

**COPYRIGHTS, COMPETITION AND DEVELOPMENT:
THE CASE OF THE MUSIC INDUSTRY**

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I. INTRODUCTION

The economic importance of copyright industries in developed market economies has been amply documented, and these are becoming all the more important with the rise of the knowledge-based economy. According to recent estimates, the core copyright industries in the United States contribute \$260 billion dollars to the economy and already generate over \$60 billion in foreign exchange earning (Daley, 1999; RIAA, 1999). Although such industries are less significant in developing countries, this is likely to change with the growing weight of the knowledge-based service sector in these countries and its importance for their closer integration into the global market economy.