provided with fewer investment dollars than other musical genres because it is thought to generate less revenue. "Hence less will be paid to artists as advances and royalties, because less can be earned."[89] A way to minimize their investment in rap was for the major record companies to opt for distribution rather than joint venture deals since in the first configuration the independent was assuming most of the risks and investments, while in the second one those financial considerations were shared between the major and the independent label.

Rather than the division of labor or the "organizational structures" that institutionalized this distance, Negus denounces the knowledge claims around which this division was established.[90] In their reluctance to work with rap artists and entrepreneurs, major companies hide behind the belief that particular expertise in 'street strategies' is necessary to produce rap and that this expertise cannot be transposed to the "corporate suite". Hip Hop insiders themselves participated in this belief. The assumption that major record companies' staff did not know how to produce rap is a recurring theme in the discourse of rap entrepreneurs and artists. And they did develop a particular aesthetic and commercial knowledge. Fortunately, none can produce good rap music without personal involvement in hip hop culture.

This assumption, the necessity of a particular street knowledge, should be carefully assessed since it masks another reality: the desire of the major labels, through distribution deals, to partake in the benefits of a music they fear, often misunderstand and disrespected. One must wonder then when this music first started to necessitate a particular management. Russell Simmons, who managed some of the most successful artists of the period, tried many times to place them on major record companies and it is because of their refusal that he came to participate in the Def Jam venture, not because he believed hip hop necessitated a particular context of production and commercialization. The traditional conflict often observed in the discourse of rock artists between commerce and creativity is not a conflict that can be transposed to rap. The distinction between major companies/commercialism and independents/credibility and authenticity was not of the same concern in hip hop, since its entrepreneurs often saw no contradictions in making quality music that would meet commercial success. Russell Simmons and Cory Robbins, heads of the pioneering labels Def Jam and Profile respectively, were, of course, music fans and good musical producers. But they were also businessmen, entrepreneurs who had commercial ambitions for their labels and artists, just like many of their colleagues who turned to corporate offers in the second half of the decade to expand their operations. When Sean Combs opened his label Bad Boy Entertainment in the 1990s, or when the production duo the Neptunes opened Startrak in 2002, they did so with the support of a major record company (instead of opening their labels, proving they were viable and then being approached by a major, as happened in the 1980s) and saw no contradictions there.

The few executives who signed excellent rap artists to the major companies in the 1990s further counter this idea that rap should remain outside the corporation. Once again one can cite the influence of the executive Sylvia Rhone, who signed Missy Elliott. The major companies have already demonstrated that if they want to master the street techniques so important in hip hop they have the means to do so, by creating small labels free to work autonomously or by bringing staff already experienced in hip hop, for example. The fact that the music needs to be produced in the streets does not prevent majors from signing the artists, or infusing more investment dollars into rap's commercial production. If the major companies are to benefit from the success of this music, should they not invest at least as much as what is offered for less popular genres?

Fortunately, "there is a final twist."[91] Excluded from the corporations, the music "has (partly out of necessity) been able to generate alternative resources, and through these the genre has continually reinvented and redefined itself."[92] Once again the industry has managed to avoid hiring African American executives (while sharing in the profits of a music it had no real respect for) but their reluctance led many young entrepreneurs to open their own businesses (although this should not obscure how difficult it was, and still is, for these entrepreneurs to work in a hostile environment). Indeed, do rap fans, producers and artists really want to enter the corporations now that they have developed efficient alternative ways of working?

The decision of major record companies not to involve themselves directly by hiring specialized executives or by signing artists can thus at first glance be explained by their lack of experience regarding the marketing and promotional strategies specific to hip hop and by their need to gain credibility in this domain. However, despite their progress regarding these 'street strategies,' they have continued to favor distribution over production (and, importantly, over participation in joint ventures). Their choice was actually motivated by other reasons (than their lack of experience), some specific to the hip hop market, others being common to the music industry. The major record companies came, in the context of the reorganization of their systems of production, to privilege distribution or ownership relationships with independent labels. While they have constituted themselves flexible networks of creative resources upon which to spread the risks and investments induced by the unpredictability of supplying popular music demands, the independent labels are now allowed to remain (theoretically) autonomous rather than being incorporated in the major labels' organizations and loosing their identity. Such autonomy can only be partial since the deals' practical consequences undeniably reduce the independent labels' freedom of action. The reorganization of their labels was not the only reason the corporate labels choose to work through independent companies in rap, however. Beyond the cooperation and the exchange of competitive advantages these deals theoretically favored, these relationships obscured the major record companies' desire to maintain a distance from this music, a music that was sometimes perceived in the public eye as inherently violent and of negative influence upon young consumers because of the themes of violence, sex and other taboos explicitly dealt with in some rappers' lyrics. Thus rather than address critics of individual rappers (and of the music in general, whatever its sub-genres, or the educational and communitarian role assumed by some rappers and labels), they let the independent labels appear to be the only concerned parties in this production and handle these attacks. At the same time, through distribution arrangements, the majors have secured for themselves a profit from this music they hardly respect.

In 1990, rap labels were evolving in an environment totally different from the one they entered into ten years earlier. Rap records were now distributed on a national basis in chain record stores targeting mass audiences. This evolution, and the transformation of the local niche market into a national industry, was driven by the aggressive entry of the major record companies into this market as distributors. While they had great commercial results through the associations recently established with the corporations, the rap labels also witnessed an increase in the level of competition and in business standards, to the point where signing contracts with a major became almost a necessity in order to remain competitive. But these associations often limited the flexibility of independent labels while offering the major companies the opportunity to participate in a strengthening market and add to the array of styles they covered. As I demonstrated, the majors' behavior on this market, consisting of establishing distribution relationships with independents that remain autonomous, corresponded to a general organizational strategy developed by major record companies in order to provide the consumers with innovative and diverse products and in this way to control the market. However, in the case of rap, the previously independent labels were also maintained as intermediaries between the artists and the major labels because their executives held negative perceptions of rap artists and entrepreneurs. Beyond their use of 'explicit lyrics,' rap artists exposed conditions and ways of living that society (including the African-American middle-class) did not want to hear about. The major companies have thus maintained a distance with the music, despite the rappers' diversity, the variety of themes they approached and the uncontestable educational messages promoted by some of them.

[1]Expression used by journalists and executives to describe the independent labels that have a distribution or ownership relationship with a major company. See Neil Portnow from Jive, quoted in the article B27, B-18.
[2] Rose, 1994 b, 122.
[3] Ibid.
[4] Simmons and George 2001, 110.
[5] Burnett, 1990, 27. The deal was reported in the article B-10.
[6] Simmons and George, 2001, 84-85.
[7] Five albums and twelve 12-inch singles. "The King of Rap," Barry Walters, Village Voice, November 4 1986, 19.
[8] B -33.
[9] He explains that staying independent would have allowed him more royalties on each record but less sales figures (Simmons and George, 2001, 110). However, he also acknowledges related disappointments, considered later.
[10] Article B-11.
[11] "Rap Goes the Way of Rock'n'Roll," Edward R Silverman, Crain's New York Business, May 29 1989, 3. Warner had already manifested signs of interest in hip hop: its president, Mo Austin had met Russell Simmons, from Def Jam, but he and his staff listened to LL. Cool J's "I Need A Beat" as if "they were hearing music from another planet", recalls Simmons (Simmons and George, 2001, 84). A few months later Warner released the soundtrack of the movie "Krush Groove," featuring some of Rush's acts. The record appeared to be an excellent promotional tool for the participating groups coming from labels such as Tommy Boy or Profile. Warner Bros. had thus been searching for a few months to introduce itself in the rap market.
[12] B-32, R-30.
[13] B-12.
[14]"WB Buys Half of Tommy Boy; Major to Distrib Selected Titles", Phil DiMauro, Variety, December 25 1985.
[15] Expression used to describe the majors' aggressive approaches, notably by Tyrone Williams, owner of the rap label Cold Chillin', (B-14, B-18) or Aaron Fuchs, owner of Tuff City (B- 23, R-25)
[16] B-29. See also B-28 for the extent of Jive's integration of many functions of the production process.
[17] The same argument is given by Next Plateau's Eddie O'Loughlin, who is satisfied with the 40 000 or 50 000 copies he can sell "just on club play, street play, in-store play, and the rap show" (B-14, B-7)
[18] The prices of the deals were not displayed in Billboard. An article reveals however that from 12 times earnings a few years earlier, the offers went down to 6 to 10 times earning in 1993 (B-42, I-28).
[19] B-33, R-20.
[20] B-14, B-7.
[21] Ibid., B-18.
[22] Simmons and George, 2001, 73.
[23] See B-14, B-15, B-16, B-23, B-24.
[24] B-23, R-28.
[25] B-17. See also B-14 and B-24.
[26] "Rappin' with Russell," Nelson George, Village Voice, April 30 1985, 43.
[27] B-23, R-25. Rhone would work in the 1990s with successful rap artists such as Busta Rhymes.
[28] His inability to correctly channel his records in the West and Midwest is according to Tyrone Williams, founder and chairman of Cold Chillin' what led him to make a deal with Warner Bros. (B-14, B7).
[29] For Tommy Boy see B-31, R-30.
[30] "Record Producer Hopes to Beat Rap, Boost Profile," Linda Moss, Crain' s New York Business, February 15 1988, 5. In 1994, Max Entertainment, Select, Tommy Boy and Luke pursued Landmark for non-payment. The trial frightened the distributor's clients and many left for its competitors. The company eventually closed in April 1994 (B-44; see also B-46). The decision of a few companies had sufficed to destabilize Landmark, supposedly the first distributor in the country.
[31] It seems though that the growth Profile was experimenting had its limits. Robbins could not provide the promotional support the majors were offering and could not compete in terms of artists' remuneration. A legal conflict (fortunately settled) with its main act Run-D.M.C over their remuneration was another indicator of the

label's potential fragility ("Record Producer Hopes to Beat Rap, Boost Profile," Linda Moss, Crain' s New York Business, February 15 1988, 5). The consequences of a departure would have been disastrous, not only in terms of financial stability, but also in terms of reputation which destabilization could be, as illustrated by the case of Landmark, fatal. When Robbins decided finally to turn to a major, the offers had drastically diminished and he refused to concede part of his autonomy for a deal he judged not lucrative enough. He sold his half to his partner, who eventually sold Profile to Arista in 1998 (B-50).

[32] B-26, 12.

[33] B-23, R-32.

[34] B-27, B-18.

[35] B-23, R-3. For the first quote see B-15, R-19. Most of the information in this section is gathered from B-15, B-16, B-23, B-24.

[36] B-20.

[37] B-15, R-14.

[38] B-25, R-4.

[39] B-15, R-18.

[40] Ibid.

[41] B-20.

[42] Quoted respectively from Columbia's Sara Melendez, Elektra's Primus Robinson, MCA's A.D. Washington for the two fallowing ones and finally RCA's Rick Dobbis. See B-15, R-18-R-19.

[43] B-21.

[44] B-37, R-12. For Run-D.M.C.'s contract see B-14, B-7.

[45] B-31, R-4.

[46] Negus, 1999, 102.

[47] Ibid., 95.

[48] Lopes, 1992.

[49] Tyrone Williams, founder and chairman of Cold Chillin' B-14, B-18.

[50] B-23, R-25.

[51] Ibid., R-3.

[52] B-31, R-18.

[53] B-36, R-18

[54] B-34.

[55] Hesmondhalgh, 1998, 244.

[56] Negus 1992, 16.

[57] "Some Bad Rap for Good Raps," Bill Barol, Newsweek, September 1 1986, 16.

[58] Here are some extracts of an article published in the Time in 1986:

> More than 300 members of black and Hispanic street gangs swarmed to the crowd, attacking everyone around them. Audience members struck back with metal chairs and whatever else came to hand, until the police armed with batons broke the concert. Forty-five people were injured including a man who was stabbed [...] Says Public Safety Commissioner John Norton of Pittsburgh, where teenagers went on a window-smashing rampage after a Run Dmc concert in June: "There is no doubt in mind that rap music spurs violence [...] Rejecting the notion that rap is inherently violent, Psychiatrist Alvin Poussaint of Harvard explains that "rap music really comes from inner-city street kids, some of whom are gang members immersed in antisocial behavior" ("Bad Rap," Time, September 1 1986, 16).

Run-D.M.C. became the center of a virulent questioning about the place of violence in hip-hop. During their summer tour, which comprised 62 dates, 4 concerts were punctuated with violent incidents. Violence had always surrounded hip-hop but this violence was the result of the conditions of living of part of its audience (rather than of the music and rap artists). Run-D.M.C. had a hardcore style but were also promoting school education, among other things. The aggressive reaction of the media brought some labels, mainly independent ones, to work together on a common project: "Stop The Violence." On the initiative of Nelson George, Billboard's r&b music editor and Ann Carli, Jive's VP of artist development. Public Enemy (Def Jam), MC Lyte (First Priority), Kool Moe Dee (Jive), Stetsasonic (Tommy Boy), Ice T (Sire), Heavy D (Uptown) and others featured the record and the second volume (B-24, R-20).

[59] Carmen Ashhurst-Watson interviewed in Rose, 1994 b, 131. She explains that publishing rights, often neglected during the contracts' negotiations by inexperienced rappers, become important only when the artist has a substantial amount of records. Checking if an artist' s work is covered or sampled is worth the time and investment only if many songs might be reused.

[60] Rick Rubin quoted in "The King of Rap," Barry Walters, Village Voice, November 4 1986, 19

[61] The retail chains Wax World and Transworld, for example refused to sell stickered records (B-25). The pressing plant DADC and the major Geffen also refused to manufacture and distribute an album from the group Gheto Boys for their sexually explicit and misogynist lyrics, (B-30, R22).

[62] For the specific references to the authors used here, see chapter I. These authors are Burnett (1996), Lopes (1992), Negus (1992), and Peterson and Berger (1971, 1975).

[63] B-22.

[64] Bob Buziak, director of RCA (BMG), (B-19).

[65] Carmen Ashhurst-Watson interviewed in Rose, 1994 b, 135.

[66] Negus, 1999, 58.

[67] Ibid., 56.

[68] Ibid., 57.

[69] Negus gives the example of an independent producing jazz, which, like rap is a "mom and pop type of music" (Rodriguez, quoted p 58). The label lost many potential sales because Sony refused to service local small retailers.

[70] "The King of Rap," Barry Walters, Village Voice, November 4 1986, 19. The article reveals that CBS was "considering a cross claim against Def Jam," the Beastie Boys' label, if one of its artists LL. Cool J, was recognized guilty of plagiarism in court (which he was not). The apprehension of CBS demonstrated the relative involvement of the major, its lack of support toward Def Jam, and to the artists CBS' executives called in Billboard "their" artists.

[71] B-15, R-10.

[72] Simmons and George, 2001, 109.

[73] Ibid., 110.

[74] Ibid.

[75] Before that Simmons had to fight on one last thing: Def Jam's catalogue. Rap catalogues were not considered to be valuable because rap records were often sampling other artists, who were entitled to receive the copyright revenues of these samples. Besides, rap albums were assumed to rapidly turn over in stores, for fans always wanted 'the latest album.' Their qualitative amelioration in the second half of the eighties, improved the catalogue's value. Simmons and Sony fought over the rights of the Beastie Boys' album "License to Ill," still in Def Jam' s catalogue though the group moved to another label. According to Simmons it sells 600 000 copies each year, and more when the group release something new (Simmons and George, 2001, 114). Catalogues are very important for they are stable sources of revenues, and for they contribute to the value and reputation of a label. They are central to the negotiations' process between two records companies. The majors, busy reissuing their catalogs on the newly popular medium that was the compact disc, saw in the impossibility to re-exploit rap records, since they had light copyright revenues, a weakness that prevented them from investing in the music.

[76] B-48.

[77] Hesmondhalgh 1996, 475.

[78] Negus, 1999, chapter 4.

[79] For the domination of Billboard independent pop and r&b charts (and independent labels' charts, whatever their music) throughout the 1990s, see B-39, B-41, B-45, B-47, B-49, B-51.

[80] Lopes, 1992.

[81] B-15, R-1.

[82] B-14, B-7.

[83] B-31, R-4.

[84] "A genre such as rap, however, despite the revenues it has continued to generate may be classified as 'wild cat' by industry analysts who are uncertain about its future aesthetic changes and nervous when trying to predict 'potential market growth,' and by business personnel who are uncomfortable with the politics of black representation foregrounded by the genre and anxious about confronting political pressure from the moral opponents of rap," (Negus, 1999, 86).

[85] Negus, 1999, 93.

[86] Hesmondhalgh, 1998, 246.

[87] Rose, 1994 b, 129.

[88] Negus, 1992,94. Rap records, which samples often imply the payments of copyrights to their originators, are not expected to be recovered, or to have a long catalogue life, (see note 72). Besides, rap would be 'too black' for international promotion." Negus, building on his concept that industry produces culture as much as culture produces an industry always pays attention to the cultural beliefs informing "business decisions." Hence "here a strand of racist anxiety which permeates the international industry manages to combine with a narrow aesthetic evaluation" (94) as rap, reduced to its lyrics, is judged too "parochial" to be introduced in other markets.

[89] Ibid.

[90] Ibid., 101.

[91] Negus, 1999, 102.

[92] Ibid.

CONCLUSION

The commercial production of rap music started thanks to the curiosity and ears of independent entrepreneurs. Based in New York City, they supported artistic and commercial developments of the music for five years, despite the cautionary skepticism of the industry. The emergence of this production asserts the assumption that independent producers are more innovative and creative (than the corporate ones). It also shows that this inclination can be economically motivated: innovative markets represent commercial opportunities for independent labels, since the major companies and big-scale labels tend to neglect these niches that are too small for their structures. Furthermore, the artists behind these innovative trends consequently have no other choice than to turn to independent producers. By the mid-eighties, rappers, DJs and entrepreneurs had expanded their audiences to new regional markets in the U.S., and the major companies, that were now more willing to participate in this unexpected success, approached rap producers to distribute their records. An efficient division of labor between production and distribution boosted rap labels' commercial results. These associations nevertheless implied an evident loss of flexibility for independent entrepreneurs.

This organization of the production of rap music, and the division of labor it was based on, was the result of two developments. The first one, common to the entire industry, consisted in the major record companies' decision to decentralize their resources and extend this process to independent producers. The networks of distributed labels they have assembled now allow the major record companies to fully satisfy and maintain the demand, as they provided it with innovation and diversity. This division between production and distribution also helps the major record companies spread the risk and investment related to the unpredictability of the music market among all their contracted labels.

Another development, specific to this market, explains why the commercial production of rap music has been divided between rap producers and the major companies' distribution branches and why it has remained organized in such a way. By only distributing rap records, rather than producing them or hiring specialized executives, the major companies were able to maintain a voluntary distance from the rap artists and entrepreneurs. The majors have allowed the independent rap sector to thrive on the basis that this production necessitated a particular 'street knowledge' that could not be developed in their corporations. However, as Keith Negus (1999) has argued, the distance hence established, which legitimates low levels of investment from the majors, needs to be understood as an attempt to avoid dealing with rap artists, the violence associated with their lifestyles and environments, and the attacks launched against the music by rap's moral opponents.

The analysis of this particular production has shown that in cultural industries, many decisions are not motivated by artistic and economic considerations alone. Clearly, the desire to maintain a distance with these producers was, and still is, influenced by the industry executives' cultural assumptions and beliefs that interfere with their aesthetic and commercial criteria of judgment. The organization of this specific production, and the motivations behind it, thus illustrates in many ways Keith Negus' concept that "culture produces an industry," as much as an industry produces cultural goods. Considering the music industry in general and demonstrating his argument with the case of rap music, Keith Negus shows how the music executives' culture(s) overlaps with their corporate culture, shapes their understanding of the cultural products they promote, and affects their choices.

To understand this distance, one must situate the conditions of production of African American music in the music industry. Obviously, a latent racism still infuses much of the decisions taken in this business. How else can one explain that black departments are still the most subject to cuts and re-structuring whatever their contribution to the companies' overall situation, or that black executives are rarely promoted to top executives positions, nor hired outside black departments? How else can one explain that African American music is less critically considered than rock and pop in the majors, despite its historical role and influence? This lack of consideration has resulted in the systematic isolation of African American executives, artists and music, through the denial of a permanent and secure place in the major companies, as black departments are continuously reorganized, closed and reopened. The other organizational practice used to isolate African American producers has been the establishment of relationships with small companies, an approach favored by major record companies for the production of rap.

Negus also demonstrates that the street knowledge thought to be necessary to produce authentic rap records, a knowledge that justifies the maintenance of a distance from their producers, is another manifestation of the ways cultural beliefs influence decisions normally motivated by artistic and/or economic concerns. Rap entrepreneurs have undoubtedly constructed an autonomous network of producers, whose strength relies on the mastering of a particular street subcultural knowledge. The practices and connections they have developed in relation to the street certainly constitute their most effective competitive advantage. But this does not explain, nor justify, why these producers are excluded from the corporations or offered fewer investments than in the case of other genres of music. Besides, in light of the historical account of this production provided in this thesis, it is hard to believe that the research of 'street authenticity' has alone shaped the organization of this production, considering that early rappers did in fact contact the major record companies to work with them. Hence, the development of an independent sector was not initially based on the ideological desire to create an alternative system of production. Nor was it constructed on the basis that a particular knowledge was necessary to produce rap.

If rap necessitates this particular knowledge, one wonders then why the major record companies have not hired specialized executives, at least to make the connections with their distributed labels. Here again a set of cultural assumptions present the rappers and rap entrepreneurs, whether coming from the Bronx or from middle class neighborhoods, as pure products of the street, unable and unwilling to work as executives in the formal environment of the major record companies. This perception (that assimilates black youth with lower class kids embracing criminal lifestyles) completely ignores the evident versatility of the actors of this production who easily navigate between the experiences of artists, entrepreneurs, or executives. Many rappers have opened their own labels, as well as other businesses such as restaurants or clothing lines. In the earliest days of the emergent market, many of its actors (certainly because of their isolation and lack of finances) were assuming many different functions. For instance, the entrepreneurs Russell Simmons, Rick Rubin, Tom Silverman and Arthur Baker were also musical producers. Instead of hiring insiders, the major record companies, obviously afraid of them and inconsiderate of their music, relied on their black departments' executives to contact rap producers and artists.

Here again another cultural bias, one that is not considered by Negus but still supports his argument, have shaped the organization of this production. The cultural specificities then characterizing the African American community has greatly informed the decisions the majors' black executives made regarding rap. The class-related and generational tensions dividing this community negatively influenced the perception these middle-class black executives had of rappers and further limited the access of rap artists to the major corporations. These tensions were also related to the centrality 'the street' came to occupy in rap. After all, members of groups such as Public Enemy, LL Cool J or Run-D.M.C. were coming from middle class backgrounds, and many had been to college. But their hardcore styles and connection to the street scared the majors' executives. In addition, these executives had for main strategy to crossover black records, and rap was thought to be too 'rough' to penetrate other markets.

Therefore, even their perception of the music, and this concerned black and white executives alike, was biased by a series of postulations defining 'good' or 'real' music. Rap records were not played with instruments, did not automatically follow a homogeneous melodic line, 'borrowed' or 'stole' pieces from other records, and importantly did not require anyone to sing but to 'talk.' Hence, rap could not possibly be considered as music and did not for this reason earn the respect of the majors' executives (despite the obvious connections of the music with African American artistic traditions and the recognition of rap's musical potential by the specialized press).

I hope the thesis has made it clear that, notably because of the assumptions and clichés hip hop producers have to struggle against, rap's resistive and oppositional stance does not only lie in its cultural production and reception, practices on which most academic research is concentrated, but also in the sites of its commercial production. Rappers and entrepreneurs constantly negotiate their obligations and prerogatives in this industry. These struggling practices are just as important as are rappers' lifestyles and lyrics, or their reception and use by rap fans. Hip hop producers' constant negotiation determines the extent of the diffusion of these lyrics and protect the rappers from the attacks of moral entrepreneurs. Importantly, it shapes the strength and place of the entire hip hop production sector within the music industry. It is quite surprising that so much research is devoted to content analysis and to the cultural context of their production, and that it never addresses the rappers' commercial environment, nor assesses the forces and constraints influencing their cultural production.

The extent of this struggle and the terms of this negotiation are amongst the domains that still need to be explored to fully understand the working environment of rap executives and rappers (and the major record companies' official and less official methods). It would be interesting to observe the parameters of these associations as well as their impact on rap labels' corporate cultures and working practices. What appears from the interviews reproduced in Billboard, especially when described by majors' executives, is that the associations were cooperative. Obviously, rap entrepreneurs had no interest in publicly relating the negative interference of their corporate associates and damaging their reputation. Ten years of perspective has allowed some entrepreneurs, who have often changed distributors, to nuance this cooperation and acknowledge the evident loss of flexibility they experienced when they came to work with major companies. This loss of flexibility directly challenges the cooperation between independent and corporate structures recognized by organizational scholars such as Robert Burnett in explaining the reorganization of the music industries in the eighties. For they now avoid competing on the same markets and/or divide the production process, major and independent record companies would cooperate and exchange their competitive advantages that are flexibility and mass distribution. If the new organization of the music industry allows the independent sector a recognized and lasting place, then this collaboration should be carefully considered though, for it certainly does not favor each part equally.

To conclude, I would like to emphasize the musical, cultural and economic impacts this music has had in the United States, and increasingly around the world, and importantly credit the local entrepreneurs for this success, as they have continuously expanded the music's audience while protecting the music's authenticity. Maybe the distance denounced above and the maintenance of the musical production in independent structures have saved the music from the traditional mechanisms of cooptation and promoted its constant rejuvenation. The necessity to remain visible in small independent labels might have promoted the constant search for innovations and explain why, every time the genre is thought to vanish, a new successful trend emerges. The musical influence of rap on other musical productions, and in popular culture in general, is evidenced in movies, cartoons, advertisements, radio jingles etc. Widely infused in other musical styles such as trip hop or UK garage, some of rap's innovations are part of our everyday sonic environment, and they have been so well assimilated that it is hard to believe this music was first defined by some as mere (uncreative) noise.

The cultural strength of the music is another aspect of its exciting development. The educational possibilities of the music have been widely demonstrated, and I stress here the facility with which the music has exported itself to other countries where it provided the grounds for the creation of cultural movements (and economic activities) there. This development shows the music's evident ability to vehicle messages and to offer some means of expression to under-represented youth. The exportation of rap also shows that one of its great strengths is its music, which is as important and meaningful as are its lyrics. As a French hip hop listener, I rarely understand all the lyrics of a 'song,' yet rap remains very good at conveying feelings through its music, and one can easily recognize if a track is nostalgic, made to party, or depict a violent reality. That said, it would have been interesting to analyze the nature of the relationship (if there is one) between commercial structures and cultural outcomes. For gangsta and political rap, both praised for their critique of mainstream society, emerged in the second half of the eighties, when majors were distributing the labels behind these trends, notably Ruthless and Def Jam; their commercial success suggests that no negative relationships can be drawn from these associations and the rappers' resistive discourse. In light of these genres' sudden decline, at least as oppositional practices, the question still remains: how do organizational structures influence the music and its content, (even if, of course, the oppositional value of rap is not limited to the explicit expression of political issues).

Finally, rap has promoted an important economic sector that comprises prominent and nationally successful labels such as Aftermath, Murder Inc., or Flavor Unit as well as a multitude of smaller local structures. Importantly, rap is the first African American musical production whose control and benefits have remained within its community of origin (despite the interferences of the major record companies). A source of employment and training, the market of rap music provides an alternative in an industry, the American popular music industry, where racist assumptions still exclude African Americans from executive positions. This market is also connected to many other industries based on hip hop aesthetics, that are other sources of employment and profits. As Tricia Rose has remarked, the production of hip hop videos has offered aspiring African American cineastes an alternative and most appreciated training ground, considering the very few possibilities they were offered in this white dominated industry. Trainees have become filmmakers and now provide opportunities for other young African Americans in the production of movies and related industries. These industries include video and movie production companies, management agencies, clothing lines, hair stylists and make-up artists' agencies, specialized publications, concert promoters etc.

Thus hip hop music and culture emerged not only as an artistic force but also as an important economic one, the extent of which, twenty years after its birth, is still largely neglected by academics. The international market for rap is, first and foremost, the result of the work and ambition of a few individuals, who have gradually pushed away all the boundaries limiting the growth of the market they have created. Throughout the 1980s, these individuals have expanded rap's audience to new cultural and social groups of listeners and to new geographical areas far beyond its original audience among African-Americans and Puerto Ricans in the boroughs of New York City. They also have protected the integrity of the music as it became mass commercialized with the arrival of the majors as distributors of rap records in the second half of the 1980s. Excluded from the corporations, accorded less respect and allocated fewer investment dollars than artists and executives in other genres, rap entrepreneurs have nonetheless continued to develop a successful industry and have kept control of the production of rap music.

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