

Written evidence submitted by Chris Whitten

I trained to be a musician in the late 1970's. I moved to London and turned professional in 1980. I have enjoyed a professional career without interruption, lived through many industry transitions, from analogue tape to early digital (CDs), to the home computer, music software and the emergence of the internet. I have worked at all levels, from zero budget projects, touring in a Transit van, to global stadium tours with globally significant artists.

Brief summary:

At the beginning of the new millennium, income from recordings went into a downward spiral due to online file sharing. In a continuing peter.henderson@icloud.com dysfunctional market, music streaming has led to most musicians living off live performance income alone. Action on climate change would surely impact heavily on touring income, while the Coronavirus pandemic has reduced income from performance to zero overnight. Leaving most average musicians with no appreciable income for twelve months at least.

Comparing music streaming to film and television, Hollywood certainly learned lessons from the music industry and has partnered with technology companies in a far more beneficial way.

My submission:

As the creative industries, from writing/publishing, to film making and music, moved into the digital era, popular music became the 'canary in the coal mine', the vision of a future where the consumer regarded entertainment as cost free and on demand. Unscrupulous 'entrepreneurs' exploited digital tools and a slow response by law makers, with many becoming millionaires off the back of illegal file sharing. Once successful and wealthy, many of these young 'tech barons' were able to move in to legitimate online businesses that are hugely successful to this day.

It was in this highly dysfunctional market that music streaming was born.

In the mid-2000's Daniel Ek, Swedish founder of Spotify, approached the major record labels and tabled a deal that offered them a way out of damaging losses from widespread piracy. Eventually the two parties negotiated a deal which effectively secured a financial future for the bigger labels (commonly known as the 'big 3') and the top 10% of popular artists, while leaving behind the smaller labels and independents. Of course, fresh talent and innovation emerges from the margins, the independent sector. The majority of working musicians are not part of the major label system. It is the young innovators and the majority of ordinary working musicians who have suffered most from the streaming deals made with Spotify, Apple and Google (owners of Youtube).

At the time, Hollywood executives were vocal in criticising the music industry, saying these streaming deals were terrible for business. It is true that the BMI has posted eye popping revenue over the past few years, but the economic divide has never been wider. Top 40 artists are earning spectacular incomes, while artists making more innovative and challenging music have been left to fight over a few crumbs. Spotify pays \$0.004 per stream. 1 million streams are needed to earn \$4,000 from Spotify. Very few artists will ever achieve 1 million streams. In fact the Spotify algorithm works for the most popular artists while working against the less mainstream, promoting instantly popular tracks while pushing down the rest.

Innovative, complex and more challenging work has never been instantly popular.

Let's finally compare music streaming to that of television and film, remembering that Hollywood said it would never agree to the terrible deals the music industry made.

All the music streaming platforms offer access to almost every piece of music ever released, including every classic album and hit single. When someone like me releases a new record, I am competing with every great artist and classic track there has ever been.

On Spotify this access to 'everything' is fee free (on the popular ad funded tier).

None of the tv and film streaming platforms, from Netflix, to Apple TV, to Amazon Prime, offer everything that's ever been broadcast. They offer a mix of licensed content, new original content, plus a rolling schedule of classics. Similarly, UK based BBC iPlayer, Britbox and All Four offer a limited but rolling schedule of classics, plus contemporary content.

Even online vloggers and independent film makers publishing to Youtube don't have to compete with hours of classic tv and blockbuster movies.

More shocking to me is that the music streaming platforms do not invest in new content, let alone new talent. They license music that other people have financed, then publish it while paying very little in return.

Netflix, Apple TV and Amazon Prime are all investing millions into new content, which no doubt includes nurturing young talent, while financially supporting an army of technical staff - set designers and builders, electricians, cinematographers, script writers and jobbing actors.

In it's current guise, there really is no financial future for the majority of artists publishing to music streaming platforms. Their business model still competes with illegally free. They aren't investing in music or musicians. They have set the damaging precedent of offering all the music ever made, free of charge.

In 2020 Covid-19 shone an unflattering light on this dysfunctional business model. From the 1960's to the 1990's, musicians earned their income from a variety of sources; record sales, performing live and merchandising/sponsorship. The tech companies clearly stripped away the income from recording and told us that income stream was a brief 30 year anomaly.

We should now regard records as a promotion for our live show they said.

Apart from the fact the public appear to cherish recorded works such as Fleetwood Mac's 'Rumours', Pink Floyd's 'Dark Side Of The Moon' and ABBA's 'Dancing Queen' as artistic works in their own right, while the live performance of those works have largely been forgotten, the Coronavirus pandemic ended live performance overnight and most likely for 12 months at least. In the past musicians could have fallen back on their income from record sales, but now the majority of musicians are earning absolutely nothing, month after month while the world is in lockdown and gatherings are either banned or discouraged.

This was always going to happen with meaningful action on climate change needed by the end of the decade. Experts and campaigners stated that frequent fliers were some of the most egregious polluters in the carbon economy. Since the destruction of income from recording by the tech sector and pirates, millions of musicians have been permanently on the road, often flying multiple times over a single weekend. Even flying from Northern to Southern Hemispheres to appear at one or two music festivals. We are by and large average working people, we are not the super wealthy business people the climate change lobby has pointed their finger at. The vast majority of us are equally concerned about climate change and don't want to be passing through a bewildering number of airports, living our lives out of a suitcase. We have been forced to do so by the lack of a viable income from recordings, or any inward investment from the music streaming platforms.