Written evidence submitted by Ms Renee Sheehan

I am a Doctoral Researcher for the Sociology Department at Goldsmiths University. I am researching local music scenes in the U.K, in particular comparing the music scenes of Hull and Brighton from a socio-economic and political perspective.

Question one: what are the dominant business models of platforms that offer music streaming as a service?

My understanding is that the dominant music platforms are Spotify, Apple Music and YouTube. Through their respective proprietary internet-based software systems these Corporations offer either a free to use or subscription-based streaming services. Income is also generated through advertising. These Music Streaming Companies acquire the rights to share published music vis-a-vis a contractual arrangement with Record Labels as the Copyright Owners of most music recordings. This contractual arrangement whilst cloaked in secrecy is thought to represent an approximate 50/50 split of income generated from subscription services between the streaming service providers and the record labels, worth billions of pounds more every day and whose accumulation is still accelerating globally.

Consumers of the Music Streaming Services are able to stream music using their internet-based software by accessing the repository of music made available for them. This is usually consumed for free with adverts or advert-free with a subscription.

As a music industry researcher that collaborates with many music-related workers it is clear that this arrangement has transformed the mode and percentage of income generated for music producers away from music record products (CD's, MP3's etc.) to streaming services. As a result of this shift in both the production and consumption arrangements music producers have experienced an absurd inability to generate a living wage regardless of the amount of streams the music they have created attracts using the streaming services.

I therefore agree with the Ivors Academy that to improve the economics of music streaming:

1. The streaming model must be equitable, fair, transparent, efficient, and pro-creator.
2. It must value the songwriter and performer contribution to streaming more highly.

3. It must include checks on the dominance of major music corporations on streaming marketing, licensing and distribution of streaming royalties.
4. It must stop information being hidden that enables conflicts of interest and prevents creators and performers understanding what they're being paid and why.
5. It must include modernised royalty distribution systems to stop bad and missing metadata, and mis-allocated payments.
6. It must create the strongest environment for UK creators and ensuring UK songwriters, composers and performers do not fall behind on basic rights and protections.

Question two: Have new features associated with streaming platforms, such as algorithmic curation of music or company playlists, influenced consumer habits, tastes, etc.?

This seismic change in fortunes away from music product owners to music software service owners is further exacerbated by the centralised nature of web-based technology software design. Arguably 'lazy' design to merely optimise profit for the contract owners leads towards a trend of narrowly defining the music tastes of consumers. This may be evidenced for example by the 99% of streamable music available remaining unstreamed. Furthermore, this narrowing by algorithm-led centralised music distribution represents a massive new barrier for musicians to be able to distribute their music accordingly when not signed by major profit-orientated corporate record labels, especially new and undiscovered music-makers.

I therefore agree with the Ivors Academy that the two things that could fix streaming and keep music alive are:

1. Oversight of platforms so that algorithms are not biased, and provide equal access to the streaming market for all artists, songwriters and performers regardless of whether they are signed or not.
2. Full auditing and disclosure of the relationships between rights owners (music publishers and record labels) and streaming platforms to expose agreements, marketing partnerships and non-licence revenues.

Question three: what has been the economic impact and long-term implications of streaming on the music industry, including for artists, record labels, record shops, etc.?

My main concern is that the invaluable and immeasurable music infrastructure underpinned by local music scenes is being redefined based upon ability to pay rather than ability to play. As a result inequalities to opportunities to engage in

music practice based upon wealth are widening due to the lack of income-earning potential through the medium of music-making.

I therefore agree with the Ivors Academy that these three things need to happen to fix streaming and keep music alive:

1. An equitable model that enables greater value to be placed on the song.
2. A fairer model where the major music corporations do not dominate the marketing, licensing and distribution of streaming royalties.
3. Greater transparency to stop information being hidden that enables conflicts of interest and prevents creators and performers understanding what they're being paid and why.

Question four: how can the Government protect the industry from knock-on effects, such as increased piracy of music? Does the UK need an equivalent of the Copyright Directive?

I don't think online platforms, such as YouTube, have a big enough incentive to protect creators and their work. The gold rush of web software development in the music sector has emphasised a 'growth at all costs' strategy by attracting consumers through the allure of free highly desirable content. The easiest and quickest way of achieving this has been through a 'free for all' and 'race to the bottom' mentality that almost 'forces' creators to share content online if producers are to distribute their art work and grow their own businesses.

I therefore agree with Ivors Academy that the six things that could happen to fix streaming and keep music alive are:

1. Better or equivalent copyright protections for creators to those awarded elsewhere, particularly in Europe.
2. Greater transparency amongst record labels, music publishers, streaming platforms and other licensing entities so that creators can effectively use their right to audit music companies they are signed to or who administer royalties for them.
3. Enshrine the liability of online platforms in UK law; this means that platforms, including those that host user-generated content, will be liable for hosting unlicensed music.
4. Contracts between music creators and companies tasked with exploiting their works should always ensure that all creators will be paid appropriately and proportionally to their music's success.
5. Be able to renegotiate contracts if the remuneration originally agreed under a license or transfer of rights turns out to be disproportionately low compared to revenues generated by a creator's music.
6. Assignment of rights to a music company should have a maximum term, after which the rights should automatically return to the creator, who could decide to extend or place their rights elsewhere.

Question five: do alternative business models exist? How can policy favour more equitable business models?

I would like to have confidence that paying for music streaming services means that the makers of the music are directly and fairly rewarded for their work. I also believe a Government is responsible for ensuring monopolies of power do not emerge due to technological innovation. A tripartite approach between Public Bodies, Artist Representatives and Streaming Contractors should be established to negotiate on an ongoing basis the economic arrangements between centralised technology monopolies and the creators and producers of music.

I therefore agree with the Ivors Academy that three things that could fix streaming and keep music alive are:

1. More transparency and opportunities for scrutiny, so that current market distortions can be exposed and reformed.
2. Ensuring a level playing field through regulation can enable ethical business models to become the norm. Not all platforms are the same, and not all music companies are the same; some are demonstrating that more equitable business models can be adopted.
3. The reclassification for performers of streaming as a 'communication to the public' rather than 'making available' (for songwriters, streaming already has this classification). This would generate royalties to be paid through a collection society such as PPL (like radio does), help unrecouped artists as it would generate new royalties for them that they wouldn't get direct from a label, and generate an income stream for session musicians who currently receive no streaming royalties.

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