

Netlabels and Open Content

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Making the Next Step Towards
Extended Cultural Production

Academical Research by Bram Timmers
University of Utrecht
Faculty of Arts
The Netherlands
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*And I would like to be able to continue
To let what is inside of me
Which is, which comes from all the music that I hear
I would like for that to come out
And it's like, it's not really me that's coming
The music's coming through me*

The music's coming through me

- DJ Shadow¹

¹ DJ Shadow: *Building Steam With a Grain of Salt*; from the album *Endtroducing*, Mo' Wax 1996

Table of Contents

Abstract

Introduction

Chapter 1 “Netlabels: Analysis of a Networked Phenomenon”

- 1.1 Netlabels
- 1.2 Structure
 - 1.2.1 Netlabels versus P2P-networks
 - 1.2.2 Netlabels versus the traditional music industry
- 1.3 Scope
- 1.4 Enabling Factors
- 1.5 Feedback from the Inside
- 1.6 Chapter Summary

Chapter 2 “Causes and Significations of a Shifting Environment”

- 2.1 Transforming Consumers into Users
- 2.2 Intrinsic Motivations
- 2.3 Changes in Culture Production and Consumption
- 2.4 Chapter Summary

Chapter 3 “Consequences of the Change”

- 3.1 Social Consequences
- 3.2 Consequences for the Traditional Music Industry
- 3.3 Consequences for Artists
- 3.4 Cultural Consequences

Conclusions, Expectations and Recommendations

Glossary

- Part I Case Studies
- Part II GNU/GPL and Creative Licenses
- Part III Copyright

Acknowledgements

List of References

Abstract

This research paper examines the dynamic relationship between the digital realm of music distribution and the restraining limits of copyright on cultural development. The traditional music industry is facing problems in continuing its traditional production and distribution model. Digital technology has irreversibly changed the social power structures, bringing the 'users' (opposite to 'consumers') in contact with a multitude of apprehensible, sometimes even free, tools through digital networks. This paper will not focus, however, on peer-to-peer sharing of music files, but rather on alternative ways to produce, publish and protect intellectual and musical information on the digital network environment. This academic research will include topics covering internet music labels (*netlabels*), copyright protection, digital distribution, real time audio streaming, creative capital and the need for an adjusted legal protection system which matches the needs of the digital network society. The key focus will be on netlabels; how they have evolved into their current position, their intentions, and their function in the larger framework of the open content and open source movement.

Introduction

Kodak was the first company to make photographic technology widely available for the public. Until then, taking a family portrait was either a reason to call in professional help, or a costly activity at least. The technology that Kodak offered was not patented, since the American legislators considered that it would stifle technological innovation. The company flourished by making celluloid films cheaper, and cameras affordable. Now, anybody could take their own snapshots, and have the films developed by Kodak outlets. Since the advent of digital imaging technology such as digital cameras, image manipulation software, and high quality printers (not to mention the opportunity to share one's photos with peers through networks), the market for traditional photography has lost much of its former monopoly. Kodak reacted to this shift, instead of stubbornly keeping up its traditional market model, by adjusting itself to the new situation. Kodak is now one of the leading companies in digital cameras, photo printers, paper, and other accessories. Granting the customer their newfound power, it has positioned itself in a new place on the market, providing clients with another valuable service.

With the rapid spread of digital technology many markets have changed their structure. Consider the areas of newspapers and radio, or even architecture or telecommunications. In reaction to higher consumer expectations and abilities, companies had to adapt their methods or stand down. In the information society, people have gained more direct ways to access information. The line between producer and consumer has shortened considerably. In fact, one could say that the distinction is hard to make. Efforts to simply keep the market structures as they were, do not only have a negative effect on innovation, but even deny the users of information resources the potential to create and shape culture in general.

Today, the music market is one of the most dynamic areas of digital media, in which involved parties are fiercely defending their rights. It is a modern day legal battleground, which is likely to have strong consequences for the way people are working with digital data. The music industry is not the shining example of modern flexibility. It has gone as far as bringing its own customers to court, to maintain its outdated corporate structure at all costs. However, time moves on, and consumers are far from passive receivers. To regain control over music rights and to protest against rising prices of CD's and the limited availability of music, people have started up netlabels, to make a platform for independent experimental music artists. These labels are not tied down by commercial motives – whether an artist will sell enough records or not – but are publishing free, or low-priced music releases by artists who are shaping the

musical frontline. Netlabels are a protest sign against the over-commercialised music industry where money talks, and against the decreasing public sphere. They turn the spotlight on important music that was ignored by the commercial four (i.e. four large record companies owning 90% of the music industry), and put the artists again both in control and in touch with their listeners.

In this exploratory research I am taking a closer look at these netlabels, to put their activities and motives in perspective, while supporting them with an academic framework. I want to study which part netlabels play in the extended cultural production, as it is described by Raessens, Schäfer, Jenkins and more media critics. Supported by the Centre for Culture and Communication in Budapest I have conducted deep theoretical research, apart from mapping the netlabel movement and communicating with netlabels directly. It is my personal belief, and this could be understood as the hypothesis of this paper, that netlabels are a fine example of open content and extended cultural production, and could introduce us to a great new way of looking at our culture and musical content.

In my opinion, netlabels are enlarging the public domain – decreased by copyright laws – by using creative licences to offer artists the chance to showcase their work without any legal limitations or artistic restrictions. They assure the freedom of expression without taking away the chance to gain an income from their work. Second, and not less important, they are diversifying and transforming the music market by publishing kinds of music that previously went undistributed and keeping them open for further use.

Chapter 1 Netlabels: Analysis of a Networked Phenomenon

“Free music is one way of distributing music, and it is a great and growing one, that I really love. But it is not the only way. I don’t think, all music should be free. I do not endorse or use illegal p2p systems, and I also buy music very conventionally. But this does not mean that I accept the political influence by the major labels or that I listen to commercial radio stuff”

Matthias Reinwarth; TonAtom Netlabel, Germany

As we enter the scope of this research paper, it seems important to me to clear the parameters first. It is hazardous to describe a phenomenon such as digital music distribution, netlabels and decentralised music production without sketching a legal framework in which this all finds its place. When one wants to know what the future of a certain development might be, it is wise to look at the past for clues. I remind the reader, however, that it is not my aim to produce a legal explanation or defence for netlabels, nor do I claim to be a legal specialist. I will start off by presenting the historical facts on copyright, so that the current situation can be put in its correct perspective.

As it was designed, copyright served two purposes: to protect the rights of the author of a specific work against unauthorized exploitation, and to assure that all works eventually flow in the common sphere to nourish the source of creativity and innovation. This period of protection, however, has been lengthened many times. In fact, copyright has been amended so many times, that the common sphere is dramatically deprived of fresh resources. Content passes into long-term protection without even the slightest deliberation about the degree of necessity.

One writer who shows just how copyright hasn’t kept up with developments is Margaret Chon, who writes that the basic principles of copyright, the “work” principle and the “author” principle, are clearly deprecated in the digital world.² Copyright defines the protected subject as having to be “fixed or sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration”. However, software tends to be transient, temporary and open to further development. Copyright also mentions that a work has to be produced by a creator, while in this networked reality, one can hardly speak of a single creator because everybody has participated in a way.

Legislators today are struggling to cope with phenomena such as decentralised production (peer-production), networked digital distribution and the growing discontent of consumers with the oligopoly in the music market which keeps prices high, and variety limited to one-hit-wonders and quick cash-ins. With consumers increasingly in the power to produce or share music they prefer, the music labels are facing a different situation. No longer are they in control of what is on the market: the consumers have gained a more independent counter position. Whereas this shift in market paradigms could (or should) cause a different approach from both legislators and record labels, so far there has been little sign that this is the case. Record labels rather use the “greater hammer” method to wipe out resistance legally. Unfortunately, it is often true that laws are strongly influenced by interest groups, and the music industry has done a good job in turning law in its own favour. Digital Rights Management, a tool for protecting (or limiting) the (mis-)use of digital content, is applied often, regardless of any discontent from end users. I will touch on the topic of DRM again further in this paper.

² Chon, M., 1996, *New Wine Bursting From Old Bottles: Collaborative Internet Art, Joint Works, and Entrepreneurship*, University of Oregon, p. 2-5

1.1. Netlabels

Now let us take a look at the central topic of this research project: netlabels. Before the computer was even known to common households, certain sharing networks already existed. When Philips introduced the compact audio cassette in 1963, blank cassettes were sold in incredible numbers. Their reusability, and the option to record music onto them (later they were also used to record computer games for the Commodore 64); made cassette tapes the easiest way to copy, save and share music with friends. Suddenly it was also possible to record your own music onto cassettes and create your own album. Later, cassettes were even used to spread underground messages around the country (sending them by letter, or taking them along). Some people argue that it was around this time, in which people could record and mix themselves, that crossover music was born (one of the more famous styles being hip hop). This way of copying and changing copyrighted material was highly condemned by the record labels and copyright institutions.

The roots of netlabels date back to the late 70's and early 80's, when so-called 'tracker scenes' and 'demo scenes' were popping up around the world. Strangely enough, the first book to come out of the demo scene subculture has just been published recently³. These movements were one of the first computer subcultures who intended to crack existing software and excel in programming skills to provide new and unseen possibilities for users. Demo scenes first started during the 8-bit era, with early personal computers such as the Commodore 64. Later, when 16-bit computers were developed, the scene flourished even more using computers like the Atari ST and the Amiga. Trackers are people who publish their musical creation, made with tracking software, completely visible for others, including the programming code, the channels, effects, and et cetera. The tracker scene got started when the demo scene was already established for some years (1987), when Karsten Obarski developed the first tracker program for the Commodore Amiga: Ultimate Soundtracker⁴.

The challenge for demo scene members was to crack an existing program, changing it and taking credit for it via graphical introduction. Such an introduction was called a "cracktro", and became increasingly elaborate. Later, programmers started making these intros independent of actually cracking software, transforming the scene into a subculture. By cracking software they did not only make software free for others, but they also gained valuable insight in programming and respect from their peers. Later, 'demos' were also joined by short musical compositions, combining graphic and sound. Demo sceners succeeded quite well in finding new ways to use their hardware and software. Demos were compared with others, on tapes or floppy, thereby setting up one of the first sharing networks for digital content. Interestingly enough, the Museum for Applied Arts in Frankfurt am Main is organizing a ground-breaking exhibition in its *Digital Craft* section, dedicated to the demo scene, as another exciting facet of digital culture⁵.

With the advent of more advanced technologies such as faster chips, more memory, better graphic cards, many of the programmers started to use new technologies, often abandoning the limits of the oldschool style programming. When digital compressing formats were introduced, together with the spread of the internet (more on this later in this essay), demo groups started to form communities in which they could share and compare their musical compositions or other digital materials. This, in short has been the cradle of communities we have now learned to call netlabels.

³ Schustin, M., *Demoscene: The Art of the Real-Time*; Even Lake Studios, Helsinki 2004

⁴ Redenz, S., p. 382, 2005

⁵ The "Origami Digital – Demos Without Restrictions" exhibition is one of a cycle of in total three exhibitions about digital culture. The website can be viewed at: <http://www.digitalcraft.org>

1.2 Structure

So what are netlabels exactly? As netlabels are still mainly unnoticed by mainstream music listeners, many people have asked me this question. Netlabels do not aim to redistribute existing popular music (peer-to-peer and pay-per-song programs already fill that gap for many consumers). Instead, netlabels have been set up to give underground amateur artists who produce quality music a chance to be heard by a large audience. Netlabels mostly promote music genres that are not mainstream (or at least not enough to be picked up by traditional music labels). Netlabels offer digital music files from a selection of artists for free or at a very low fee. Making profit is often not a target, but just to earn enough money (through occasional vinyl releases for example) to break even or for technical improvements of their equipment. Their main incentive is to provide a platform where artists can show their material, and where people can interact with each other, be inspired by one another, make adaptations of songs and comment on each other's achievements. This decentralised co-production and the peer group feature might be the clearest similarities between netlabels and the former demo scene.

To clearly outline netlabels, I feel I should point out the differences between them and both p2p networks and the traditional music industry. As they represent an interesting way of approaching the music, I believe this differentiation is in place.

1.2.1. Netlabels versus P2P-networks

Contrary to these networks, netlabels are neither distributing nor providing the tools to distribute copyrighted music material. Netlabels work with the consent of their artists, and help to distribute their music for free. The structure of a netlabel is very different too, since it is more centralised than p2p networks. The music files are hosted by a netlabel, or by institutions like Scene.org or the Internet Archive, and are freely downloadable. Another interesting feature is that songs published by netlabels, always have the netlabel's name inside the file extension. This way of self organization makes sure that, no matter where the file *travels*, its origin will always stay clear.

1.2.2 Netlabels versus the traditional music industry

When Wikipedia first included a page on netlabels (January 24th, 2004), it defined them as follows:

*A netlabel, also called online label, web label, mp3 label, distributes its music in digital formats on the web. It works like a classic record label with the only difference that there are actually no hardware releases like vinyl or CD available.*⁶

Although some labels actually do release some hard-copy albums (mostly compilations, and very rarely), this main difference is still the most important one. The first and main difference between netlabels and the traditional music labels is its virtual characteristic: netlabels organize everything from production until distribution through the internet. In their daily business, netlabels do not include CD production plants, large marketing expenses, distribution companies and outlet stores. Everything is done online. A second difference is the view on copyrights. Netlabels take a more modest place in the music chain, as they don't charge money for downloads or royalties of their artists. Another difference between the two is that their selection of music is primarily lead by quality and innovation (for the good of

⁶ This first Wiki was written by Martin Wisniowski, in which he defines terms such as 'netaudio' and 'netlabel'. This can be seen on: <http://en.wikipedia.org/w/index.php?title=Netaudio&oldid=2010456>

music), while the traditional labels keep commercial interests in the back of their minds while selecting an artist to contract.

The netlabel scene differs strongly from the traditional music labels in many ways. One could say it is a parallel universe, which revolves around a similar core. This centre is musical content, but both universe's definitions of it, and their production and distribution methods, are very different from each other. However, there are signs that they have experimented with the views of their counterparts. It is a fact that netlabels occasionally use traditional ways of production (rather vinyl, but also CD's) and mail-order or shop distribution. For many labels this is a way to make some money to invest in the netlabel (i.e. in new hardware or other technology). Thinner for instance, has gained a considerable amount of attention with some of their releases in music shops. This way, staying true to their ideals of low-profit and high-quality of music, netlabels have found yet another way to organize themselves successfully. It is an interesting development to study, and to see whether this way of grassroots production, will grow into a business or whether it will stay small and underground.

Vice versa, we also witness the careful trend of traditional music labels testing out the benefits of online distribution. Not only do some labels acknowledge the fact that P2P networks provide interesting information about what is popular among certain target groups, but a growing number of labels are also starting their pilot projects in the pay-per-download universe. The alternative way of collaborative music production is an experiment that has still gained relatively little experience. However, there have been commercial companies who are experimenting with collaborating with the users musically. Mercedes Benz started a project called *Mixed Tape*: an exclusive, free-of-charge download compilation series, with more than a hundred mp3's by a selection of international new young artists⁷. This project has proven to be quite successful in its first year, and Mercedes Benz has announced to continue the project. Another interesting project is that of the BBC. Apart from one of their previous projects of releasing a large amount of old film footage into the public sphere, they currently offer Beethoven's symphonies for free online⁸. Every period of time people can freely download one of his Symphonies (starting with the first, during the first weeks). This project has been a large success already, as literally thousands of people have downloaded Beethoven's symphonies, resulting in a staggering visitor rate at the BBC website, and a boost to the channel's perhaps rather old-fashioned public image.

1.3 Scope

In the past decade, computers have enabled millions of people worldwide to become producer as well as consumer. In my opinion the term 'consumer' is outdated, in this context, and we should rather speak of 'users'. Users are able to take the software that is presented, and use it to their own benefit, perhaps even in ways never imagined by the original producer. People have become able, to a large extent, to exercise control over their digital possibilities. This potential is further enhanced by the high connectivity through the internet. To become a music artist does not require a person to actually buy instruments and a recording studio nowadays. In effect, the number of home artists has increased exponentially in the past decade, while traditional music labels have confined themselves to publishing a smaller number of artists, less different music genres, and aiming at short-term successes. This paradoxical situation has accelerated the boom of netlabels filling the gap.

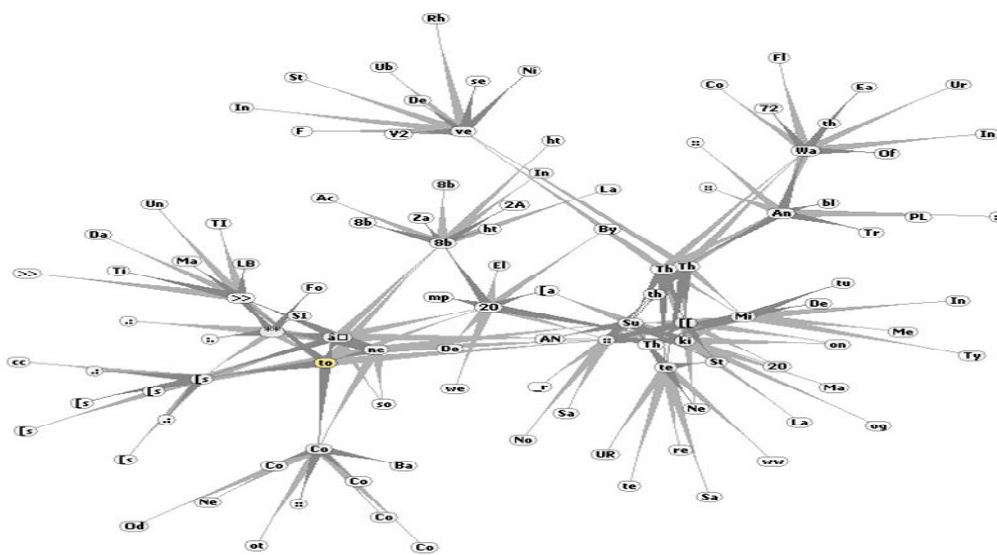
⁷ Mercedes Benz Mixed Tape: <http://www3.mercedes-benz.com/mixedtape/mixedtape.html>

⁸ BBC project website: <http://www.bbc.co.uk/radio3/beethoven/downloads.shtml>

Starting a netlabel technically does not necessarily require a very large investment. Because the label is virtual from beginning to end, there are no large overhead costs such as office rent, marketing costs, CD pressing and (inter)national distribution costs. It does have to pay the server costs, and most netlabels do not employ many people (on the average the number of employees ranges between two and six). As the number of artists increases (right now, the average amount of artists lies between ten and twenty) the server costs increase too. Fortunately a non-profit institution called the Internet Archive (archive.org) and Scene.org (powered by the Hogeschool Rotterdam) are supporting netlabels by giving them cheaper server space for the many music files.

Estimating how many netlabels are actually active is a difficult thing to do. The number increases almost every week. Other labels seize activities and still clout main portal lists. As they are mainly active in the underground music scene, most depend on links on other netlabels. The network looks like Albert-László Barabási described them: with larger nodes with many external links and often mentioned by others (so-called 'hubs') and many smaller nodes (with relatively little incoming links)⁹. One website that takes this movement quite seriously is Phlow, which writes much about netaudio, and related news. They also feature a 'netlabel catalogue'. At the moment that I'm writing this text, comparing my own findings with the list on Phlow.net, I roughly estimate the number of netlabels worldwide to be between two hundred and fifty and three hundred. This number is based on the list of new netlabels published on Phlow.net¹⁰.

In the netlabel network, not all networks are equally linked. Some function as hubs more than others. Labels that have been active for a longer while seem to have much more links than newcomers. When we use the Netlabel catalogue at Phlow.net, we can verify that a small percentage of the total netlabels are functioning as highly-linked hubs. Some examples are Thinner/Autoplate, Textone, Subsource, Nexsound, Tokyo Dawn Records and TonAtom. Using the magnificent program called TouchGraph Googlebrowser, written by Touchgraph LLT and Martin Spernau, I have produced the following graphical image of a part of the netlabel network¹¹. When given a starting point (URL) the program seeks for links. In this instance I have used the netlabel *Tokyo Dawn Records* as a starting point: a successful netlabel which started operations back in 1997 as a netlabel for open-source music. Even though inspiring, these mapping visualizations do not represent all the existing links, and can not be used as scientific proof.



⁹ Barabási, A.L., 2003

¹⁰ <http://www.phlow.de/netlabels>

¹¹ <http://www.touchgraph.com/TGGoogleBrowser.html>

1.4 Enabling Factors

In his article, Matthias Reinwarth (TonAtom) states that there have been several factors that have enabled and perhaps even boosted the start and growth of netlabels¹². Besides the Internet technology and the popular increase in bandwidth (ADSL), he mentions the fundamental changes in the scope conventional music market. In his opinion, the traditional market's concentration on a narrow genre of popular (sure to sell) music and its intention to deter anyone from using its music files unauthorized, have built up the necessary cultural pressure. Another explanation for the fact that people seem to buy less CD's comes from John Snyder, a former board member of the National Association of Recording Arts and Sciences (NARAS). He quotes from a conducted market research, saying that sales suffered from the "[slow] economy, competition from other forms of entertainment (DVD's, games) and the shorter playlists on radio"¹³. However, netlabels would still have no real potential if they could not rely on different ways of distributing large amounts of unprotected music. This is where the hosting mirrors come in.

If it wasn't for institutes like Scene.org and the Internet Archive, most netlabels would not be where they are today¹⁴. This is a fact, because they provide enough server space for netlabels to host their mp3's, ogg's, and other file extensions, which netlabels could otherwise never afford. These institutions provide a true service for creative capital. The Internet Archive's aim is to preserve our creative products for the future, to build up a second *Library of Alexandria*, so to speak. Until now, they have done tremendously well, archiving terabytes of free content. All files are available to the online visitors, and may be downloaded except for commercial purposes. The Internet Archive is a non-profit organization based in the United States, and receives funding from several other institutions.

Scene.org is organized by the Hogeschool Rotterdam, with the aim to support the innovation and prosperity of online cultural exchange. Scene.org is an FTP server, which often runs faster than the Internet Archive's system. Consequently, Scene.org has become somewhat of a hub for netaudio listeners to meet and discuss new topics on the well-visited forum.

1.5 Feedback from the Inside

When one tries to study the netlabel scene, one can't afford to stick to written theories and articles. I believe that this research would be incomplete, and lacking an important link with reality, if I wouldn't bring it in contact with people at netlabels around the world. They have provided me with valuable opinions and honest reactions and expectations that have greatly influenced the results of this research. At the end of this chapter, I believe it would be interesting to present the reader with some of the opinions of the netlabels who supported this research.

Output

In principle the output of netlabels seems obvious. Digital music files, freely downloadable for music fans. However, they are not all producing the same kind of files. As we have seen, mp3's have propelled the demo scene into a netlabel scene. Most netlabels nowadays offer their content in mp3 format. However, mp3 is not developed as an open source compression technology. That's why a small but growing number of netlabels is starting to offer their music

¹² Reinwarth, M., 2004

¹³ Snyder, J., 2003. This article was written as a reaction to the discussion by the governors of the New York chapter of NARAS regarding the position they should take with respect to a new PR campaign proposed by the RIAA (Recording Industry Association of America) condemning those who download music from the Internet.

¹⁴ Websites can be found at <http://www.scene.org>, and <http://www.archive.org>.

in Ogg Vorbis files (.ogg). These files offer a similar quality of compression, but are licence-free. One of these netlabels is Hippocamp, who have switched to Ogg files completely.

The amount of downloaded music from netlabels varies from one netlabel to another. It is a fact that some labels are better known (name awareness) or have a better reputation than others. Some of the larger netlabels, such as Thinner/Autoplate, Tokyo Dawn or Kahvi Collective, together offer about 15 Gigabytes of music content online. Most of their archives are hosted by Scene.org and the Internet Archive, as the sheer size of it would undoubtedly make their server costs astronomically. Especially when you consider that on a monthly basis, visitors download a staggering 10 Terabytes of music from their archives.

Structure

Most netlabels are small enterprises, usually consisting of two to five people. As they are not founded as commercial businesses, most lack a strict hierarchy, although some do divide tasks among different people (music selection, webmaster, graphic designer). I can divide netlabels into two categories, nationally and internationally oriented. As many netlabels have been started to publish the music of friends or co-artists, some netlabels have stayed true to their territory and choose to publish artists from their country. A good example is Alpinechic from Switzerland, which is only selecting national acts, and provides a presentation platform for underground Swiss artists. Some netlabels make the switch from national to international, because they want to broaden their horizon. A good example of such a label is Ogredung, the first Italian netlabel. They started releasing international music acts as well. Most netlabels are internationally oriented and disregard national borders, completely in line with the Internet's notion of a global village.

Another divide is that between netlabels who solely publish free digital music online, and netlabels who also publish tangible music products occasionally. Usually smaller labels start by publishing free music, but when a label matures and attracts more musicians, sometimes they decide to release a vinyl album or a CD alongside their free online activities. These hybrid labels are well-represented (Kitty-Yo, Thinner/Autoplate, -N), and use these revenues for necessary hardware or technological improvements.

The number of artists seems to fluctuate strongly, as most netlabels do not require strict loyalty from their artists (in other words, artists are often free to publish everywhere they want). The main thing that connects an artist to a certain netlabel is friendship, loyalty and experience. I have found that some netlabels have five to ten releasing artists (2063 Music, Xiphoid Process) and other netlabels have already published music from more than fifty different artists (Nexsound, Tokyo Dawn Records, Thinner/Autoplate). And because of the low-pressure contracts (many netlabels do not use contracts at all: Pilot.fm, for instance), this number keeps shifting every month.

Motivations and Expectations

According to my findings, not many netlabels are experiencing trouble from government or the traditional music industry. Most of the netlabels I have communicated with started the netlabel to make a way to publish high quality music that otherwise had no chance to be published at all. Many founders started it to finally be able to release their own music to people around the world, or to help friends to reach that goal too. Many believe that the music industry is corrupt and over-commercialized. Instead of trying to over-throw the existing music industry, they decided to set up their own *bazaar*-like music industry of netlabels.

Netlabels owners, opposite to what one might come to expect, generally do not think that music should be free. Quality music has been made through an investment of time, money

and effort from the artists, who should be rightfully rewarded for that. However, they do not agree with the fact that traditional music labels take the largest amount of the revenue for themselves. They believe strongly that artists should be in control of their own products. They represent artists who wish to be freely distributed and heard by many.

When I asked them about their expectations regarding copyright in the future, the answers divided the group right down the middle, varying from pessimistic to highly optimistic. Some netlabel owners expected that copyright would be extended even further and that Digital Rights Management would destroy the whole music market. Other netlabels were very excited about the rise of the Creative Commons licence, and advocated the artist's right to decide over his/her own work.

Co-operation

Different netlabels often focus on different music styles and tastes, and sometimes even exclusively aim at publishing national artists online. In a whole, they are rather colleagues than competitors amongst each other. Labels even refer to others when they have noticeable releases or other newsworthy facts. It is also not uncommon for netlabels to co-operate in, for example, organizing a common event. There are people, such as Sebastian Redenz (Thinner/Autoplate), who would like more public awareness for netlabels.¹⁵ Until now this is not the case, since journalists are reluctant to write about the subject and the music listening crowd mainly picks up music developments when they notice them on the radio, on TV or in magazines. Matthias Reinwarth agrees with this in his article¹⁶. He writes that it is sad that because of a sensation-minded press, when hearing "netaudio", people immediately (and only) think about illegal audio files. More awareness for netlabels would benefit the growth and innovation in this part of the music sector. More co-operations between netlabels in organizing music events would be of great importance, and a clear netlabel portal with good descriptions would introduce the new listeners to netlabels without negative surprises, which would otherwise easily 'taint' the image of all netlabels as such. Redenz argues that netlabels should use tags consistently to clarify the genre of music, and that they should refrain from publishing music with a questionable production quality. I believe that these points would indeed improve the accessibility of netlabels for a larger audience, which would have a positive effect on the existence and development of (rights-free) netaudio and netlabels.

1.5 Chapter summary

In this chapter I have given a clearer picture of netlabels and their part in the cultural production setup. Netlabels may be represented in the underground music scene, but their motivations, structures and ideas are certainly worth further attention. I see netlabels as an interesting way of opening up the traditional music market, by broadening the musical variety and changing our society's idea of music as a fixed cultural product. It seems that the music industry should start to face a thorough change, one of which netlabels are perhaps one of the early adapters. In the next chapter we will take a look what kind of change this might be.

¹⁵ Redenz, S., p. 391, 2005

¹⁶ Reinwarth, M., p. 1, 2004; In his article, Reinwarth explains the true nature of netaudio, being a creative and legal musical resource that distinguishes itself from ordinary audio files by the fact that it is distributed digitally over the Internet for free with consent from the artist.

Chapter 2: Causes and Significations of a Shifting Environment

“Musicians who release on netlabels are mostly aware that they usually need to sell their artistic integrity and work overtime to succeed in the music industry. Some are resigned that they’ll never make it to super stardom and just keep doing their bedroom studio hobby. There are a few others that do decide to take the step once the opportunity arises; they usually occasionally keep releasing on the netlabel scene because it’s their roots, their family.; they feel the need to give love back to where they got the love from; Maybe inspire other people like they themselves once were.”

Philipe Cruz; EnoughRecords Netlabel, Portugal

2.1 Transforming Consumers into Users

When the internet gained popularity around the world, many scientists and media critics forecasted a utopian situation. People would be free, anywhere and anytime, to gain access to information and to contact others on the other side of the world. The existing market power structure, politically and economically, would soon crumble under the democratizing effect of the Internet. Now, more than a decade later, people are starting to see what the real effect of the Internet might be, and that it might not be such an unlimited field of possibilities. The medium empowers the users, for sure, but we are hearing more nuanced and critical views on its development in society.

But let’s start, again, at the beginning. What made the utopians believe that the Internet would be such a boost to creative capital and interpersonal relations? Which developments truly gave computer users the possibility to profit from unlimited creative possibilities, to shed the cloak of consumerism and become independent producers? In short: what blurred the distinction between consumer and producer?

David Beer writes, in reaction to Martin Kretschmer, that the “blurring between composer, performer, and producer occurred the moment that the performer started to compose and produce his own recordings¹⁷. This is quite a fresh viewpoint, and it definitely deserves credit by analysing this change on another level. In my opinion, this shift didn’t really take hold until the wide spread of personal computers and the arrival of affordable creative software with user-friendly interfaces. From that moment, people were enabled get acquainted to creative software enough to produce creative products by themselves. Image manipulation programs preceded audio production software (such as Audiotools, PureData, Absynth, and Cakewalk Homestudio). For the first time in history, the masses were able to produce music, art and visuals digitally. However, being a producer, one also soon develops the need for sharing, distribution and feedback. This is where the Internet comes in. With the help of the internet, all these things are possible, at least to a certain extent. And at this point we should bring in the utopians. Their expectation that creative capital, worldwide sharing of content, unlimited feedback and cultural platforms would change society as we know it might be a fine forecast, but it does not take the government’s and traditional industry’s reaction to such a rapid paradigm shift in consideration. The utopians could not imagine that anyone would want to hold this development back.

Not only the distinction between producer and listener has faded, but also the way how we look at music by itself. It is no longer a product that one buys in a tangible shape with a design cover. Sara Engelen puts it in a fine way, when she writes:

¹⁷ Beer, D. p. 6, 2005

“Music has become a digital fluid, an instrument of cross-fertilization between media, genres, cultures, arts and sounds, supporting the intrinsic idea that the free flow of information results in better products.”¹⁸

In her article she exactly captures the essence of the change which is taking place in the music industry. But while she acknowledges the high potentials of such a free marketplace in which ideas and artistic content is free to alter and copy, she also sees the reaction of the traditional market which shows strong resistance.

2.2 Intrinsic Motivations

Networked society has brought a significant change in the way we interact with information: we have become a sharing culture. This does not mean that producers are suddenly inclined to simply share their products en masse for low fees. Indeed, the amount of musicians or authors who choose to share their works directly with their audience is still quite small¹⁹. Many established artists fear for their livelihood when they start to ‘give away things for free’, and are not too sure their products would be sold so many times when it is not marketed by larger publishing companies. In short, the benefits are not clear to them, so they refrain from it. Record labels often see the internet network as a large threat to their record sales. They tend to see the situation in black and white: network sharing and copying endangers the artists’ rights to their copyright-related income. But perhaps we should see the ways how artists benefit from their music in a different perspective.

Artists create works that express their feelings, their views. To have those views published and appreciated by a large audience is the ultimate compliment an artist could wish to receive. I agree that illegal copying for commercial reasons, piracy, is a bad thing. Copyright, in its essence, serves a very useful purpose. But there are more rewards that an artist can get, besides his monthly pay check from royalties. We should keep in mind that only a small percentage of all music artists worldwide can live from his music. Others struggle to become part of that small group, or simply try to reach their fifteen minutes of fame. For some that is enough, but for many it is not. For an artist to become well-known, for his songs to be played often and circulating in the right target groups, is worth a lot indeed. It could very well lead to an increase in record sales, live performances and other awareness.

Richard Stallman, for instance believes that peer-to-peer sharing, is a good idea, because they make more people interested to visit concerts. Because, he says, artists make their real money from live shows, because record sales profit mostly goes to the music label²⁰. Although Stallman does not present this statement with any hard facts, he indeed seems to have a point with this. If it is true, then open content, or alternatives to copyright, could in fact still provide artists with a good income.

Tim O’Reilly even goes as far as saying that piracy isn’t a big threat at all²¹. In his opinion, it keeps authors out of obscurity: their works keep circulating, keeping their name alive. O’Reilly states that piracy doesn’t threaten authors or the art scene, they threaten the existing publishers. He certainly has a point when he says that obscurity is one of the worst

¹⁸ Engelen, S., p.1, 2005

¹⁹ Stephen King decided to publish his work-in-progress book “The Plant” online, charging readers a dollar for every downloaded chapter. He promised to keep writing, as long as three quarters of the people who downloaded it actually paid. Initially, more than three quarters paid, but when this percentage dropped after some months, King decided to stop the project.

²⁰ Engelen, S., 2005

²¹ O’Reilly, T., *Are We Promoting Piracy*, (<http://www.openp2p.com/pub/a/p2p/2001/05/15/radio.html>), 2001

things that can happen to artists, but I do believe that he oversimplifies illegal downloaders. As Lawrence Lessig writes in his book "Open Culture", we should make a difference among people who download copyrighted music²². There is, Lessig argues, a category of people who download music instead of buying the album. This group of people perhaps would not have bought the album anyway, but at least O'Reilly's point holds in this case. But there is another category, according to Lessig, that downloads protected material to burn and subsequently sell it. This kind of piracy, no matter how you look at it, should be condemned, because people are getting rich by selling other's property.

Redenz lists as alternative kinds of rebuttal: micro payment, merchandise and live concerts²³. When artists are being published on tangible media (vinyl for instance), the profit for the artist is still quite low, because the records are printed in a small volume. Covering the costs usually doesn't leave much room for large profits. According to Redenz, at a distribution of a thousand records, artists' revenues usually don't surpass five hundred Euros. However, he points to the business opportunities of merchandising (selling T-shirts, or compilation records). And even though many netlabels don't (yet) offer their artists management for live performances, this could definitely be a considerable income for the artist too.

2.3 Changes in Culture Production and Consumption

Let's take a step back again from distribution and analyse the ways of production. In his influential article, Eric S. Raymond compared the process of cultural production to a *Cathedral* and a *Bazaar*²⁴. The traditional ways of production happens in what Raymond metaphorically calls the 'Cathedral', in which one focuses on the end product, not the process. The cultural production happens in seclusion and secrecy, until the finished product is launched into society. This view is highly contested by methods used by, for example, Linus Torvalds. He was the first who introduced a more process-oriented way of cultural production. Decentralised peer-production, which Raymond fittingly calls the 'Bazaar' focuses more on the process.

The fact that cultural products are rather tentative, remaining unfinished and open to changes and outside influences, is reinforced by the article by Bernhard Rieder and Mirko Tobias Schäfer²⁵. They state that the whole cultural production is undergoing a major shift. The Internet plays a role as the medium and the "memory for creating exercising, and representing their collective intelligence". The point in which they disagree with Raymond is that the Bazaar is not replacing the Cathedral, as the new would change the new, but that it is flourishing next to it. They call this the *extended cultural industry*, which basically means that decentralised user groups are changing the fundamentals of the given cultural product after the producer releases it. I strongly support this notion, because I acknowledge the enormous impact such a paradigm shift would make on our understanding of cultural production, and indirectly the whole production chain.

In his article, Yochai Benkler also describes the shift from the *industrial* information economy to the *networked* information economy, and the benefits of decentralised peer-production²⁶. His definition of the *industrial* information economy can be compared with what Raymond calls the *cathedral*: the focus lying on the centralized production of an end product. Benkler,

²² Lessig, L., p. 62-79, 2004

²³ Redenz, S., p. 388, 2005

²⁴ Raymond, E.S., 1998

²⁵ Rieder, B. and Schäfer, M.T., *Beyond Engineering: Software Design as a Bridge Over the Culture/Technology Dichotomy*, unpublished paper, presented at 2005 SPT Conference, Society for Philosophy and Technology, Delft, July 2005, p. 5-7, 2005

²⁶ Benkler, Y., p.2, 2003

too, is convinced that the *networked* information economy (compare this to Raymond's Bazaar style market place) makes it possible for non-market and decentralized models of production to increase their presence *alongside* the more traditional models. So Benkler's opinion shows similarities to that of Schäfer and Rieder, in saying that decentralised production of creative capital doesn't really replace centralised production, but rather grows next to it.

When we read Kluitenberg's article, he distinguishes a shift towards a different kind of democracy²⁷. In this shift, he states, that from a situation where people are represented democratically by others, we are moving towards a situation in which people actually are involved directly instead of indirectly. The state in such a case would merely provide the circumstances for people to freely interact and to define their democratic powers. He calls the latter a *participatory democracy* (opposite to a representational democracy). He acknowledges the importance of common (or free) culture for society. However, he adds, commons need to be taken care of otherwise they will get proprietary without notice²⁸. This statement, in my opinion also counts for the netlabel situation. Their intentions are aimed towards using the commons, thereby safeguarding them against commercial proprietarization. For the long-term benefit of this movement, netlabels should gather awareness and appreciation among a larger population, thereby really making the political argument for liberated creative production stronger.

Jon Ippolito even claims that our society does not need more information or imagery, as we have enough of that already²⁹. He writes that society needs them to recombine and envision the culture we already have. He declares that *property (intellectual or personal) is the enemy of art*. In a way, I agree with his point that cultural production strongly depends on availability of inspirational resources. Everything is based on (consciously or not), inspired by, or as a reaction to something else. When governments and lobby groups take away this resource, the common sphere, cultural production has little left start with, and slows down.

The shift towards an extended cultural industry not only seems to be happening in the netlabel scene or in music contexts, but also in other genres of culture production. When we take a look at computer games for instance, there are numerous examples to be found where producers challenge active users to co-develop their version of the game. Enter the Matrix for example, features a *hacking system*, which allows users to discover and change different parts of the game. In his article, Raessens describes this phenomenon as *participatory media culture*³⁰. This way of dealing with digital content includes negotiated, oppositional and deconstructive readings, configuration and selection, and construction. The transition from deconstruction, through reconfiguration and finally construction seems to be generally applicable to the music genre as well. It is exactly what the netlabels are trying to do with their output: to give content to the public sphere, for others to interpret, deconstruct, reconfigure and finally construct something new from. What in computer game lingo is called a 'patch' (ranging from being a simple repair of an error, to a complete game manipulation) could also be called a 'derivative work' or a work inspired by another. Users and producers acknowledge the faded boundaries between them and try to collaborate in producing cultural content.

Raessens' opinions are quite well in line with the views of Henry Jenkins, when the latter writes that the participatory culture is taking shape at the intersection between three trends:

²⁷ Kluitenberg, E., 2003

²⁸ In his article he refers to the story of the first "common land", which was set up by the government, to stop walking paths being taken over by farmers when they were not used anymore. For commons to stay free they have to be used and not taken for granted.

²⁹ Ippolito, J., 2002

³⁰ Raessens, J., 2005

new tools and technologies (enabling consumers to archive, annotate, appropriate and recirculate media content), DIY media production (Do It Yourself: bottom-up grassroots production), and economic trends favouring the horizontally integrated media conglomerates allowing images and ideas to flow across multiple media channels³¹. Jenkins also states that 'The distinctions between authors and readers, producers and spectators, creators and interpretations will blend to form a reading-writing continuum, which will extend from the machine and network designers to the ultimate recipient, each helping to sustain the activities of the others'. He explicitly refers a situation similar to the *extended cultural production*, in which all users of cultural content are also the manipulators and creators. The production process is never-ending (Jenkins refers to a 'continuum'), and the product is tentative, open for eternal re-interpretation.

2.4 Chapter Summary

In this chapter I have described the essence of the change. I personally believe such a change is quite a paradigm shift, radically changing our understanding of culture and cultural production. Musical products will be tentative rather than finished and protected. In the next chapter I will discuss the consequences this change would have for our society and culture, for the traditional music industry and for artists.

³¹ Jenkins, H., 2002

Chapter 3: Consequences of the Change

[When asked about the possible future of copyright:] *"I expect that's up to politicians and major record companies. They'll probably come up with new technologies to survive in the internet age. That is for commercial music. In underground music, more artists will give up on their rights to share their music and sources to collaborate with other people on the net."*

Kengo Miyazaki, -N Netlabel, Tokyo

3.1 Social Consequences

The change in our view of culture would affect the whole society as we know it. It is a profound change, which would take time to settle in people's minds. I do believe that such a change is necessary to keep track with the rapid technological possibilities and the changing market for cultural production.

Netlabels offer our society a new way to find and use musical content. Not only do they offer the chance for many people to be published and heard everywhere around the world, but they also strongly support the possibility to remix our common culture. For years our society has been used to the idea that cultural production is something that takes place behind closed doors: in software production facilities, in professional music studios, in museums, et cetera. Now that our potential ability to co-produce content is greatly enhanced, there are ways to distribute and share our content, and to find collaborations and feedback in online communities.

I believe our society should regard netlabels as yet another way to open up our cultural production, and to open the doors of the Cathedral-like production. Collaboration and resources for inspiration are important factors for our common cultural innovations, and netlabels are a way to provide such inspiration for free. They are food for the common sphere, an inspirational free resource from which our society can greatly benefit.

Henry Jenkins puts it well, when he writes that: "Culture jammers want to 'jam' the dominant media, while poachers want to appropriate their content, imagining a more democratic, responsive, and diverse style of popular culture. Jammers want to destroy media power, while poachers want a share of it."³² This is a good verbalization of the social effect that netlabels want to have: to use existing networks (the Internet and digital technologies) and to re-configure them in order to democratize and verify the cultural production.

Open source culture, a culture where anybody can change and add to the original content, is the main ideology from which open content and netlabels originate. They ensure a democratic way of cultural production, and perhaps even more important: it facilitates a decentralized and highly qualitative way of producing content and keeping innovation strong. Our society greatly benefits from this.

3.2 Consequences for the Traditional Music Industry

The movement of netlabels is one of the many signs that the music market is on the verge of an enormous change. The existence of CC-licensed netaudio, the alternatives for Copyright, the hopeless struggle the traditional music industry has itself entangled in, the popularity of peer-to-peer networks, and the dropping CD sales.

³² Jenkins, H., 2002

“If consumer-to-consumer dissemination can create a superior information marketplace, shouldn’t we give serious consideration to the idea that it would create a superior music marketplace?”³³

Jessica Litman is not suggesting we treat music the same way as facts (free of any kind of intellectual property rights, and releasing everything into the public domain), but she does acknowledge that they might contribute to the evolution of the music market in general. She strongly opposes “hoarding” music files, simply for financial reasons or ungrounded fears.

These changes should be well interpreted by the music industry, instead of blindly attacking every symptom that is contrary to their traditions which date back to the first commercial recording in the nineteenth century³⁴. By focusing on legal actions, which are purely aimed to frighten and prevent any increase piracy and sharing, the industry is losing precious time. It contents itself with the thought that the future will bring them a somewhat similar market control in the shape of pay-per-download programs, such as iTunes or MSN Music. Perhaps this expectation isn’t all unrealistic, but I highly doubt that such a situation would improve matters much. If the current power structures remain unchallenged, but simply transferred to a hybrid market (publishing both tangible as digital media), it would have no necessary influence on their strategy. Prices could still be kept high to ensure income of many label managers and marketing campaigns. Artists would not, in fact, benefit much from such a situation. And as history has proven time after time, people will always find a way around the traditional labels to get what they want, either legally or illegally.

So I suggest it would be wise for the traditional labels to invest in research that would challenge the way the music market is structured. Perhaps, they should see that the world is not exactly the same as it was twenty years ago and simply changing the information carrier from CD to mp3 would not do the trick to win back the trust and respect of the music buyers. Music, as many kinds of cultural content are undergoing a state of convergence³⁵. Boundaries between music carriers and devices, national borders, within groups of people or businesses are fading. However, we see the music industry clinging to their former way of doing business. Right now, according to Peter Hanappe³⁶, when a CD is sold for \$14.98, an artist may expect a royalty of \$0.447. Only very few artists can live from the sales of their albums alone. This system has many problems, such as large overhead costs which leave very little to the actual performer of the song, no chance for feedback between artist and the listeners, the impossibility to (re-)use the recording for personal reasons, and the virtual disappearance of ‘fair use’, because cases are often brought to the court³⁷.

So how should the music industry re-organize itself? Again, there are different views on this matter. There are alternatives, such as John Snyder’s, which itself is not unlike the pay-per-download system³⁸. He argues for “music packages”, paid monthly next to the internet subscription, after which one can download from databases as much as one likes. However feasible it seems, such an idea doesn’t account for the selection and size of the databases, which might be equally limited by their commercial owners (the one with the most hits in its

³³ Litman, J., p. 25, 2004

³⁴ Both the Edison Company and the Columbia Phonograph started selling musical recordings on wax cylinders in 1889. (Litman, p. 25, 2004)

³⁵ Jenkins, H., 2005

³⁶ Hanappe, P., 2005

³⁷ In the article *Grey Tuesday, Online Cultural Activism and the Mash-up of Music and Politics* (2004), Sam Howard-Spink writes about DJ Dangermouse who created a ‘mash-up’ album remixing the Beatles (*The White Album*) and Jay-Z (*Black Album*) into a new record, calling it the *Grey Album*. This led to an enormous legal battle led by the traditional music industry which had two effects: DJ Dangermouse’s songs were suddenly downloaded thousands of times and music activism (*Grey Tuesday*) grew even stronger.

³⁸ Snyder, J., 2003

database would get the most customers, and would have to charge the least). The Economist featured an interesting article about the music industry's "bright future", actually urging the industry moguls to finally accept other kinds of entertainment competition and address the issue at hand³⁹. The writer advises the industry to continue pay-per-download programs, combined with Amazon's patented recommendation features. Next to that, he argues that p2p networks should be endorsed and observed for they show trends and potential niches for the industry.

It is my opinion that the music industry should approach their product, music, in a completely different way. I believe that music, instead of a finished end product being launched into the commercial market, should be viewed as a polished music material, an professional suggestion, offered to be further developed by the users. This does not mean that the musical product should be estimated lower as if it is mere 'raw material'. Music represents the mind and talent of a musician, and could (or should) be appreciated as such. Mirko Tobias Schäfer suggests such an *extended culture industry*, in which the music product is never finished, but can nevertheless be sold under limited protection which is decided by the artist⁴⁰. This change would not only affect the alteration of existing products, but also the ways of production and distribution. Such a concept put process before product, something which would dramatically change the music industry structure. For such a radical change, the traditional music industry would have a much smaller role as before. Instead of fighting to retain its former, seemingly outdated, power structure, it should find an added value in this new shorter supply chain. To reach a good market analysis for this purpose, Nancy Bogucki Duncan and Mark Fox propose that we should ask ourselves two questions: (1) what characterizes music as a product, and what are people prepared to pay for it, and (2) why do people choose to listen to music in different ways (live performances, pre-recorded music, radio, et cetera)⁴¹. Answers to these questions could bring the situation down to its core essence, and perhaps show the traditional music industry the right way to cope in a changed environment.

This point of view is confirmed by Manuel Castells when he writes that "*Within networked labour, it is the capacity to contribute to the value-producing chain that determines the individual bargaining position*"⁴². As the new music market has network written all over it, this counts strongly for the traditional record labels. Castells continues: "*For generic labour, its strategy is survival: the key issue becomes not be degraded to the realm of discarded or devalued labour, either by automation or globalization, or both. [...] Production-based, social classes, as constituted, and enacted in the Industrial Age, cease to exist in the network society.*"

3.3 Consequences for Artists

When we consider what musicians can expect from such a change, there are many effects to be considered. Netaudio, seen as tentative music content, offers a direct way to interact with the listeners directly, a way to spread name-awareness, and to enter into the field of collaboration and cross-genre mash-ups. Some great examples of this mash-up genre, which is also referred to as 'Bastard Pop' or 'Mixed Business', are mentioned in the article by Peter Mühlbauer⁴³. He also mentions that there are online platforms for these artists to meet, such as Boom Selection⁴⁴. Some years earlier, we have already witnessed the success of the '2

³⁹ The Economist, 2004 (http://www.economist.com/business/displayStory.cfm?story_id=3329169)

⁴⁰ Schäfer, 2004

⁴¹ Duncan, N.B. and Fox, M.A., 2005

⁴² Castells, M., p. 18-19, 1999

⁴³ Mühlbauer, P., 2002

⁴⁴ <http://www.boomselection.net>

Many Deejays' project; a side-project of the members of the popular group Soulwax. Their album also reached much attention, and some singles were taken up in the pop charts. In the weeks after the release of that album, some Dutch radio channels started a competition where people could enter with their own mash-up of different records. This might be a challenge to most established artists, for they might not have much to gain (at least in their opinion) from clearing some rights to their works. However, as the vast majority of music producing people worldwide aim to get noticed and listened to by an active audience, it seems to be quite an exciting new view. Sharing music through a network should not mean "giving up a dream", but rather to "enter into a challenging new environment with many possibilities". In this context Castells writes that "*the fragmentation of culture, and the individualization of positions in relationships of production, lead jointly to a growing diversification of consumption patterns*".

In chapter two I have already discussed intrinsic motivations for artists to create cultural products, so I will not go into that again. However, I would like to add, that by using creative licences, artists are demanding back more power over their (musical) products than before. With for example a Creative Commons licence, the artists can exactly determine the degree of protection their product should get. The myth that creative licences would prevent any financial income is what it is; a myth. Such a licence keeps the level of protection to a reasonable degree while bringing back the balance between protected and free material. A Creative Commons licence is non-restrictive: it protects intellectual property, while safeguarding cultural resources. This aim is further supported by netlabels.

3.4 Cultural Consequences

As I have illustrated in chapter 2 (par. 3), keeping the common sphere intact is of vital importance for the (extended) cultural industry. While the current music industry can, with some reservations, still be compared to the situation sketched by Theodor Adorno's "Culture Industry", we should strive for a more diverse and democratically defined music market⁴⁵. This would benefit both customers (because the choice would increase) and the musicians (for more artists would be given a chance to be published and reach a wide audience).

Another implication this shift would have for the 'Culture Industry' of Adorno, is that music would not simply be produced according to prefabricated patterns, or so-called 'hit-formulas'. As music would be more tentative, it would be picked up by others and changed into a more diverse spectrum of music styles. In one of his older essays, Adorno makes a difference between popular music (*Swing*) and serious music (*classical music*), in which the first is clearly standardized and specifically aimed to arouse a pre-programmed reaction with its audience⁴⁶. Although some of Adorno's principles are today seemingly outdated (for instance the small amount of genres he acknowledges: classic and swing), we can definitely see indications of similarities with the traditional record labels today. They too seem to focus on mainstream fast-scoring miracles, deciding to stay with the acts that will ensure large record sales.

In short, the potential that the internet and software have given us, which William Butler o'Connor fittingly calls the "Cultural Renaissance", could only flourish with a healthy and constant common sphere to gain inspiration and resources from⁴⁷. Culture is something that is always in reaction to what happened before; it is an expression of experience and emotion. A change as which I have described in the previous chapter, fundamentally changing our

⁴⁵ Adorno, T.W., 1972

⁴⁶ Adorno, T.W., Part I: The Music Material, 1941

⁴⁷ O'Connor, W.B., 1997

view on the production and consumption of music files, could have a positive effect on this vitally important resource.

Through virtual platforms and mailing lists people with shared interests (netaudio for instance) can discuss and solve important topics. A good example is what happened on the mailing list of De-Bug⁴⁸. After a discussion about adding metatags to mp3-files (to give a better idea to users and websites what kind of music it is), Phlow.net developed a guide for adding metatags to mp3's⁴⁹. This way of networked communication with the aim of supporting each other's work development can in my opinion only be praised. In a way, this is how mankind has always succeeded in making culture. Another interesting example is how the new iPod mp3 players are already available with Linux software, which according to objective tests resulted in interesting technical improvements⁵⁰. Culture, as Rüdiger Wischenbart puts it, is subject to regulations beyond economics⁵¹. However, with lobby groups that difference is not clear. Lobby groups aim to change the law in the (commercial) interests of certain groups.

Another cultural signification of the different relationships between record labels, culture and the way we should handle creative content, is the discarded need for Digital Rights Management. This technological way of protecting (music) software strongly decreases the collaborative possibilities of shaping content. Olli Pitkänen writes that DRM is not a new concept at all⁵². The research into electronic copyright protection already started in the early 1980's in several government-funded projects, although it did not lead to direct market applications. Although he includes many points of criticism of the current DRM systems, he still sees potential in a –somewhat changed- version of DRM. Mairéad Martin writes that DRM represents a “fundamental agreement between the content creator and the content user”, but I have difficulties with this statement because I don't see where the users or most of the actual content creators (the musicians) benefit from it nearly as much as the commercial institution (the record label)⁵³. Personally, I understand the wish of companies to protect their content, but I do not believe that Digital Rights Management (also called Digital Restrictions Management) truly adds much to the preservation of our culture. In fact, I believe that in many cases (due to incompatibility, obligated use of certain types of proprietary software, and the stimulation of patents) it actually has the reverse effect. Putting the creator in charge of the amount of protection over his own work, instead of the record label, would perhaps give the power back into the right hands. If the artist then decides to go just as far, then we should respect that decision. However, the power distribution would be shifted severely. This can be illustrated well with a quote from Hans Magnus Enzensberger, when he writes:

*“The question is not whether the media are manipulated, but who manipulates them. A revolutionary plan should not require the manipulators to disappear; on the contrary, it must make everyone a manipulator.”*⁵⁴

⁴⁸ <http://www.de-bug.de>; De-Bug is a well-known German platform for people who are either active or interested in netaudio and digital culture. Originally it started as a printed magazine, which is still quite popular next to the website. It serves an important purpose being one of the touch stones of netaudio related issues, and its forum and mailing lists are enormously popular.

⁴⁹ http://phlow.net/kolumne/mp3tag_tag_your_mp3_id_correctly.php;

⁵⁰ iPod with Linux: <http://www.ipodlinux.org>

⁵¹ Wischenbart, R., 2002

⁵² Pitkänen, O., 2000

⁵³ Martin, M., p. 8, 2002

⁵⁴ Enzensberger, H.M., 1970

Conclusions, Expectations and Recommendations

The main conclusions that follow from this research project can be summarized into two points:

1. The netlabel scene is one that clearly deserves more attention on two levels. First, it would be good if media generate more attention about this alternative method of music production and distribution. I do not mean to say that they should be embraced by the masses and transformed into more mainstream music labels, but if people would be aware of the high quality of their music, the great experiments with digital music, it would further help them to develop an even larger variety of cultural capital. Currently many netlabels are not in the game for the money, and most struggle to organize their work next to their day jobs. If, however, a netlabel could generate more attention, it could lead to new ways of funding which could enhance their scope and future expectations greatly. The other kind of attention that netlabels deserve, in my opinion, is a more academical kind of attention. As we see a growing academic interest in things like open content, sharing culture, and digital music, academics could acknowledge the netlabel scene as an interesting case example of such movements. They represent a counter-voice to the (1) growth of proprietary sphere and (2) the increasingly narrow-minded and short-visioned traditional music industry. Netlabels are a good representation of what was called the *Bazaar*, as mentioned earlier. They therefore do not completely replace the *Cathedral* style of music industry, but they do prosper (especially if given the proper attention) next to it. Netlabels give the chance to an extended cultural production, and therefore are one of the first *intentional* movements to significantly and legally change the music industry.
2. (music industry)As many have come to realise in the past decade, the music industry is on the verge of one of the biggest changes it has ever faced. But in reality, traditional music labels are already in the middle of this shift. From their perspective this change can, and should still be postponed (or rather avoided altogether). Their attitude is, from one viewpoint, understandable. It would involve a massive decrease of its size, likely destroy their market shares, and (probably most importantly) severely change their revenue system. But, progress should not be stalled to satisfy the situation for market controllers. There are more actors in the music business than the labels themselves. Government should use its regulating part carefully and realistically, to ensure a healthy innovation and growth in the music market. Music consumers and artists also have a voice, when they join forces. Netlabels are just one example of such joined forces of protest.

As I have argued in this paper, the music market should change its setup towards an extended cultural production market, where the music product is tentative, never finished, and released under reasonable amount of protection which grants freedom for others to produce derivative works while paying the proper credit to the original authors. This shift would not only bring back a wealth of cultural content to the common sphere, it would also severely shorten the line between producers and users.

Conducting research in the scene of netaudio and netlabels has been very interesting. There is much that I wished to have included in a more detailed way, but that would extend the scope of this research. Suffice to say, there is much room for further research in this area. By writing this essay, I hope to have established some minor kind of academical attention for the case of copyleft and different views on cultural production. Perhaps by focusing on netlabels, I have contributed in a way to giving them the attention they overtly deserve.

Glossary

Part I Case Studies

In my research I have not attempted to reach every netlabel in the scene. Such an attempt, if successful, would have demanded too much time without enough added value. I have, however, contacted enough netlabels directly to form a good idea of their motives and intentions. To give the reader a more detailed impression of some of these netlabels, I present short case studies of three of them: Thinner/Autoplate, Kahvi Collective and Tokyo Dawn Records. They are just three of the thirty-three netlabels that supported this research with information.

Thinner/Autoplate⁵⁵:



This is one of the oldest netlabels around (started in 1998 by Thomas Jaldemark and Sebastian Redenz; rebooted in 2000 by the latter), which could definitely be defined as one of the hubs in the netlabel network. They made notice of their start-up on demo scene message boards, to gain name awareness. Their office is now based in Mannheim, Germany, and it aims to distribute quality electronic music for free all over the world. Its vast archive of digital music files is hosted by both Scene.org and the Internet Archive (www.archive.org), from which people download around 5 Terabytes every month. Thinner/Autoplate has about 7,5 GB of free music online, and mainly it's their audio files that are leading the MP3 download charts at Scene.org. Although they mainly publish electronic music (minimal dub techno, urban electronica), they are also offering a slowly growing amount of acoustic music. As production methods for digitized acoustic music are still quite high, acoustic music tends to be underrepresented on netlabels. Acoustic musicians might have different incentives when making music: attaining a traditional record deal is still a high favourite, opposite to electronic musicians whose "niche" music style has a much smaller chance of being picked up by traditional labels. Thinner/Autoplate also releases occasional vinyl records or compilations, for which they charge a nominal fee and sending costs. All files, whether free or paid, are released under a Creative Commons licence.

Kahvi Collective⁵⁶:



The Kahvi Collective offers a platform for musical and visual artists to publish their works online. The combination of releasing both visual works and music files, reminds us of the demo and tracker scene (see earlier this chapter), where pixel artists made visual files accompanied by open content music compositions. The Kahvi Collective is based in Portsmouth, Hampshire, UK. Their archives are hosted by Scene.org (powered by the Hogeschool Rotterdam, NL), and some larger releases are covered by Archive.org. On a monthly basis they release 20 Gigabytes just in digital audio files. Each release is downloaded around a thousand times from one mirror in the first few weeks from release. Both their visuals and music files are released under a Creative Commons Licence. They promote various electronic music genres. They offer 130 audio

⁵⁵ <http://www.thinnerism.com>

⁵⁶ <http://www.kahvi.org>

releases totalling more than 320 tracks, which is equal to 2.4 Gigabytes of audio. They estimate that they have (on average) 1600 minutes of audio, which would equate to 26 hours of continuous music.

Tokyo Dawn Records⁵⁷:



Another netlabel that has been around for a while is Tokyo Dawn Records (started in 1997). Besides a netlabel, they are also a artist collective and a record company, working together with a distribution partner (Their music styles are very wide and the selected artists show a great quality. Contrary to what the name might suggest, this label is based in Weimar, Germany. Their monthly download rate can probably be compared to that of Thinner/Autoplate. The netlabel focuses on deep house and disco. Tokyo Dawn Records has its roots in open source music, and is often referred to as a 'tracker label' (derived from the tracker scene). It also offers an online forum where artists can meet and discuss their music with each other. The Tokyo Dawn Records' philosophy is as follows:

"openminded/ idealistic/ friendshipbased/ independent/ global/ political/ opensource expression/ vision/ poetry/ communication/ art.binary freedom/ subversiveness/ passion. no media-hustling/ dotcom-pimping/ corporal structures/ ads/ etc, just highquality+free downloads."

Part II - GNU / GPL and creative licences

In my opinion, one of the most important events for the movement of democratic use of digital technology and free content has been the introduction of GNU. Richard Stallman, at the time a researcher for MIT Media Lab, was used to alter existing programming codes to optimize them to their full potential. In academical context it is quite normal to take another's hypothesis and give it a different view. When computer companies started protecting their software, from the moment it was possible to transfer software to other systems, Stallman found himself limited by proprietary code. In this period, during the late early 1980's, he foresaw that the freedom to change and share software would be greatly endangered by this development.

Stallman started developing a system that would ensure the continuation of free software in the future. This project was called GNU (*Gnu Not Unix*). Stallman developed a creative licence, based on copyright, to help the free software movement to survive. Simply put; when a certain piece of software was released under a GNU General Public Licence (or: GNU/GPL), that would ensure that any derivative work that was based on that program, would also have to be published under a GPL. This way, free software could not be changed and then protected through conventional copyright (which is also referred to as "hoarding"). Stallman was aiming to secure a piece of freedom which was rapidly being hoarded by large organizations.

"This would assure, Stallman believed, that an ecology of code would develop that remained free for others to build upon. His fundamental goal was freedom; innovative creative code was a by-product."⁵⁸

⁵⁷ <http://www.tokyodawnrecords.com>

⁵⁸ Lessig, L., 2004, p. 280

After Stallman's GNU project had lead the way, other projects soon followed in its footsteps. Linus Torvalds' Linux was based, for a large part, on GNU technology. From the Linux family many offspring have taken root in society today (Linux, Mozilla, Firefox, etc.), which all share one common objective: freedom for the users by securing a common sphere of peer-produced content. This is what open source is all about. Open content differs from this, because it offers the content (e.g. the music file, the electronic book, the photograph, etc.) for free, but is not so much concerned about showing the programming code behind it. A great amount of creative licences have been developed for open content data: Free Art Licence, GNU Free Documentation Licence, Common Documentation Licence, EFF Open Audio Licence and Open Music Licences, to name a few⁵⁹. has published a clear overview in his book, outlining the benefits for both artists and the creative potential derived from the common sphere. Although some of these licences are really useful for diverse kinds of creative content, one of the most promising seems to be the Creative Commons. This licence makes it crystal clear for everybody what the author wants to permit and under which conditions. It has been adopted by the vast majority of netlabels. Typical features of creative licences for free software are:

1. The freedom to use a program for any purpose;
2. The freedom to study the programming code and to adjust it for personal preferences;
3. The freedom to pass a copy to friends to help others;
4. The freedom to improve and re-publish (freely) a program to support the society⁶⁰.

Part III - Copyright

As history shows us time after time, legislation is often surpassed as soon as it is implemented. When the Statute of Queen Anne was passed in Great Britain in 1710, the government made its first step towards protecting intellectual property. For the first time in history, the writer of a work was legally protected from illegal exploitation of his work. American government adopts this British legislation until 1790, when it develops the constitution. At first, this law only includes maps and books, but later it also includes engravings (1735), music (1777), fabric designs (1787) and sculptures (1798)⁶¹.

As technology advances, copyright has to cope with a growing number of methods to produce content. Sound recording (Edison's Phonograph, 1877), Photography (Niepce, Daguerre, and Talbot, around 1817) and film (Lumière, 1895) slowly stretched the scope of copyright. Even though copyright was extended to a growing number of media formats, its protection of content still did not directly affect the public, as self-production was financially still far out of their reach. For music recordings, films or photographs (not to mention books) one had to depend on the industry's output.

⁵⁹ Liang, L., 2004, p. 62-96

⁶⁰ Damm, T. von, 2005. p. 368

⁶¹ Kretschmer, M., 2005, Artists' Earnings and Copyright: a Review of British and German Music Industry Data in the Context of Digital Technologies; Firstmonday.org

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