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Jake Fischer
Berglund Student Fellow

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The End of Sound Slavery

Jake Fischer
Berglund Student Fellow, Pacific University

The Internet has had a huge effect on music, completely changing its typical patterns and paths of circulation. It has given much more power to the artist, and taken power away from record labels. Artists speak their true voice on recordings they make themselves ("mixtapes") over which the record labels have no say, and the Internet allows them to spread these to anyone in the world who has access to a computer. Social networking websites, such as Myspace, have given artists the ability to promote themselves without having to pay for CDs and radio play. Listeners are able to download albums faster than they could have listened to them, making digital sales more and more popular. This has led to artists selling their own music online, and finding more ways to challenge major labels. In short, the integration of the Internet into the music business has taken controlling power away from record company executives, and given it to the artists who make the music.

Arguably, the most significant way record labels affect the music they put out is by legally taking “creative control”. Without creative control, artists often find themselves unable to release the music as they want it. Record labels try to ensure that the music will sell. Artists are unable to truly represent themselves, as they have to represent the label. For example, the rapper Nas wanted to release an album called "Nigger", believing it would aid in reducing the hateful meaning behind the word. Although he had been a loyal and successful artist, his record label Def Jam forced him to change the title, because they did not hold the same views. This shows just one of many instances of record labels changing artists’ messages in their music. It can vary from blocking an artist's album from release to forcing them to insert songs they normally wouldn't on a particular album.

People buy music to hear the artist, not the record label, but what they truly hear is often a watered-down version. Grandmaster Flash, one of the creators of Hip Hop, explains the process as this, "Let’s say (we) have two record companies which I'll call 'Company Left' and 'Company Right'. Let’s say Company Left has an artist with a hit record. Company Right would rather come up with a record that sounds like Company Left as opposed to allowing the creative flow of the artist to come up with something" (Davey D).

Companies make artists create songs that sound similar to previous hits. The beauty of art is found in each artist’s unique vision of his craft, and conforming them to a set of rules, turns an art into a science, which contradicts art’s creative
nature. Grandmaster Flash believes "We can talk about just about anything lyrically. We can even sing off key, but if it's produced properly it can be a hit. What has happened is that there's just too much of one particular subject matter being talked about" (Davey D). Overstressing one area wastes away the rest. Artists create music in the other subject areas, but they remained unsigned by records labels that search for clones of the last big hit. The Internet gives these artists a portal to the world, the ability to show their art to everybody, without paying radio stations to play the songs, without pretending to be somebody they aren't. They can record a song and immediately upload it to their Myspace or Soundclick page where fans can listen without having to wait for CDs to be made and sent to radio stations or stores. The Internet creates a digital copy that can be copied an infinite amount of times for free and does not need physical CDs to be heard.

Originally, if an artist wanted to release a song or an album there needed to be a hard copy. Records, cassettes, or even CDs cost money to make, and a typical artist could barely afford to make enough for their local area. No artist could gain nationwide popularity on their own, because they could not afford to make sufficient hard copies, let alone advertise.

It was here that record companies came into the picture. They take an artist they believe to be marketable, and in exchange for most of the profits and creative control, they pay for promoting the artist and pressing CDs. For all extents and purposes, the musicians are hired by the record labels, rather than helped. When artists get into arguments with a label, the label can usually do what they want with the music. Grandmaster Flash even had a song released under his name without him knowing anything about it.

"Who said that?" I ask him. He points at the radio. "New Grandmaster Flash jam." Can't be. Nobody told me. Morton Berger said they can't use my name until our case settles. I think it must be some kind of mistake. I ask the kid to show me the cassette tape. The kid ain't lying. Sugar Hill Records "White Lines" (Sylvia Robinson/Melvin Glover) Grandmaster Flash and the Furious Five (Ritz).

The labels view artists as temporary employees, only kept as long as they remain profitable. These labels give the artists money to make an album that the label must approve and have a final say on. Once the album is released, the labels take most of the profit, giving the rest to the artists to be paid right back to the labels for borrowing the original album production money, the advance. If the album does not sell, the artist falls into debt, unable to pay the labels back for the album they were told to make. Such a business structure completely ruins the art, turning it from an artist's creative vision into a product specifically designed by the label to replicate previous hits.
Without the need to press hard copies, artists can release digital copies online free of charge. Rappers often release mixtapes, collections of music similar to albums, but not endorsed by record labels or having a copyright. They were originally used as a means for new artists to promote themselves to get noticed by major labels. These were spread locally, sold to offset the production costs, but their main use was to spread the artist’s music. Once signed, artists release mixtapes to distribute songs to the fans that the label would not release.

Mixtapes have served as a counter to the major labels’ controlling nature, and the Internet has allowed them to be spread easily. This eliminates the need to go through the label and the result is unadulterated music directly from the artists. Mixtapes have many special qualities but:

First and foremost is its appeal to the freedom of speech; as the tape was used two decades ago for artistic expression, it is still used today for the same reason. As the demand of the streets and the demand of the labels differs in most cases, mixtapes are solely dropped for the streets, allowing artists to put out whatever they want to, without label’s interference (Jasarevic).

The Internet has also created new ways for the artists to get these mixtapes to a much larger group. Myspace led the way for music promotion through social networking. Artists create a page where they can upload music for Myspace users to listen to. This makes word of mouth advertising much easier, as Internet users can listen to music online without downloading or purchasing anything. "A kid in Warsaw can copy the newest tape on the day of its online release, as can a kid in Zambia or Venezuela" (Jasarevic). Before, bands had to physically tour in an order to spread their music. Scott Schoenbeck, bass player for the band, Dashboard Confessional, says artists used to gain more fans through "Touring, touring, touring... as well as networking and creating your own sense of community around music" (interview via e-mail to the author, November 25th, 2010). With the Internet, networking has become much easier, and online forums enable bands to create a community that can follow their career very easily. The difficulties of promotion and production were the main factor in the development of record labels, and without this they lose a great amount of their leverage.

Jadakiss once said in his song "Why?: "Why is the industry designed to keep the artist in debt?" (Jadakiss). His loss of faith in the industry was probably influenced greatly by the concept of advances:

The money which a label pays to an artist to sign and record an album is called an ‘advance’. However, as this article will point out, an advance is similar to a loan and thus it has to be paid back, or ‘recouped’, from the artist’s royalties. In other words, the advance has to be paid back in full before the artist sees any money (McLane).
With this loan system, labels have very little risk. If an album tanks, the artist makes no money and finds himself in debt to the label. If the album is a huge success, the label makes millions while the artist makes a small percentage, after paying back the label. "For every $1,000 in music sold, the average musician makes $23.40" (Jefferson). This assumes there are four musicians in a band, so in total $93.60 is given to the artists that the label signed. The study also shows that the label immediately pockets $0.63 of every $1 the record makes, or $630.00 per thousand.

Unless an artist sells a huge number of records, they are very unlikely to see much, if any money. According to the latest Nielsen research, “only 2.1 percent of the albums released in 2009 sold even 5,000 copies -- that’s just 2,050 records out of nearly 100,000” (Jefferson). With a system like that, there was a very poor outlook for those pursuing a career in music. Now, with the ability to sell digital music, artists can sell their work directly to the audience, without the middleman. While digital sales have not passed CD sales, by keeping a much larger percentage of the profit, artists can control their own destiny, and reap much more of the benefits of success.

As a result of the impact of the Internet, record labels began to lose profits, so they thought of a new way to control the artists, called a 360 deal. "The 360 deal is a new kind of provision in a contract that enables the record company to receive a major cut in all of the artist’s sources of income, including touring, merchandise and publishing" (Kolmel). One example given is a typical deal by the record company Atlantic. They offer $200,000 to new artists in exchange for 30% of all income, including shows and endorsements. The company then gains control of those aspects of the artist as well, choosing tour dates, destinations, and merchandising. Even worse, there are often clauses in the contracts requiring that the money be paid back to the record company if the artist does not bring in enough money. If the artist does make it big, $200,000 will be far less than 30% of his profits.

Typical artists receive around 13% of album royalties (before repaying the record labels album production costs), and although 360 deal artists receive around 30%, album sales get worse and worse every year, which negates the higher percentage. These deals put artists in a tough position. The deals take almost a third of their income if they make it big, and they lose all their money if they do not. Here, mixtapes again come into play.

Artists are much less often grabbed off of streets and made popular than was formerly the case. But they can now gain strong fan bases before being signed, resulting in more leverage in their contracts. One rapper, Papoose, had such a large fan base that he was able to negotiate 1.5 million dollars in advance money, as well as several important clauses. The most important allowed him to take his
advance money and recorded album and leave the label after they decided to put his album on hold.

When we did the deal we made sure that clause was in the contract. When it came to the point that they started...leaning more and more toward putting me on the shelf and dropping my album whenever they feel like, we contacted our attorneys to exercise that option in our contract...I got signed by the owner of Jive. The A&R's and all the other people were hating because I didn’t go through them. They only eat by bringing in talent off the street then milking the talent like a cow (Hines).

Due to his reputation, Papoose was able to deal with the owner of the record label, rather than the low ranked workers who all take their fees out of the contract. He was able to create his album on his own, and when the label decided they wanted to hold his album, he left with his money and his music.

Scott Schoenbeck believes "bands have to really work these days and get out and play live nowadays to promote themselves...which I think is good" (personal interview by e-mail, November 25th, 2010). Record labels do not want to take as many risks, due to decreased record sales, so artists have to build a reputation in order to get signed. This leads to artists having much better chances of succeeding, rather than failing to sell and falling into debt. They can also use their larger reputations to negotiate favorable contracts, as Papoose did. Artists can follow paths like these to ensure they do not become slaves to a label.

Entrepreneurism has grown among artists since the use of the Internet, especially with the “do-it-yourself attitude”, which is encouraged through self-advertising and distribution. Artists are also learning to focus more on touring and merchandising to make money. These ventures vary from shoes to clubs or even professional sports teams. Artists are beginning to use music to develop fame, and then use the fame to make more money, by putting their name on products.

Jay-Z is the epitome of artist turned entrepreneur. After he became one of rap's most famous artists, he immediately began building his resume by starting up companies with his name and selling them. From the common (record labels, clothing lines) to the uncommon (sports bars, hotels, beauty products, alcoholic beverages) he has taken part in more business ventures than most businessmen ever will, yet he still releases albums to stay relevant and popular (Curan). He has developed a path to success that will gain him more and more followers as music sales continue to decline. When it comes down to it, people buy music for the name of the artist, not the name of the label, and this has become a much greater advantage due to the Internet permitting artists to become businessmen and market themselves.
The Internet has given much greater power to artists. Now artists are relying less and less on labels as a source of income. They can develop a name for themselves through Internet promotion, and gain a solid fan base before going to the labels. This helps them become partners with the labels rather than employees. They can control their own ventures outside of album sales, and become successful on their own terms. They have also gained the ability to pass their unadulterated music to fans through online mixtapes as well. Without the Internet, they would still be under the control of record company executives, and continue to be held in place while making those companies billions. The development of the Internet has set the path for the future of music, and in the next decade we will see how far it truly goes.
References


